

# Daily Bulletin

ACTIONS BY THE NORTH CAROLINA GENERAL ASSEMBLY

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## 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

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House Legislative Day 74

Vol. 2011, No. 73

Senate Legislative Day 74

*Wednesday, June 1, 2011*

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## SUMMARIES OF BILLS FILED

### *Public Bills*

None

### *Local Bills*

None

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**ACTION ON BILLS****June 1, 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**

H0098	Breweries to Sell Malt Beverages on Premises. 04-20-11, 05-19-11	H	Ratified
H0100	Nonprofits/Criteria to Receive State Funds.  06-01-11	HA	Reptd Fav Com Substitute
		H	Cal Pursuant Rule 36(b)
		H	Withdrawn From Cal
		H	Re-ref Com On Rules, Calendar, and Operations of the House
H0117	Electric Cities/Uses of Rate Revenue.  06-01-11	HA	Reptd Fav Com Substitute
		H	Cal Pursuant Rule 36(b)
		H	Placed On Cal For 6/2/2011
H0165	Planned Community & Condo Act Amends.  05-31-11, 06-01-11	HA	Amend Adopted 1
		H	Passed 2nd & 3rd Reading
		H	Ordered Engrossed
H0200	Appropriations Act of 2011.	S	Amend Tabled 1
		S	Amend Failed 2
		S	Amend Failed 3
		S	Amend Failed 4
		S	Amend Failed 5
		S	Amend Failed 6
		S	Amend Tabled 7
		S	Amend Failed 8
		SA	Amend Adopted 9
		S	Passed 2nd Reading
H0209	Amend SW Financial Assurance Rqmts. 04-26-11, 04-28-11, 05-03-11, 05-25-11, 05-26-11, 05-31-11, 06-01-11	H	Passed 2nd & 3rd Reading
H0227	Purchase of Firearms in Other States.  06-01-11	HA	Reptd Fav Com Substitute
		H	Cal Pursuant Rule 36(b)
		H	Placed On Cal For 6/2/2011
H0233	Department of Correction/Ex-Offenders.	S	Rec From House
		S	Passed 1st Reading
		S	Ref To Com On Rules and Operations of the Senate
H0242	Nat'l Gas/Bonds/Fees/Studies	S	Rec From House
		S	Passed 1st Reading
		S	Ref to Agriculture/

		Environment/Natural Resources. If fav, re-ref to Finance
04-19-11, 05-26-11, 05-31-11		
H0260 Company Police Authority at Crash Scenes.	H	Withdrawn From Com
	H	Re-ref Com On Commerce and Job Development
H0340 Utilities Commission/Criminal Records Check.	H	Reptd Fav
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/2/2011
03-24-11, 05-19-11		
H0350 Clarify Property Tax for Conservation Land.	HA	Reptd Fav Com Substitute
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/2/2011
06-01-11		
H0373 Insurance Changes to Payments & Group Life.	H	Passed 2nd & 3rd Reading
05-31-11		
H0417 Extend Time For Site Of Low/Mod. Inc. Housing.	H	Reptd Fav
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/2/2011
H0450 No Automatic Renewal of Credit Card Contracts.	HA	Reptd Fav Com Substitute
	H	Re-ref Com On Rules, Calendar, and Operations of the House
06-01-11		
H0467 Improve School Discipline.	H	Withdrawn From Com
	H	Re-ref Com On Rules, Calendar, and Operations of the House
H0476 Protect Galax & Venus Flytrap/WRC Rule Fines.	HA	Reptd Fav Com Sub 2
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/2/2011
04-06-11, 06-01-11		
H0489 Mechanics Lien and Bond Law Changes.	S	Rec From House
	S	Passed 1st Reading
	S	Ref To Com On Judiciary I
05-25-11		
H0503 Nutrition Stds./All Foods Sold at School.	HA	Amend Adopted 3
	H	Passed 3rd Reading
	H	Ordered Engrossed
05-18-11, 05-24-11, 06-01-11		
H0517 Magistrates/Calendaring.	S	Rec From House
	S	Passed 1st Reading
	S	Ref To Com On Judiciary I
05-25-11		
H0538 Remove Restriction/LEO Disability Benefits.	H	Reptd Fav
	H	Serial Referral to Finance Stricken
	H	Re-ref Com On Appropriations
H0542 Tort Reform for Citizens and Businesses.	HA	Amend Adopted 1
	HA	Amend Adopted 2
	HA	Amend Adopted 3
	HA	Amend Adopted 4
	HA	Amend Adopted 5
	H	Amend Failed 6

	HA Amend Adopted 7
	HA Amend Adopted 8
	H Amend 9 Offered
	H Amendment Withdrawn 9
	H Amend Failed 10
	H Passed 2nd & 3rd Reading
	H Ordered Engrossed
05-10-11, 06-01-11	
H0556 Volunteer Service in Retirement.	HA Reptd Fav Com Substitute
	H Serial Referral to Finance Stricken
	H Cal Pursuant Rule 36(b)
	H Placed On Cal For 6/2/2011
06-01-11	
H0586 Enhance Water Supply Funding.	H Placed On Cal For 6/2/2011
05-31-11	
H0591 LDP Changes/Ignition Interlock Exemption.	HA Reptd Fav Com Substitute
	H Pursuant Rule 38(b)
	H Re-ref Com On Finance
06-01-11	
H0593 Allow County Public-Private Partnerships.	HA Reptd Fav Com Substitute
	H Re-ref Com On Finance
06-01-11	
H0603 Paying of Overweight Fines by Private Parties.	HA Amend Adopted 1
	H Passed 2nd & 3rd Reading
	H Ordered Engrossed
05-31-11, 06-01-11	
H0609 Promote Water Supply Development.	H Placed On Cal For 6/2/2011
05-31-11	
H0619 Job Creation Act of 2011.	S Rec From House
	S Passed 1st Reading
	S Ref To Com On Finance
05-26-11	
H0627 Study Efficiency and Cost Savings/State Govt.	H Reptd Fav
	H Cal Pursuant Rule 36(b)
	H Placed On Cal For 6/2/2011
H0641 Certification of Restoration of Rights Act.	HA Reptd Fav Com Substitute
	H Cal Pursuant Rule 36(b)
	H Placed On Cal For 6/2/2011
06-01-11	
H0642 Justice Reinvestment Act.	HA Amend Adopted 1
	HA Amend Adopted 2
	H Passed 2nd Reading
04-14-11, 05-31-11, 06-01-11	
H0644 Establish Pharmacy Audit Rights.	H Postponed To 6/2/2011
05-31-11	
H0654 Homeowner/Homebuyer Protection Act.	H Reptd Fav
	H Cal Pursuant Rule 36(b)
	H Placed On Cal For 6/2/2011
H0656 Controlled Substances/Photo ID.	H Passed 3rd Reading
05-25-11	
H0659 Capital Procedure/Severe Mental Disability.	H Reptd Fav
	H Cal Pursuant Rule 36(b)

	H	Placed On Cal For 6/2/2011
04-20-11		
H0661 CDL/HAZMAT Endorsement Expiration.	H	Passed 2nd & 3rd Reading
05-31-11		
H0662 Electronic Monitoring Fee.	HA	Reptd Fav Com Substitute
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/2/2011
06-01-11		
H0696 Assault on LEO Inflicting Bodily Injury.	HA	Reptd Fav Com Substitute
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/2/2011
06-01-11		
H0704 Study State's Future Energy Needs.	HA	Reptd Fav Com Substitute
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/2/2011
06-01-11		
H0706 Alimony/Postseparation Support Changes.	HA	Reptd Fav Com Substitute
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/2/2011
06-01-11		
H0709 Protect and Put NC Back to Work.	H	Passed 3rd Reading
05-27-11		
H0713 Public Contracts/Multiple Award.	HA	Reptd Fav Com Substitute
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/2/2011
06-01-11		
H0755 Study Fox Laws.	H	Passed 2nd & 3rd Reading
05-31-11		
H0757 Consolidate DV Commission/ Council for Women.	H	Withdrawn From Com
	H	Re-ref Com On Rules, Calendar, and Operations of the House
H0787 NC Water Efficiency Act.	H	Placed On Cal For 6/2/2011
05-31-11		
H0806 Zoning St. of Limit./Ag. Dist. Change.	S	Withdrawn From Com
	S	Re-ref Com On Commerce
04-27-11, 05-11-11		
H0813 ESC/Jobs Reform.	HA	Reptd Fav Com Substitute
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/2/2011
06-01-11		
H0815 Teachers/Isolated K-12 Schools.	H	Withdrawn From Com
	H	Re-ref Com On Rules, Calendar, and Operations of the House
H0816 Spay/Neuter Advisory Board/ Fund.	H	Passed 2nd & 3rd Reading
05-31-11		
H0837 Completion of CPR by Students Required.	H	Passed 2nd & 3rd Reading
05-31-11		
H0855 Personal Learning Plan for Each Child.	H	Passed 2nd & 3rd Reading
05-31-11		

H0892 Honor William Newsome and Parker Robbins.	H Fav for Adoption
H0914 AEDs in State Buildings.	H Cal Pursuant Rule 36(b)
	H Reptd Fav
	H Cal Pursuant Rule 36(b)
	H Placed On Cal For 6/2/2011
H0916 Statewide Expansion of 1915(b)/(c) Waiver.	HA Amend Adopted 1
	H Passed 2nd & 3rd Reading
	H Ordered Engrossed
05-31-11, 06-01-11	
S0009 Make Synthetic Cannabinoids Illegal.	HA Reptd Fav Com Substitute
	H Cal Pursuant Rule 36(b)
	H Placed On Cal For 6/2/2011
02-07-11, 06-01-11	
S0016 Obtain Blood Sample/Implied-Consent Laws.	HA Reptd Fav Com Substitute
	H Cal Pursuant Rule 36(b)
	H Placed On Cal For 6/2/2011
03-21-11, 06-01-11	
S0187 Outlaw Red Light Camera Systems.	H Withdrawn From Com
	H Re-ref Com On Rules, Calendar, and Operations of the House
04-06-11	
S0307 Smart Card Biometrics Against Medicaid Fraud.	H Passed 2nd Reading
04-14-11, 04-21-11	
S0321 Surplus Lines/Premium Tax.-AB	HA Reptd Fav Com Sub 2
	H Cal Pursuant Rule 36(b)
	H Placed On Cal For 6/2/2011
04-14-11, 05-03-11, 05-18-11, 06-01-11	
S0415 Eliminate Cost of Reduced Price School Meals.	S Withdrawn From Com
	S Re-ref Com On Education/Higher Education
S0499 Clarify Ag Development/Preservation in DACS.	S Reptd Fav
S0501 Swine House Renovations/Site Limits.	S Rec To Concur H Com Sub
	S Placed On Cal For 6/2/2011
04-26-11, 05-25-11	
S0561 Sedimentation Civil Penalty Cap & Remissions.	S Reptd Fav
	S Re-ref Com On Finance
S0562 Standards for Some Nursery Stock Purchases.	S Reptd Fav Com Substitute
	SA Com Substitute Adopted
06-01-11	
S0576 Changes to Fees for Teacher Certification.	S Withdrawn From Cal
	S Placed On Cal For 6/7/2011
04-27-11, 05-12-11	
S0710 Swine and Poultry Waste RECs.	S Reptd Fav

### LOCAL BILLS

H0015 Beaufort/Use of Parking Meter Proceeds.	H Withdrawn From Com
	H Re-ref Com On Education
H0097 Union Fire Fee Sunset Repealed.	H Passed 3rd Reading
H0440 Huntersville E-Mail Lists/Electronic Access.	HA Reptd Fav Com Substitute
	H Cal Pursuant Rule 36(b)
06-01-11	

H0518 Authorize Add'l Person County Occupancy Tax.	HA Reptd Fav Com Substitute H Cal Pursuant Rule 36(b) H Placed On Cal For 6/2/2011
06-01-11	
S0019 Union Fire Fee Sunset Repealed.	H Passed 3rd Reading
S0120 New Bern Charter Amendments. 03-22-11, 05-19-11	S Ratified
S0145 Southern Shores Canal Dredging/Maintenance.	H Reptd Fav H Cal Pursuant Rule 36(b) H Placed On Cal For 6/2/2011
S0159 47th Senatorial District Local Act.	S Withdrawn From Com S Re-ref Com On Education/ Higher Education
S0431 Fontana Dam Incorporated.	H Withdrawn From Com H Re-ref Com On Finance

## SUMMARIES OF AMENDMENTS AND COMMITTEE SUBSTITUTES

### HOUSE BILLS

**H 100. [HOUSE SELECT COMM. ON NONPROFITS \(NEW\)](#).** Filed 2/15/11. House committee substitute makes the following changes to 1st edition. Deletes all provisions of previous edition and replaces them with *AN ACT CREATING THE HOUSE SELECT COMMITTEE ON NONPROFIT CORPORATIONS*. Creates a seven-member House Select Committee on Nonprofit Corporations (Committee) to study and recommend the criteria for awarding grants to non-state nonprofits. Provides for member appointment, details issues the Committee must study, provides for the appointment of a co-chair, and assignment of professional and clerical staff. Details reporting duties for the Committee.

Previously: State Government;  
Business and Commerce  
Now: General Assembly; Business  
and Commerce

**H 117. [ELECTRIC CITIES/USES OF RATE REVENUE](#).** Filed 2/16/11. Changes made by House committee substitute will be summarized in tomorrow's *Daily Bulletin*.

Previously: Energy and Utilities;  
Local Government  
Now: Johnston

**H 165. [PLANNED COMMUNITY & CONDO ACT AMENDS](#).** Filed 2/23/11. House amendment makes the following change to 2nd edition. Makes a technical change.

Property, Land Use, and Housing;  
State Government

**H 200. [APPROPRIATIONS ACT OF 2011](#).** Filed 3/1/11. Senate committee substitute, reported into the Senate on 5/31/11, makes the following changes to 6th edition. The digest incorporates the amendment adopted by the Senate on 6/1/11.

#### PART I. INTRODUCTION AND TITLE OF ACT

Identical to 6th edition.

#### PART II. CURRENT OPERATIONS AND EXPANSION GENERAL FUND

##### CURRENT OPERATIONS AND EXPANSION/GENERAL FUND

**SECTION 2.1.** Modifies appropriations from the General Fund for the fiscal biennium ending June 30, 2013, as follows.

<b>Current Operations – General Fund</b>	<b>2011-2012</b>	<b>2012-2013</b>
<b>EDUCATION</b>		
Community Colleges System Office	\$ 985,000,000	\$ 985,000,000
Department of Public Instruction	7,464,492,057	7,450,000,000
University of North Carolina – Board of Governors		
Appalachian State University	145,563,319	145,680,676
East Carolina University		
Academic Affairs	247,397,807	247,397,807
Health Affairs	65,196,439	65,196,439
Elizabeth City State University	38,226,042	38,398,361
Fayetteville State University	56,925,951	56,925,951
NC A&T State University	105,355,805	105,794,754
NC Central University	94,342,683	94,342,683
NC State University		
Academic Affairs	434,563,241	434,677,423
Agricultural Research	59,239,461	59,239,461
Agricultural Extension	43,539,609	43,539,609
UNC-Asheville	42,004,444	42,004,444
UNC-Chapel Hill		
Academic Affairs	309,481,584	312,843,120
Health Affairs	219,507,009	222,570,732
AHEC	49,747,851	49,747,851
UNC-Charlotte	216,455,073	217,471,216
UNC-Greensboro	173,180,926	173,180,926
UNC-Pembroke	61,534,005	62,277,254
UNC-School of the Arts	27,796,473	27,796,473
UNC-Wilmington	105,943,181	107,138,757
Western Carolina University	90,591,556	91,070,460
Winston-Salem State University	76,496,951	76,496,950
General Administration	38,186,863	27,628,722
University Institution Programs	(375,153,400)	(383,808,914)
Related Educational Programs	85,679,060	115,272,420
UNC Financial Aid Private Colleges	91,635,664	86,534,065
NC School of Science & Math	18,937,535	18,937,535
UNC Hospitals	18,000,000	18,000,000
Total University of North Carolina – Board of Governors	\$ 2,540,375,132	\$ 2,551,672,698
<b>HEALTH AND HUMAN SERVICES</b>		
Department of Health and Human Services		
Division of Central Management and Support	\$ 50,177,377	\$ 44,577,987
Division of Aging and Adult Services	37,019,667	37,019,667
Division of Services for Blind/Deaf/Hard of Hearing	8,389,110	8,372,886
Division of Child Development	266,102,933	266,102,933
Division of Health Service Regulation	16,133,031	16,133,031
Division of Medical Assistance	2,958,388,184	2,907,276,302
Division of Mental Health,		

Developmental Disabilities, and Substance Abuse Services	665,712,232	710,712,232
NC Health Choice	79,452,317	83,717,865
Division of Public Health	190,443,245	157,538,834
Division of Social Services	186,183,068	186,183,068
Division of Vocational Rehabilitation	37,125,788	37,528,128
Total Health and Human Services	\$ 4,495,126,952	\$ 4,455,162,933

**NATURAL AND ECONOMIC RESOURCES**

Department of Agriculture and Consumer Services	\$ 65,460,864	\$ 62,198,634
Department of Commerce		
Commerce	50,852,340	33,250,463
Commerce State-Aid	32,851,025	30,151,984
NC Biotechnology Center	17,551,710	17,551,710
Rural Economic Development Center	25,376,729	25,376,729
Department of Environment and Natural Resources	165,784,887	148,148,105
DENR Clean Water Management Trust Fund	11,250,000	11,250,000
Department of Labor	15,836,887	15,836,887
Wildlife Resources Commission	18,000,000	17,221,179

**JUSTICE AND PUBLIC SAFETY**

Department of Correction	\$ 1,337,816,346	\$ 1,348,410,793
Department of Crime Control and Public Safety	225,258,795	215,164,518
Judicial Department	438,920,048	435,141,107
Judicial Department – Indigent Defense	110,091,526	112,748,733
Department of Justice	80,704,013	80,864,138
Department of Juvenile Justice and Delinquency Prevention	135,593,692	131,140,565

**GENERAL GOVERNMENT**

Department of Administration	\$ 63,607,330	\$ 65,511,460
Department of State Auditor	11,857,574	10,676,035
Office of State Controller	28,368,957	28,368,957
Department of Cultural Resources		
Cultural Resources	63,524,857	61,697,001
Roanoke Island Commission	1,805,236	1,203,491
State Board of Elections	5,186,603	5,126,603
General Assembly	53,259,495	50,104,208
Office of the Governor		

Office of the Governor	4,741,157	4,741,157
Office of State Budget and Management	5,848,663	5,848,663
OSBM – Reserve for Special Appropriations	1,940,612	440,612
Housing Finance Agency	9,673,051	9,673,051
Department of Insurance		
Insurance	36,393,921	36,393,921
Insurance – Volunteer Safety Workers' Compensation	2,294,000	2,623,654
Office of Lieutenant Governor	695,324	695,324
Office of Administrative Hearings	4,983,871	4,983,871
Department of Revenue	78,199,538	78,199,538
Department of Secretary of State	10,654,563	10,654,563
Department of State Treasurer		
State Treasurer	6,657,031	6,621,750
State Treasurer – Retirement for Fire and Rescue Squad Workers	17,812,114	17,812,114
<b>RESERVES, ADJUSTMENTS, AND DEBT SERVICE</b>		
Contingency and Emergency Fund	\$ 5,000,000	\$ 5,000,000
State Retirement System Contribution	248,100,000	336,000,000
Judicial Retirement System Contribution	6,800,000	7,800,000
Firemen's & Rescue Squad Workers' Pension Fund	4,318,042	5,366,928
State Health Plan	7,119,541	102,151,104
Information Technology Fund	4,458,142	6,158,142
Reserve for Job Development Investment Grants (JDIG)	15,400,000	27,400,000
Continuation Review Reserve	0	35,576,758
Comprehensive Review of Compensation Plans	2,000,000	0
Compensation Adjustment and Performance Pay Reserve	0	121,105,840
Severance Expenditure Reserve	69,000,000	0
Automated Fraud Detection Development	1,000,000	7,000,000
Controller – Fraud Detection Development	500,000	500,000
Debt Service		
General Debt Service	688,957,188	759,984,974
Federal Reimbursement	1,616,380	1,616,380
<b>TOTAL CURRENT OPERATIONS – GENERAL FUND</b>	<b>\$ 19,678,116,193</b>	<b>\$ 19,943,327,275</b>

**GENERAL FUND AVAILABILITY STATEMENT**

**SECTION 2.2.(a)** Modifies the General Fund availability used in developing the 2011-13 biennial budget as follows.

	<b>FY 2011-2012</b>	<b>FY 2012-2013</b>
Unappropriated Balance Remaining	\$ 0	\$ 13,980,015
Ending Unreserved Fund Balance for FY 2009-2010	236,902,394	0
Anticipated Reversions for FY 2010-2011	537,740,799	0
Anticipated Over-collections from FY 2010-2011	180,800,000	0
Repayment of Medicaid Receipts in FY 2010-2011	(125,000,000)	0
<b>Statutory Earmarks:</b>		
Savings Reserve Account	(185,000,000)	0
Repairs and Renovations Reserve Account	(125,000,000)	0
<b>Beginning Unreserved Fund Balance</b>	<b>\$ 520,443,193</b>	<b>\$ 13,980,015</b>
<b>Revenues Based on Existing Tax Structure</b>	<b>\$ 18,129,800,000</b>	<b>\$ 19,181,900,000</b>
<b>Nontax Revenues</b>		
Investment Income	\$ 59,400,000	\$ 76,700,000
Judicial Fees	217,800,000	217,800,000
Disproportionate Share	100,000,000	100,000,000
Insurance	71,400,000	73,500,000
Other Nontax Revenues	182,500,000	182,500,000
Highway Trust Fund/Use Tax Reimbursement Transfer	41,500,000	27,600,000
Highway Fund Transfer	20,230,000	24,080,000
<b>Subtotal Nontax Revenues</b>	<b>\$ 692,830,000</b>	<b>\$ 702,180,000</b>
<b>Total General Fund Availability</b>	<b>\$ 19,343,073,193</b>	<b>\$ 19,898,060,015</b>
<b>Adjustments to Availability: 2011 Session</b>		
Loss of Estate Tax	\$ (57,100,000)	\$ (72,200,000)
Small Business Tax Relief Package	(131,600,000)	(335,600,000)
Repeal Wildlife Resources Commission Sales Tax Earmark	22,970,000	23,920,000
Suspend Corporate Income Tax Earmark (Public School Construction)	72,110,000	74,750,000
Increase in Judicial Fees	61,765,715	61,765,715
Increase Investment Company Notice Filing Fee	1,600,000	1,600,000
Increase Parking Fees for Visitors	550,000	550,000
Loss of Revenue from the Town of Butner	(1,213,235)	(1,213,235)
Transfer from E-Commerce Reserve Fund	4,483,526	0
Divert Funds from Parks & Recreation Trust Fund	8,435,000	0
Divert Funds from Recreational/Natural Heritage Trust Fund	8,000,000	0
Transfer from Highway Fund for State Highway Patrol	196,849,542	188,209,049
Transfer Additional Funds from Highway Trust Fund	35,223,642	0
Transfer from Mercury Prevention Pollution Fund	250,000	0
Transfer from Commerce – Enterprise Fund	500,000	0
Divert Funds from Scrap Tire Disposal Account	2,268,989	0
Divert Funds from White Goods Management Account	1,951,465	0
Diversion of Golden LEAF Funds	17,563,760	17,563,760
Master Settlement Agreement Funds	24,668,720	25,580,772
Transfer Health and Wellness Trust Funds to Public Health	32,904,411	0

Department of Revenue – Accounts Receivable Program	25,000,000	25,000,000
Medicaid Disproportionate Share Receipts	15,000,000	15,000,000
Adjust Transfer from Insurance Regulatory Fund	(742,348)	(742,348)
Adjust Transfer from Treasurer's Office	(3,881,172)	(3,916,453)
Transfer from NC Flex FICA Funds	1,000,000	0
Proceeds from the Sale of State Assets	15,000,000	25,000,000
<b>Subtotal Adjustments to Availability:</b>		
<b>2011 Session</b>	<b>\$ 353,558,015</b>	<b>\$ 45,267,260</b>
<b>Revised General Fund Availability</b>	<b>\$ 19,696,631,208</b>	<b>\$ 19,943,327,275</b>
<b>Less General Fund Appropriations</b>	<b>\$ (19,682,651,193)</b>	<b>\$ (19,943,327,275)</b>
<b>Unappropriated Balance Remaining</b>	<b>\$ 13,980,015</b>	<b>\$ 0</b>

**SECTION 2.2.(b)** Same as 6th edition except directs \$76,723,642 (was, \$41,500,000) to be transferred from the Highway Trust Fund under specified statutory provisions for 2011-12.

**SECTION 2.2.(c)** Same as 6th edition except directs the Secretary of Revenue to transfer specified funds to the State Controller for deposit in Nontax Budget Code 19978 (Intrastate Transfers) during the 2011-12 and 2012-13 fiscal years.

**SECTION 2.2.(d)** Same as the provision in the 4th edition.

**SECTION 2.2.(e)** Rewrites provision as follows. Of the 2011-12 and 2012-13 annual installment payments to the NC State Specific Account that would have been transferred to The Golden L.E.A.F. Inc., transfers \$17,563,760 for 2011-12 and for 2012-13 to the General Fund.

**SECTION 2.2.(f)** Same as 6th edition except directs the Secretary of Revenue to credit to the General Fund \$2,268,989 (was, \$1,134,495) from the net tax proceeds that GS 105-187.19(b) directs the Secretary to credit to the Scrap Tire Disposal Account.

**SECTION 2.2.(g)** Same as 6th edition except directs the Secretary of Revenue to credit to the General Fund \$ 1,951,465 (was, \$1,131,342) from the net tax proceeds that GS 105-187.24 directs the Secretary to credit to the White Goods Management Account.

**SECTION 2.2.(h)** Same as the provision in the 4th edition.

**SECTION 2.2.(i)** Same as the provision in the 4th edition.

**SECTION 2.2.(j)** Same as the 6th edition except makes a clarifying change.

**SECTION 2.2.(k)** Same as 6th edition except directs the State Controller to transfer only \$125,000,000 (was, \$202,994,339) from the unreserved fund balance to the Repairs and Renovations Account on June 30, 2011.

**SECTION 2.2.(l)** Identical to 6th edition.

**SECTION 2.2.(m)** Same as 6th edition except directs the State Controller to transfer only \$185,000,000 (was, \$202,994,339) from the unreserved fund balance to the Savings Reserve Account on June 30, 2011.

**SECTION 2.2.(n)** New provision directs the State Controller to transfer \$1 million from the NC FICA Account for deposit in the Nontax Budget Code 19878 (Intrastate Transfers) for 2011-12.

### PART III. CURRENT OPERATIONS/HIGHWAY FUND

#### CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND

**SECTION 3.1.** Modifies appropriations from the State Highway Fund for the fiscal biennium ending June 30, 2013, as follows.

<b>Current Operations – Highway Fund</b>	<b>2011-2012</b>	<b>2012-2013</b>
Department of Transportation		
Administration	\$ 85,412,594	\$ 85,412,594
Division of Highways		
Administration	34,836,793	34,836,793
Construction	87,232,806	86,339,067
Maintenance	1,185,080,215	1,244,588,354

Planning and Research	4,055,402	4,055,402
OSHA Program	372,792	372,792
Ferry Operations	34,189,589	43,538,132
State Aid		
Municipalities	89,373,921	90,187,224
Public Transportation	90,551,575	90,551,575
Airports	18,401,413	22,311,031
Railroads	21,701,153	21,701,153
Governor's Highway Safety	273,093	273,093
Division of Motor Vehicles	90,142,238	43,004,042
Other State Agencies, Reserves, Transfers	292,326,416	351,988,748
Capital Improvements	15,250,000	15,000,000
<b>Total</b>	<b>\$ 2,049,200,000</b>	<b>\$ 2,134,160,000</b>

**HIGHWAY FUND AVAILABILITY STATEMENT**

**SECTION 3.2.** Modifies the Highway Fund availability used in developing the 2011-13 fiscal biennial budget as follows.

<b>Highway Fund Availability Statement</b>	<b>2011-2012</b>	<b>2012-2013</b>
Unappropriated Balance from Previous Year	\$ 24,000,000	\$ 0
Beginning Credit Balance	0	0
Estimated Revenue	2,025,200,000	2,134,160,000
Total Highway Fund Availability	\$ 2,049,200,000	\$ 2,134,160,000
Unappropriated Balance	\$ 0	\$ 0

**PART IV. HIGHWAY TRUST FUND APPROPRIATIONS****HIGHWAY TRUST FUND APPROPRIATIONS**

**SECTION 4.1.** Modifies the appropriations from the State Highway Trust Fund for the biennium ending June 30, 2013, as follows.

<b>Current Operations – Highway Trust Fund</b>	<b>2011-2012</b>	<b>2012-2013</b>
Intrastate	\$ 460,823,529	\$ 487,503,034
Aid to Municipalities	51,216,036	54,043,432
Secondary Roads	43,655,667	49,320,944
Urban Loops	263,587,722	212,957,986
Program Administration	44,774,400	47,107,200
Turnpike Authority	64,000,000	81,500,000
Transfer to General Fund	76,720,918	27,595,861
Transfer to Highway Fund	400,000	400,000
Debt Service	79,231,728	81,481,543
Mobility Fund	31,000,000	0
Reserves	0	45,000,000
<b>GRAND TOTAL CURRENT OPERATIONS</b>	<b>\$ 1,115,410,000</b>	<b>\$ 1,086,910,000</b>

**HIGHWAY TRUST FUND AVAILABILITY STATEMENT**

**SECTION 4.2.** Modifies the Highway Trust Fund availability used in developing the 2011-13 fiscal biennial budget as shown below.

<b>Highway Trust Fund Availability</b>	<b>2011-2012</b>	<b>2012-2013</b>
Unappropriated Balance	\$ 75,000,000	\$ 0
Estimated Revenue	1,040,410,000	1,086,910,000
<b>Total Highway Trust Fund Availability</b>	<b>\$ 1,115,410,000</b>	<b>\$ 1,086,910,000</b>

## **PART V. OTHER APPROPRIATIONS**

### **APPROPRIATION OF OTHER FUNDS**

**SECTION 5.1.** Identical to 6th edition.

### **OTHER RECEIPTS FROM PENDING GRANT AWARDS**

**SECTION 5.2.** Identical to 6th edition.

### **CIVIL FORFEITURE FUNDS**

**SECTION 5.3.** Identical to 6th edition.

### **EDUCATION LOTTERY**

**SECTION 5.4.** Identical to 6th edition.

## **PART VI. GENERAL PROVISIONS**

### **CLARIFY CERTIFIED BUDGET**

**SECTION 6.1.** Identical to 6th edition.

### **CONTINGENCY AND EMERGENCY FUND LIMITATION**

**SECTION 6.2.** Identical to 6th edition.

### **ESTABLISHING OR INCREASING FEES UNDER THIS ACT**

**SECTION 6.3.** Identical to 6th edition.

### **CONSULTATION REQUIRED BEFORE CREATION OF NEW FUNDS**

**SECTION 6.4.** Identical to 6th edition.

### **INTERIM APPROPRIATIONS COMMITTEES/MEETINGS/CONSULTATION BY GOVERNOR**

**SECTION 6.5.** Same as the provision in the 4th edition.

### **JUSTIFICATION/OPERATIONAL REVIEWS**

**SECTION 6.6.** Same as 6th edition except clarifies that the Lumberton Southeastern Agricultural Center and Farmer's Market (was, Lumberton Farmer's Market) is subject to Justification Review in 2011-12 and reinstates the operations of the regional offices of the Department of Environment and Natural Resources as subject to review in 2011-12.

### **CONTINUATION REVIEW OF CERTAIN FUNDS/PROGRAMS/DIVISIONS**

**SECTION 6.7.** Same as 6th edition except deletes from continuation review the Visitors Center Funding in the Department of Transportation.

### **STATE GOVERNMENT REORGANIZATION**

**SECTION 6.8.** Same as the provision in 4th edition.

### **UTILIZATION REVIEW/PUBLIC SCHOOL AND PUBLIC HEALTH NURSES**

**SECTION 6.9.** Identical to 6th edition.

### **GLOBAL TRANSPARK DEBT, REPORT, AND STUDY**

**SECTION 6.10.** Identical to 6th edition.

#### **HEALTH AND WELLNESS TRUST FUND AND TOBACCO TRUST FUND/FUTURE MSA PAYMENTS**

**SECTION 6.11.** Same as 6th edition except directs that funds remaining in the Health and Wellness Trust Fund on June 30, 2011, be transferred to the State Controller (was, to DHHS) to be deposited in Nontax Budget Code 19878 (Intrastate Transfers) for fiscal year 2011-12 to be used by the Department of Health and Human Services (DHHS) for the specified purposes.

Deletes proposed new subsection (c1) amending GS 143C-9-3 to establish a General Fund Account in the Settlement Reserve Fund (SRF). Repeals subsections GS 143C-9-3(b) (establishing a Health Trust Account in the SRF) and (c) (establishing a Tobacco Trust Account in the SRF).

#### **CONSOLIDATION OF AIR SERVICES AND CENTRALIZATION OF AIR MANAGEMENT/STATE-OWNED PASSENGER AND NON-PASSENGER VEHICLES**

**SECTION 6.13.** Identical to 6th edition.

#### **TORNADO ASSISTANCE**

**SECTION 6.14.** Identical to 6th edition.

#### **STATE-OWNED DISPOSABLE ASSETS**

**SECTION 6.15.** Same as the provision in the 4th edition except designates a date, September 1, 2011, by which the Department of Administration is to implement a system for the sale of state-owned disposable assets (was, develop criteria to be considered prior to the sale of assets). Directs the Department of Administration to take the action necessary to accomplish the sale of state-owned disposable assets in accordance with Section 2.2(a) of this act. Deletes the requirement for an interim report by December 31, 2011, to the Joint Legislative Commission on Governmental Operations (JLCGO), the Research Division (RD), and the Program Evaluation Division and instead requires the Department of Administration to report by March 31, 2012, to the JLCGO and the RD on all asset sales made under this section. Makes conforming changes.

#### **UNEMPLOYMENT INSURANCE/IMPLEMENT THREE-YEAR LOOK BACK**

**SECTION 6.16.** Same as Section 14.5A, **Extend Unemployment Insurance Benefits**, of the 6th edition, which allows the payment of extended unemployment insurance benefits as provided under the federal Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.

### **PART VI-A. INFORMATION TECHNOLOGY**

#### **INFORMATION TECHNOLOGY FUND/AVAILABILITY**

**SECTION 6A.1.** Identical to 6th edition.

#### **INFORMATION TECHNOLOGY OPERATIONS**

**SECTION 6A.2.** Identical to 6th edition.

#### **COORDINATION OF INFORMATION TECHNOLOGY REQUIREMENTS AND GEOGRAPHIC INFORMATION SYSTEM REQUIREMENTS**

**SECTION 6A.3** Identical to 6th edition..

#### **CRIMINAL JUSTICE LAW ENFORCEMENT AUTOMATED DATA SERVICES (CJLEADS)**

**SECTION 6A.4.** Identical to 6th edition.

#### **CONTINUING PILOT PROGRAM TO ALLOW PUBLIC-PRIVATE PARTNERSHIPS TO MEET DEPARTMENT OF REVENUE TECHNOLOGY NEEDS**

**SECTION 6A.5.** Identical to 6th edition.

#### **INFORMATION TECHNOLOGY PERSONAL SERVICES CONTRACT REQUIREMENTS**

**SECTION 6A.6.** Identical to 6th edition.

#### **STATE INFORMATION TECHNOLOGY CONSOLIDATION**

**SECTION 6A.7.** Identical to 6th edition.

**ITS/INTERNAL SERVICE FUND RATE ESTABLISHMENT/CASH MANAGEMENT**

**SECTION 6A.8.** Identical to 6th edition.

**INFORMATION TECHNOLOGY PRIVATIZATION**

**SECTION 6A.9.** Identical to 6th edition.

**STATE PORTAL IMPLEMENTATION AND OPERATION**

**SECTION 6A.10** Identical to 6th edition.

**TRANSFER CRIMINAL JUSTICE INFORMATION NETWORK TO THE OFFICE OF THE STATE CHIEF INFORMATION OFFICER**

**SECTION 6A.11.** Identical to 6th edition.

**INTEGRATED BUDGET INFORMATION SYSTEM**

**SECTION 6A.12.** Identical to 6th edition.

**USE OF MOBILE ELECTRONIC COMMUNICATIONS DEVICES**

**SECTION 6A.14.** Identical to 6th edition.

**USE OF DMV INSPECTION PROGRAM ACCOUNT FUND**

**SECTION 6A.15.** Identical to 6th edition.

**STATEWIDE INFORMATION TECHNOLOGY PROCUREMENT**

**SECTION 6A.16.** Identical to 6th edition.

**REPLACEMENT OF THE STATE TITLING AND REGISTRATION SYSTEM (STARS) AND THE STATE AUTOMATED DRIVER LICENSE SYSTEM (SADLS)**

**SECTION 6A.17.** Same as 6th edition, except appropriates \$24 million from the DMV Inspection Program Account Fund and \$10 million from bulk data fees for the 2011-13 fiscal biennium for replacement of STARS and SADLS. Provides that if the Department of Transportation, Division of Motor Vehicles, does not receive approval for system replacement projects within two weeks after submitting the required data, then the Office of the State Chief Information Officer (SCIO) is to immediately notify the Office of State Budget and Management, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division (was, if project approval was not received within two weeks, then approval was automatic). Allows the Department of Transportation (was, only the SCIO or Office of Information Technology Services) to request committee review as defined in GS 147-33.72D if it is necessary to delay or suspend the project based on technical or funding issues. Requires that the review be completed within five business days (was, within five days).

**ENTERPRISE ELECTRONIC FORMS AND DIGITAL SIGNATURES**

**SECTION 6A.18.** Identical to 6th edition.

**EVALUATION OF STATE INFORMATION TECHNOLOGY OPERATIONS**

**SECTION 6A.19.** Identical to 6th edition.

**COMPREHENSIVE ENTERPRISE-LEVEL DATA INTEGRATION CAPABILITY**

**SECTION 6A.20.** Same as 6th edition, except clarifies that payments are limited to the delineated payment schedule under the terms of the enterprise automated fraud detection contract entered into by the Office of the State Controller (Controller). Provides that the payments are contingent upon achieving the anticipated schedule of benefits realization. Directs the Controller to ensure that the state receives an appropriate share of intellectual property ownership or residuals, or both, accruing as a result of subsequent contracts between the vendor and third parties that utilize the innovations developed as a result of this contract.

**PART VII. PUBLIC SCHOOLS****EDUCATION REFORM IN NORTH CAROLINA**

**SECTION 7.1.** Identical to 6th edition.

**CAREER AND COLLEGE PROMISE**

**SECTION 7.1A.** Same as the 6th edition, except clarifies that a College Transfer Pathway, one of the Career and College pathways aligned with the K-12 curriculum and career and college ready standards adopted by the State Board of Education, requires the successful completion of 30 semester hours of transfer courses, including English and math, (was, eight college transfer courses including English and Math) for qualified junior and senior high school students. Makes a conforming change to GS 115D-20(4) and makes additional conforming changes. Also amends GS 115D-20(4) to clarify that the academic transition pathways offered by local community colleges are to be offered to qualified junior and senior high school students.

**CLASS SIZE REDUCTION FOR GRADES 1-3**

**SECTION 7.1B.** Identical to 6th edition.

**FUNDS FOR CHILDREN WITH DISABILITIES**

**SECTION 7.2.** Identical to 6th edition.

**FUNDS FOR ACADEMICALLY GIFTED CHILDREN**

**SECTION 7.3.** Identical to 6th edition.

**USE OF SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES**

**SECTION 7.4.** Identical to 6th edition.

**LITIGATION RESERVE FUNDS**

**SECTION 7.5.** Identical to 6th edition.

**UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS**

**SECTION 7.6.** Identical to 6th edition.

**FOCUSED EDUCATION REFORM PROGRAM FUNDS DO NOT REVERT**

**SECTION 7.7.** Identical to 6th edition.

**DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)**

**SECTION 7.8.** Identical to 6th edition.

**TUITION CHARGE FOR GOVERNOR'S SCHOOL**

**SECTION 7.9.** Identical to 6th edition.

**SCHOOL CONNECTIVITY INITIATIVE FUNDS**

**SECTION 7.10.** Identical to 6th edition.

**SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING**

**SECTION 7.12.** Same as the provision in the 4th edition.

**ELIMINATION OF REPORTING REQUIREMENTS**

**SECTION 7.13.** Same as 6th edition, except moves provision regarding renewing a professional educator's license to new Section 7.13A.

**RENEWAL OF PROFESSIONAL EDUCATOR'S LICENSE (NEW)**

**SECTION 7.13A.** Prohibits the State Board of Education (SBE) from requiring more than five semester hours or seven and one-half units of renewal credits to renew a North Carolina Standard Professional 2 professional educator's license.

**SCHOOL BUILDING ADMINISTRATION**

**SECTION 7.14.** Identical to 6th edition.

**TRANSFER OF FEDERAL AGRICULTURAL EDUCATION FUNDS**

**SECTION 7.15.** Identical to 6th edition.

**ELIMINATION OF TEACHERS FOR GEOGRAPHICALLY ISOLATED SCHOOLS**

**SECTION 7.16.** Deleted.

**SCHOOL CALENDAR PILOT PROGRAM**

**SECTION 7.17.** Same as 6th edition, except authorizes the SBE to grant a pilot school system a waiver to use up to five instructional days or an equivalent number of instructional hours as teacher workdays if the SBE finds that to do so will enhance student performance.

**BUDGET REDUCTIONS/DEPARTMENT OF PUBLIC INSTRUCTION**

**SECTION 7.19.** Identical to 6th edition.

**LEA BUDGET ADJUSTMENT**

**SECTION 7.20.** Identical to 6th edition.

**LEA BUDGETARY FLEXIBILITY**

**SECTION 7.21.** Same as 6th edition, except provides that the emergency rules, which the SBE is authorized to extend to grant maximum flexibility to LEAs in expending state funds, do not permit the transfer of funds (1) from the classroom teachers allotment to any allotment other than teachers assistants allotments or (2) from the teacher assistants allotment to any allotment other than the classroom teachers allotment (was, only prohibited the transfer of funds into central office administration). Includes teaching assistants in the goal of protecting direct classroom services as LEAs are making efforts to reduce spending.

**NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS**

**SECTION 7.22.** Identical to 6th edition.

**PERFORMANCE-BASED REDUCTIONS IN FORCE**

**SECTION 7.23.** Identical to 6th edition.

**TEACHING FELLOWS ADMINISTRATIVE REDUCTION**

**SECTION 7.24.** Identical to 6th edition.

**RESIDENTIAL SCHOOLS**

**SECTION 7.25.** Same as the 6th edition, except adds the following to factors to be considered by the Department of Public Instruction (DPI) in deciding which residential school is to be closed: (1) minimization of required travel for students of the school that is closed and (2) the historical and cultural significance of the school.

**DEPARTMENT OF PUBLIC INSTRUCTION RECEIPTS**

**SECTION 7.27.** Identical to 6th edition.

**SCHOOL BUS PURCHASES**

**SECTION 7.28.** Deleted.

**INCREASE NUMBER OF INSTRUCTIONAL DAYS**

**SECTION 7.29.** Same as 6th edition, except amends GS 115C-84.2(a) to authorize the SBE to grant a local board of education a waiver to use up to five of the required instructional days as teacher workdays if the SBE finds that to do so will enhance student performance. Requires that an equivalent number of instructional hours be waived for each instructional day that is waived. Also amends GS 115C-238.29F(d)(1) to authorize the SBE to grant the waiver to use instructional days as teacher workdays to charter schools.

**TESTING PROGRAM**

**SECTION 7.30.** Identical to 6th edition.

**FUND ONE LEA PER COUNTY**

**SECTION 7.31.** Deleted.

**PART VIII. COMMUNITY COLLEGES****REORGANIZATION OF THE COMMUNITY COLLEGES SYSTEM OFFICE**

**SECTION 8.1.** Identical to 6th edition.

**REPEAL OBSOLETE REPORTING REQUIREMENTS**

**SECTION 8.2.** Identical to 6th edition.

**IMPLEMENT ALTERNATIVE FORMULA MODEL**

**SECTION 8.3.** Identical to 6th edition.

**USE OF OVERREALIZED RECEIPTS TO SUPPORT ENROLLMENT GROWTH RESERVE RATHER THAN EQUIPMENT RESERVE**

**SECTION 8.4.** Identical to 6th edition.

**BASIC SKILLS PLUS**

**SECTION 8.5.** Identical to 6th division.

**CARRYFORWARD OF COLLEGE INFORMATION SYSTEM FUNDS**

**SECTION 8.6.** Identical to 6th edition.

**EQUIPMENT FUNDING**

**SECTION 8.8.** Same as 6th edition, except directs the State Board of Community Colleges to allocate \$250,000 of the funds appropriated to the Community Colleges System Office for equipment for 2011-12 to Forsyth Technical Community College. Limits use of the funds to building and equipping the Stokes County multi-campus site and prohibits considering these funds for a management flexibility reduction.

**CLARIFICATION REGARDING EQUIPMENT TITLED TO STATE BOARD**

**SECTION 8.9.** Identical to 6th edition.

**NO STATE FUNDS FOR INTERCOLLEGIATE ATHLETICS**

**SECTION 8.10.** Identical to 6th edition.

**COMMUNITY COLLEGE TUITION WAVERS**

**SECTION 8.12.** Same as 6th edition, except amends GS 115D-5(b) to allow the State Board of Community Colleges (SBCC) to provide for the waiver of tuition and registration fees for Radio Emergency Associated Citizens Teams (REACT) under contract to a county as an emergency response agency.

**FUNDING FOR MULTICAMPUS CENTERS**

**SECTION 8.13.** Identical to 6th edition.

**STUDY COMMUNITY COLLEGE PERFORMANCE MEASURES**

**SECTION 8.14.** Identical to 6th edition.

**COMMUNITY COLLEGE AUDITS**

**SECTION 8.15.** Identical to 6th edition.

**ENROLLMENT GROWTH**

**SECTION 8.16.** Identical to 6th edition.

**EXEMPT COMMUNITY COLLEGES FROM APA**

**SECTION 8.18.** Identical to 6th edition.

**CAPITAL IMPROVEMENTS AT COMMUNITY COLLEGES**

**SECTION 8.19.** Identical to 6th edition.

**GRANTING COMMUNITY COLLEGES ADDITIONAL FLEXIBILITY WITH REGARD TO INVESTMENTS**

**SECTION 8.20.** Same as 6th edition, except makes a stylistic change to the Section title and makes organizational changes to GS 115D-58.6. Makes conforming changes to GS 115D-58.7 to reflect the organizational changes to GS 115D-58.6.

**PART IX. UNIVERSITIES**

**CENTER FOR PUBLIC TELEVISION CONTINUATION REVIEW****SECTION 9.1.** Identical to 6th edition.**UNIVERSITY CANCER RESEARCH FUND REPORTING REQUIREMENT****SECTION 9.4.** Identical to 6th edition.**UNC BOARD OF GOVERNORS REVIEW OF FACULTY RECRUITMENT AND RETENTION****SECTION 9.5.** Identical to 6th edition.**UNC MANAGEMENT FLEXIBILITY REDUCTION**

**SECTION 9.6.** Same as the 6th edition, except, in the allocation of the management flexibility reduction, prohibits any reduction in state funds (was, no reduction by more than 15%) from the Governor's Recommended Continuation Budget in either fiscal year of the 2011-13 biennium, for the following: (1) Hickory Metro Higher Education Center, (2) joint Graduate School of Nanoscience and Nanoengineering at North Carolina Agricultural and Technical State University and the University of North Carolina at Greensboro, (3) the North Carolina Research Campus, and (4) Agricultural Research. Provides that in allocating the management flexibility reduction, state funds cannot be reduced in either fiscal year of the 2011-13 biennium by more than 12.3% from the Governor's Recommended Continuation Budget for (1) Agricultural Extension and (2) North Carolina Judicial College of the UNC School of Government. Also prohibits any reduction in state funds in allocating the management flexibility reduction in either fiscal year of the 2011-13 biennium to the following: (1) Center for Turfgrass Environmental Research and Education at North Carolina State University, (2) Need-Based Financial Aid, (3) Aid to Private Colleges, (4) the Coastal Wave Energy Research Project, (5) any special responsibility constituent institution which has been granted a basic type designation of *Special Focus Institution* under the Carnegie Classification of Institutions of Higher Education, and (6) any special responsibility constituent institution with the designation of *Baccalaureate Colleges—Arts & Sciences*. Also provides that in allocating the management flexibility reduction, state funds cannot be reduced in either fiscal year of the 2011-13 biennium by more than 12.3% from the Governor's Recommended Continuation Budget for Agricultural Research funds, except that state funds cannot be reduced in either fiscal year of the biennium by more than 10% from the Governor's Recommended Continuation Budget for the biennium for Agricultural Research Stations.

**ADVISORY COMMISSION ON MILITARY AFFAIRS/MODIFY MEMBERSHIP****SECTION 9.6A.** Identical to 6th edition.**CLARIFICATION/GENERAL FUND APPROPRIATIONS CARRIED FORWARD BY UNC SHALL NOT BE USED FOR CAPITAL IMPROVEMENTS****SECTION 9.6B.** Deleted.**ALLOW CHANCELLORS OF CONSTITUENT INSTITUTIONS TO APPROVE CERTAIN REPAIR AND MAINTENANCE PROJECTS AND FUND THOSE WITH AVAILABLE OPERATING FUNDS****SECTION 9.6C.** Identical to 6th edition.**AUTHORIZE BOARD OF GOVERNORS TO PERMIT NORTH CAROLINA STATE UNIVERSITY TO SELF-PERFORM ENERGY CONSERVATION MEASURES AND TO AUTHORIZE ENERGY SAVINGS REALIZED BY NORTH CAROLINA STATE UNIVERSITY TO BE USED AS A SOURCE OF REPAYMENT FOR CERTAIN DEBTS****SECTION 9.6D.** Identical to 6th edition.**AMEND REGULATION OF UNC INSTITUTIONAL TRUST FUNDS AND FUNDS OF UNC HEALTH CARE SYSTEM****SECTION 9.6E.** Identical to 6th edition.**UNC/INSTITUTIONAL EXPENDITURE BENCHMARKS****SECTION 9.6F.** Identical to 6th edition.**UNC ASSUME RESPONSIBILITY FOR QUALITY ACCEPTANCE INSPECTION PROCESS****SECTION 9.6G.** Identical to 6th edition.

**NCSU MAY SELL TIMBER**

**SECTION 9.6H.** Identical to 6th edition.

**USE OF ESCHEAT FUND FOR NEED-BASED FINANCIAL AID PROGRAMS**

**SECTION 9.8.** Identical to 6th edition.

**UNC NEED-BASED FINANCIAL AID PROGRAM FUNDING SCHEDULE**

**SECTION 9.9.** Identical to 6th edition.

**CONSOLIDATE ASSETS OF MILLENNIUM TEACHING SCHOLARSHIP LOAN PROGRAM AND PROSPECTIVE TEACHERS SCHOLARSHIP LOAN FUND/GIVE PRIORITY FOR SCHOLARSHIP LOANS FOR PROSPECTIVE TEACHERS TO CERTAIN FORMER TEACHER ASSISTANTS**

**SECTION 9.10.** Identical to 6th edition.

**LIMIT CERTAIN FINANCIAL AID GRANTS TO THE TRADITIONAL TIME PERIOD REQUIRED TO EARN A BACCALAUREATE DEGREE**

**SECTION 9.11.** Identical to 6th edition.

**ACADEMIC COMMON MARKET**

**SECTION 9.12.** Identical to 6th edition.

**ELIMINATE CERTAIN UNC TUITION WAIVERS FOR NONRESIDENT STUDENTS**

**SECTION 9.13.** Same as the provision in the 4th edition, except does not repeal GS 116-143.6.

**ELIMINATE PRIVATE MEDICAL SCHOOL AID**

**SECTION 9.14.** Identical to 6th edition.

**TRANSFER NORTH CAROLINA ARBORETUM RESPONSIBILITIES TO WESTERN CAROLINA**

**SECTION 9.15.** Identical to 6th edition.

**SPECIAL RESPONSIBILITY CONSTITUENT INSTITUTION AUDITS**

**SECTION 9.16.** Identical to 4th edition.

**NEED-BASED SCHOLARSHIPS FOR STUDENTS ATTENDING PRIVATE INSTITUTIONS OF HIGHER EDUCATION**

**SECTION 9.18.** Same as 6th edition, except amends the eligibility requirements to receive a scholarship under the proposed Article 34. Amends the criteria regarding scholarship amounts and changes the minimum scholarship amount to \$500 (was \$100).

Deletes restrictions in GS 90-332.1(a)(4a), GS 105-278.4(a), and GS 116-11(10a) that limited the application of each statute's provisions to a nonprofit postsecondary educational institution as described in GS 116-80 that is not a seminary, Bible school, Bible college, or similar religious institution.

**CONSTITUENT INSTITUTIONS MAY PURCHASE MOTOR VEHICLES INDEPENDENT OF MOTOR FLEET MANAGEMENT**

**SECTION 9.19.** Identical to 6th edition.

**PART X. DEPARTMENT OF HEALTH AND HUMAN SERVICES****CHILD CARE SUBSIDY RATES**

**SECTION 10.1** Identical to 6th edition.

**CHILD CARE ALLOCATION FORMULA**

**SECTION 10.2.** Identical to 6th edition.

**CHILD CARE FUNDS MATCHING REQUIREMENT**

**SECTION 10.3.** Identical to 6th edition.

**CHILD CARE REVOLVING LOAN**

**SECTION 10.4.** Identical to 6th edition.

**EXPIRATION OF EARLY EDUCATION CERTIFICATION REQUIREMENT**

**SECTION 10.4A.** Identical to 6th edition.

**EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES ENHANCEMENTS**

**SECTION 10.5.** Identical to the provision in 4th edition.

**ADMINISTRATIVE ALLOWANCE FOR COUNTY DEPARTMENTS OF SOCIAL SERVICES**

**SECTION 10.6.** Identical to 6th edition.

**CONSOLIDATE MORE AT FOUR PROGRAM INTO DIVISION OF CHILD DEVELOPMENT**

**SECTION 10.7.** Identical to 6th edition.

**MENTAL HEALTH CHANGES**

**SECTION 10.8.** Same as 6th edition, except adds additional reporting requirement.

**JOHNSTON COUNTY LME ADMINISTRATIVE FUNDING**

**SECTION 10.8A.** Identical to the provision in 4th edition.

**MH/DD/SAS HEALTH CARE INFORMATION SYSTEM PROJECT**

**SECTION 10.9.** Identical to 6th edition.

**LME FUNDS FOR SUBSTANCE ABUSE SERVICES**

**SECTION 10.10.** Identical to 6th edition.

**MH/DD/SAS COMMUNITY SERVICE FUNDS**

**SECTION 10.11.** Identical to the provision in 4th edition.

**CONSOLIDATION OF FORENSIC HEALTH CARE AT DOROTHEA DIX COMPLEX**

**SECTION 10.12.** Identical to 6th edition.

**TRANSITION OF UTILIZATION MANAGEMENT OF COMMUNITY-BASED SERVICES TO LOCAL MANAGEMENT ENTITIES**

**SECTION 10.13.** Identical to 6th edition.

**THIRD PARTY BILLING FOR STATE FACILITIES**

**SECTION 10.14.** Identical to 6th edition.

**COLLABORATION AMONG DEPARTMENTS OF ADMINISTRATION, HEALTH AND HUMAN SERVICES, JUVENILE JUSTICE AND DELINQUENCY PREVENTION AND PUBLIC INSTRUCTION ON SCHOOL-BASED CHILD AND FAMILY TEAM INITIATIVE**

**SECTION 10.15.** Identical to 6th edition.

**DHHS POSITION ELIMINATIONS**

**SECTION 10.16.** Same as 6th edition, except the amount of savings required by the elimination of positions is decreased from \$7,771,997 to \$7,606,000.

**DHHS REGULATORY FUNCTIONS STUDY AND PLAN**

**SECTION 10.17.** Identical to the provision in 4th edition.

**REDUCE FUNDING FOR NONPROFIT ORGANIZATIONS**

**SECTION 10.18.** Identical to 4th edition, except adds the additional requirement that in achieving the reductions as required by the section, DHHS must not reduce funds allocated to the North Carolina High School Athletic Association by more than 10%.

**PROHIBIT USE OF ALL FUNDS FOR PLANNED PARENTHOOD ORGANIZATIONS**

**SECTION 10.19.** Identical to 6th edition.

**LIABILITY INSURANCE**

**SECTION 10.20.** Identical to 6th edition.

**CHANGES TO COMMUNITY-FOCUSED ELIMINATING HEALTH DISPARITIES INITIATIVE**

**SECTION 10.21.** Identical to 6th edition.

**FUNDS FOR SCHOOL NURSES**

**SECTION 10.22.** Identical to 6th edition.

**REPLACEMENT OF RECEIPTS FOR CHILD DEVELOPMENT SERVICE AGENCIES**

**SECTION 10.23.** Identical to 6th edition.

**HEALTH INFORMATION TECHNOLOGY**

**SECTION 10.24.** Identical to 6th edition.

**FUNDS FOR STROKE PREVENTION**

**SECTION 10.25.** Identical to 6th edition.

**AIDS DRUG ASSISTANCE PROGRAM**

**SECTION 10.26.** Identical to 6th edition.

**MEN'S HEALTH**

**SECTION 10.26A.** Identical to 6th edition.

**NC HEALTH CHOICE MEDICAL POLICY**

**SECTION 10.27.** Identical to 6th edition.

**COMMUNITY CARE OF NORTH CAROLINA**

**SECTION 10.28.** Identical to 6th edition.

**MEDICAID MANAGEMENT INFORMATION SYSTEM (MMIS) FUNDS/IMPLEMENTATION OF MMIS**

**SECTION 10.29.** Same as 6th edition, except adds an additional reporting requirement.

**NORTH CAROLINA FAMILIES ACCESSING SERVICES THROUGH TECHNOLOGY (NC FAST) FUNDS**

**SECTION 10.30.** Identical to 6th edition.

**MEDICAID**

**SECTION 10.31.(a)** Identical to 6th edition.

**SECTION 10.31.(b)** Identical to 6th edition.

**SECTION 10.31.(c)** Identical to 6th edition.

**SECTION 10.31.(d)** Same as 6th edition, except the prior authorization provision (10-31.(d)(2)r.5A) is identical to that provision in the 4th edition.

**SECTION 10.31.(e)** Identical to 6th edition.

**SECTION 10.31.(f)** Identical to 6th edition.

**SECTION 10.31.(g)** Identical to 6th edition.

**MEDICAID PROVIDER ASSESSMENTS**

**SECTION 10.31A.** Identical to 6th edition.

**DMA CONTRACT SHORTFALL**

**SECTION 10.32.** Identical to 6th edition.

**MEDICAID COST CONTAINMENT ACTIVITIES**

**SECTION 10.33.** Identical to 6th edition.

**MEDICAID SPECIAL FUND TRANSFER**

**SECTION 10.34.** Identical to 6th edition.

**ACCOUNTING FOR MEDICAID RECEIVABLES AS NONTAX REVENUE**

**SECTION 10.35.** Identical to the provision in 4th edition.

**FAMILIES PAY PART OF THE COST OF SERVICES UNDER THE CAP-MR/DD PROGRAM AND THE CAP-CHILDREN'S PROGRAM BASED ON FAMILY INCOME**

**SECTION 10.36.** Identical to 6th edition.

**AUTHORIZE THE DIVISION OF MEDICAL ASSISTANCE TO TAKE CERTAIN STEPS TO EFFECTUATE COMPLIANCE WITH BUDGET REDUCTIONS IN THE MEDICAID PROGRAM**

**SECTION 10.37.** Same as 6th edition except reduces the provider rate to 2% (previously 3%) and adds providers that are excepted from the rate reduction. Limits length of stay for mental health residential services to no more than 180 days (was, no more than 120 days). Reduces provider rate for inpatient hospital services to 7.32% (previously 9.6%). Makes provisions concerning dental and miscellaneous services provided under Medicaid identical to the 4th edition by deleting provision limiting dental services to emergency and pregnant women, and by restoring other services.

**MEDICAID WAIVER FOR ASSISTED LIVING**

**SECTION 10.38.** Identical to 6th edition.

**PROGRAM INTEGRITY**

**SECTION 10.39.** Identical to 6th edition.

**TRANSFER TO OFFICE OF ADMINISTRATIVE HEARINGS**

**SECTION 10.40.** Identical to 6th edition

**NC HEALTH CHOICE**

**SECTION 10.41.** Same as 6th edition, except clarifies implementation and effective dates.

**MEDICATION THERAPY MANAGEMENT PILOT**

**SECTION 10.42.** Identical to 6th edition.

**MEDICAID RECIPIENT APPEALS**

**SECTION 10.44.** Identical to the provisions in 4th edition.

**DEPARTMENT TO DETERMINE COST-SAVINGS FOR MEDICAID THAT WOULD RESULT FROM PROVISION OF MUSCULOSKELETAL HEALTH SERVICES**

**SECTION 10.45.** Identical to 6th edition.

**DHHS SAVINGS THROUGH CCNC**

**SECTION 10.47.** Same as 6th edition except requires savings of \$90 million for 2011-12 and \$90 million for 2012-13.

**INCREASE GENERIC DRUG DISPENSING RATE IN MEDICAID BY REVISING PHARMACY DISPENSING FEES FOR PHARMACISTS THAT DISPENSE HIGH PROPORTIONS OF GENERIC DRUGS**

**SECTION 10.48** Identical to 6th edition.

**NC NOVA**

**SECTION 10.49.** Identical to 6th edition.

**HOME CARE AGENCY LICENSURE MORATORIUM IN-HOME AIDE SERVICES**

**SECTION 10.49A.** Identical to 6th edition.

**INTENSIVE FAMILY PRESERVATION SERVICES FUNDING AND PERFORMANCE ENHANCEMENTS**

**SECTION 10.50.** Identical to 6th edition.

**FOSTER CARE AND ADOPTION ASSISTANCE PAYMENT RATES**

**SECTION 10.51.** Identical to 6th edition.

**ADOPTION ASSISTANCE VENDOR PAYMENTS****SECTION 10.51A.** Deleted.**CHILD CARING INSTITUTIONS****SECTION 10.52.** Identical to 6th edition.**REPEAL STATE ABORTION FUND****SECTION 10.53.** Identical to 6th edition.**CHILD WELFARE POSTSECONDARY SUPPORT PROGRAM****SECTION 10.54.** Identical to 6th edition.**TANF BENEFIT IMPLEMENTATION****SECTION 10.55.** Identical to 6th edition.**PAYMENT FOR LIEAP/CIP****SECTION 10.56.** Identical to 6th edition.**NON-MEDICAID REIMBURSEMENT CHANGES****SECTION 10.58.** Identical to 6th edition.**STATE-COUNTY SPECIAL ASSISTANCE****SECTION 10.59** Identical to 6th edition.**DHHS BLOCK GRANTS****SECTION 10.60.** Same as 6th edition except modifies the following appropriations from the federal block grant funds.**TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) FUNDS**

Appropriates \$72,680,370 to Work First Family Assistance

Transfers \$79,437,674 to the Child Care and Development Fund

Deletes transfer to Social Services Block Grant for Independent Living Program

Transfers \$4,148,001 to Social Services Block Grant for County Departments of Social Services

Makes conforming change to total.

**TANF EMERGENCY CONTINGENCY FUNDS**

Appropriates \$6,114,959 to Continuation of Subsidized Employment Initiative.

Makes conforming change to total.

**SOCIAL SERVICES BLOCK GRANT**

Appropriates \$30,288,783 to County Departments of Social Services (Transfer from TANF \$4,148,001)

Appropriates \$3,773,001 to Food Banks

Appropriates \$3,633,077 to Independent Living Program

Makes a conforming change to total.

**CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT**

Appropriates \$158,004,959 to Subsidized Child Care Services

Appropriates \$79,437,674 to Subsidized Child Care Services (Transfer from TANF)

Makes conforming change to total.

**PART XI. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES****REPEAL BOARD OF AGRICULTURE REVIEW OF FEE SCHEDULES****SECTION 11.2.** Identical to 6th edition.**RECLASSIFY VACANT POSITION WITHIN DACS TO ANIMAL WELFARE PROGRAM****SECTION 11.7.** Identical to 6th edition.**PART XII. DEPARTMENT OF LABOR****LABOR/REPEAL STATUTE REQUIRING BIENNIAL REVIEW OF FEES BY DEPARTMENT**

**SECTION 12.1.** Identical to 6th edition.

**PART XIII. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

**ABOLISH, TRANSFER TO OTHER DEPARTMENTS, OR CONSOLIDATE WITHIN DENR ALL ENVIRONMENTAL HEALTH PROGRAMS UNDER DENR**

**SECTION 13.3.** Makes numerous technical changes to 6th edition, but transfers the same entities as transferred under 4th edition. Transfers the Grade "A" Milk Sanitation Program to DACS.

**REQUIRE DENR TO USE DWQ'S GROUNDWATER INVESTIGATION UNIT'S WELL DRILLING SERVICES IN OTHER DENR DIVISIONS**

**SECTION 13.4.** Identical to 6th edition.

**DENR CIVIL PENALTY ASSESSMENTS**

**SECTION 13.6.** Identical to 4th edition.

**WATER AND AIR QUALITY ACCOUNT REVERTS**

**SECTION 13.7** Identical to 6th edition.

**FUNDS FOR CLEANUP AND MONITORING OF TEXFI SITE CONTAMINATION**

**SECTION 13.10A.** Identical to 6th edition.

**FUNDS FOR RECYCLING PROGRAMS FOR PRODUCTS THAT CONTAIN MERCURY**

**SECTION 13.10B.** Identical to 6th edition.

**FUNDS FOR DENR STUDY OF ONSHORE SHALE GAS RESOURCES IN NC**

**SECTION 13.10D.** Deleted.

**REPEAL DENR REVIEW OF FEE SCHEDULES**

**SECTION 13.11.** Identical to 6th edition.

**DWSRF LOANS AND GRANTS TO INVESTOR-OWNED DRINKING WATER CORPORATIONS**

**SECTION 13.11A.** Identical to 6th edition.

**REGULATORY REFORM FOR DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, DEPARTMENT OF LABOR, AND DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES**

**SECTION 13.11B.** Identical to 6th edition.

**PARKS AND RECREATION TRUST FUND; ALLOCATION OF DEED STAMP TAX PROCEEDS CREDITED TO FUND**

**SECTION 13.11C.** New provision is identical to Section 13.14. of the 4th edition.

**PARKS AND RECREATION TRUST FUND; ALLOCATION OF DEED STAMP TAX PROCEEDS CREDITED TO FUND**

**SECTION 13.14.** Deleted. (Most provisions moved to Section 13.11C)

**NATURAL HERITAGE TRUST FUND USED FOR COSTS TO ADMINISTER PLANT CONSERVATION PROGRAM/CONSERVATION PLANNING & COMMUNITY AFFAIRS PROGRAM**

**SECTION 13.16.** Identical to 6th edition.

**OYSTER SANCTUARY PROGRAM SUPPORT**

**SECTION 13.18.** Identical to 6th edition.

**MARINE FISHERIES ENCOURAGED TO CONTRACT WITH PRIVATE SECTOR FOR OYSTER SANCTUARY RESTORATION**

**SECTION 13.18A.** Identical to 6th edition.

**DIVISION OF MARINE FISHERIES TO USE DIVISION OF FOREST RESOURCES MECHANICS FOR AIRCRAFT MAINTENANCE**

**SECTION 13.18B.** Identical to 6th edition.

**END PILOT PROGRAM FOR ANNUAL INSPECTIONS OF CERTAIN ANIMAL OPERATIONS**

**SECTION 13.21.** Identical to 6th edition.

**END DSWC ROLE REGARDING ANIMAL WASTE MANAGEMENT SYSTEMS**

**SECTION 13.22.** Identical to 6th edition.

**TRANSFER DIVISION OF SOIL AND WATER CONSERVATION AND SOIL AND WATER CONSERVATION COMMISSION TO DACS**

**SECTION 13.22A.** Identical to 6th edition.

**AGRICULTURAL WATER RESOURCES ASSISTANCE PROGRAM/CONFORMING CHANGES; FUNDS TO PROMOTE WATER SUPPLY DEVELOPMENT**

**SECTION 13.23.** Identical to 6th edition.

**CONTRACT TO OUTSOURCE GIFT SHOPS AT NC ZOO TO DIRECT PROFITS TO ZOO FUND**

**SECTION 13.24.** Identical to 6th edition.

**TRANSFER FORESTRY DIVISION AND FORESTRY COUNCIL FROM DENR TO DACS**

**SECTION 13.25.** Same as to 6th edition, except repeals GS 143B-279.3(b)(13) as a conforming change.

**CLEAN WATER MANAGEMENT TRUST FUND**

**SECTION 13.26.(a)** Identical to 6th edition.

**SECTION 13.26.(b)** Identical to 6th edition.

**SECTION 13.26.(c)** Same as 6th edition except decreases to \$6,250,000 (was \$8 million) the amount allocated during 2011-13 fiscal biennium for wastewater projects, water quality restoration projects, mini-grants, conservation easements, and stormwater projects.

**SECTION 13.26.(d)** New provision directs that certain funds allocated under this section will not be used for land acquisition and clarifies which funds may be used to purchase conservation easements.

**SECTION 13.26.(e)** Identical to Section 13.26(d) of 6th edition.

**NEW FUNDING SOURCE FOR WILDLIFE RESOURCE COMMISSION BUDGET**

**SECTION 13.27.(a)** Identical to 6th edition.

**SECTION 13.27.(b)** Same as 6th edition except increases the amount appropriated to the Wildlife Resources Commission to \$18 million (was \$16 million) and directs that the funds appropriated will be transferred to the Wildlife Resources Fund and be used for personal services expenditures only.

**ANNUAL REPORT TO GOV OPS ON WILDLIFE RESOURCES FUND EXPENDITURES**

**SECTION 13.28.** Identical to 6th edition.

**ANNUAL APPROPRIATIONS FOR BEAVER DAMAGE CONTROL PROGRAM FROM FUNDS AVAILABLE TO THE WILDLIFE RESOURCES COMMISSION**

**SECTION 13.29.** Identical to 6th edition.

**PART XIV. DEPARTMENT OF COMMERCE****NER BLOCK GRANTS**

**SECTION 14.1.** Identical to 6th edition.

**ONE NORTH CAROLINA FUND**

**SECTION 14.2.** Identical to 6th edition.

**EXTEND DEADLINE FOR TWENTY PERCENT REDUCTION ON PETROLEUM PRODUCTS USE FOR STATE FLEETS/CLARIFY REPORTING REQUIREMENT**

**SECTION 14.2B.** Identical to 6th edition.

**STATUS OF TRAVEL AND TOURISM INDUSTRY IN NC/ANNUAL REPORT**

**SECTION 14.3.** Identical to 6th edition.

**NORTH CAROLINA WINERIES & TOURISM /OPERATING COMMITTEES**

**SECTION 14.3A.** Same as provision in 4<sup>th</sup> edition except makes committee members appointed by the Commissioner of Agriculture (rather than the Secretary of Commerce) and deletes required meeting locations.

**WINE AND GRAPE GROWERS COUNCIL ELIMINATED**

**SECTION 14.3B.** Identical to 6th edition.

**21ST CENTURY COMMUNITIES PROGRAM ELIMINATED/CONFORMING CHANGES**

**SECTION 14.3C.** Identical to 6th edition.

**EMPLOYMENT SECURITY COMMISSION FUNDS.**

**SECTION 14.4.** Identical to 6th edition.

**TRANSFER EMPLOYMENT SECURITY COMMISSION TO DEPARTMENT OF COMMERCE**

**SECTION 14.5.** Same as 6th edition except makes section effective on November 1, 2011.

**EXTEND UNEMPLOYMENT INSURANCE BENEFITS**

**SECTION 14.5A.** Deleted.

**AGRICULTURAL EMPLOYEES/UNEMPLOYMENT INSURANCE**

**SECTION 14.5B.** Identical to 6th edition.

**DEPARTMENT OF COMMERCE/CONTRACTS RELATED TO EMPLOYMENT SECURITY ORGANIZATIONAL REFORM**

**SECTION 14.5C.** Identical to 6th edition.

**TRANSFER STATE PORTS AUTHORITY FROM DEPARTMENT OF COMMERCE TO DEPARTMENT OF TRANSPORTATION**

**SECTION 14.6.** Identical to 6th edition.

**STUDY COSTS OF SERVICES PROVIDED BY DEPARTMENT OF COMMERCE TO AGENCIES IN THE DEPARTMENT OF COMMERCE**

**SECTION 14.7.** Identical to 6th edition.

**INDUSTRIAL COMMISSION FEES/COMPUTER SYSTEM REPLACEMENT**

**SECTION 14.8.** Identical to 6th edition.

**UTILITIES COMMISSION/TERMS OF COMMISSIONERS**

**SECTION 14.8A.** Same as 6th edition except amends GS 62-10 to set the terms of commissioners on the North Carolina Utilities Commission at six years (was, four years in previous edition) and makes the change effective January 1, 2012 (rather than July 1, 2011).

**STATE-AID REPORTING REQUIREMENTS**

**SECTION 14.10.** Same as 6th edition except expands the list of entities subject to the reporting requirement. Prohibits more than \$120,000 in state funds be used for the annual salary of any one employee of a specified entity beginning in fiscal year 2012-13 (was, no more than \$100,000).

**GRASSROOTS SCIENCE PROGRAM**

**SECTION 14.11.** Same as 6th edition except prohibits more than \$120,000 in state funds be used for the annual salary of any one employee of a specified entity beginning in fiscal year 2012-13 (was, no more than \$100,000).

**WAKE FOREST INSTITUTE FOR REGENERATIVE MEDICINE/PROFIT SHARING WITH STATE**

**SECTION 14.12.** Same as 6th edition except prohibits more than \$120,000 in state funds be used for the annual salary of any one employee of the Institute beginning in fiscal year 2012-13 (was, no more than \$100,000).

#### **COUNCIL OF GOVERNMENT FUNDS**

**SECTION 14.12A.** Identical to 6th edition.

#### **RTI INTERNATIONAL /REPORTING REQUIREMENTS; USE OF STATE FUNDS**

**SECTION 14.12.B.** Same as 6th edition except prohibits more than \$120,000 in state funds be used for the annual salary of any one employee of RTI International beginning in fiscal year 2012-13 (was, no more than \$100,000).

#### **E-NC AUTHORITY TO TRANSFER FEDERAL GRANT FOR BROADBAND MAPPING TO DEPARTMENT OF COMMERCE**

**SECTION 14.12C.** Same as 6th edition except transfers federal grant to the Department of Commerce (rather than the NC Center for Geographic Information and Analysis).

#### **REGIONAL ECONOMIC DEVELOPMENT COMMISSIONS ALLOCATIONS**

**SECTION 14.13.** Same as provision in 4th edition except prohibits more than \$100,000 (rather than \$120,000) in state funds be used for the annual salary of any one employee of a regional economic development commission.

#### **BIOFUELS CENTER OF NORTH CAROLINA**

**SECTION 14.14.(a)** Restores 4th edition allocations for specified activities.

**SECTION 14.14.(b)** New provision authorizes Biofuels Center management to reallocate up to ten percent of each of the specified allocations in subsection (a) if such reallocation will advance the mission of the Center.

**SECTION 14.14.(c)** Identical to Section 14.14.(b) of 6th edition.

**SECTION 14.14.(d)** Identical to Section 14.14.(c) of 6th edition.

**SECTION 14.14.(e)** Same as Section 14.14.(d) of 6th edition except prohibits more than \$120,000 in state funds be used for the annual salary of any one employee of the Center beginning in fiscal year 2012-13 (was, no more than \$100,000).

#### **NORTH CAROLINA BIOTECHNOLOGY CENTER**

**SECTION 14.15.** Same as 6th edition except increases total allocation of specified activities to \$17,551,710 (was \$16,576,615). Increases allocations for job creation to \$3,779,721 (was \$3,569,736), science and commercialization to \$11,360,700 (was \$10,729,550), and Center operations to \$2,411,289 (was \$2,277,329). Also increases limit on use of state funds for the annual salary of any one employee of the Center beginning in fiscal year 2012-13 to \$120,000 (was \$100,000).

#### **RURAL ECONOMIC DEVELOPMENT CENTER**

**SECTION 14.16.** Same as 6th edition except restores 4th edition allocations for all specified activities and increases limit on use of state funds for the annual salary of any one employee of the Rural Center beginning in fiscal year 2012-13 to \$120,000 (was \$100,000).

#### **RURAL ECONOMIC DEVELOPMENT CENTER/INFRASTRUCTURE PROGRAM**

**SECTION 14.17.** Same as 6th edition except restores 4th edition allocation of \$16,505,758 to the North Carolina Infrastructure Program.

#### **OPPORTUNITIES INDUSTRIALIZATION CENTERS FUNDS**

**SECTION 14.18.** Same as 6th edition except restores 4th edition allocation of \$287,280 for distribution to Opportunities Industrialization Centers.

#### **NC SMALL BUSINESS LENDING ENHANCEMENT**

**SECTION 14.19.** Deleted.

#### **RURAL CENTER/RURAL JOBS FUND**

**SECTION 14.20.** New provision appropriates \$5 million in nonrecurring funds each fiscal year of the 2011-13 fiscal biennium for the provision of Rural Jobs Infrastructure Grants to local governments for infrastructure

needs including public wastewater systems, public water systems, natural gas availability, fiber availability, building restoration or upfits, and other infrastructure needs as determined by the Rural Center's board of directors. Provides that a local government is eligible for a grant if it is a rural county or is located in a rural county. Establishes that grant applicants may request up to \$5,000 per job created up to a maximum of \$500,000 for a project. Requires local government recipient to match the grant on a dollar-for-dollar basis with local resources, and specifies that at least five percent of the grant amount must be matched with cash.

Provides that grant applicants must document the infrastructure needs to be addressed, specify the number of jobs to be created, document the availability of matching funds, provide evidence that private enterprises will contract to produce the jobs, and provide other information requested by Rural Center. Requires Rural Center to determine in its review of applications that private sector jobs created in conjunction with a grant will not compete unfairly with existing businesses. Elevates the priority of applications for projects in economically distressed areas. Exempts Rural Jobs Infrastructure Grants used for water infrastructure needs from the provisions of GS 143-355.4. Establishes submission requirements for grant applications. Authorizes Rural Center to use up to four percent of the funds appropriated in this section to cover administrative costs of administering the grant program. Prohibits making loans with appropriated funds. Requires Rural Center to report on the progress of the Rural Infrastructure Grant Program by September 1 of each year to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

#### **PART XV. JUDICIAL DEPARTMENT**

All sections identical to 6th edition.

#### **PART XVI. DEPARTMENT OF JUSTICE**

All sections identical to 6th edition.

#### **PART XVII. DEPARTMENT OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION**

All sections identical to 6th edition.

#### **PART XVIII. DEPARTMENT OF CORRECTION**

##### **FEDERAL GRANT REPORTING**

**SECTION 18.1.** Identical to 6th edition.

##### **FEDERAL GRANT MATCHING FUNDS**

**SECTION 18.2.** Identical to 6th edition.

##### **USE OF CLOSED PRISON FACILITIES**

**SECTION 18.3.** Identical to 6th edition.

##### **LIMIT USE OF OPERATIONAL FUNDS**

**SECTION 18.4.** Identical to 6th edition.

##### **REIMBURSE COUNTIES FOR HOUSING AND EXTRAORDINARY MEDICAL COSTS FOR INMATES, PAROLEES, AND POST-RELEASE SUPERVISEES AWAITING TRANSFER TO STATE PRISON SYSTEM**

**SECTION 18.5.** Identical to 6th edition.

##### **CENTER FOR COMMUNITY TRANSITIONS/CONTRACT AND REPORT**

**SECTION 18.6.** Identical to 6th edition.

##### **PAROLE ELIGIBILITY REPORT/MUTUAL AGREEMENT PAROLE PROGRAM/MEDICAL RELEASE PROGRAM**

**SECTION 18.7.** Identical to 6th edition.

##### **CRIMINAL JUSTICE PARTNERSHIP**

**SECTION 18.8.** Identical to 6th edition.

**SWANNANOVA CORRECTIONAL CENTER FOR WOMEN**

**SECTION 18.9.** Identical to 6th edition.

**INMATE MEDICAL COST CONTAINMENT**

**SECTION 18.10.** Same as 6th edition except directs the Department of Correction to reimburse providers of approved inmate medical services outside the correctional facility the lesser amount of either 70% of the then-current prevailing charge or two times the then-current Medicaid rate for any given service.

**DEPARTMENT OF CORRECTION RULES FOR INMATE LABOR**

**SECTION 18.12.** Identical to 6th edition.

**REPORT ON PROBATION AND PAROLE CASELOADS**

**Section 18.13.** Identical to 6th edition.

**REMOVE SUNSET ON CORRECTION ENTERPRISES STATE AND LOCAL EMPLOYEE/RETIREE PURCHASE ALLOWANCE**

**SECTION 18.14.** Identical to 6th edition.

**PART XIX. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY****CONSOLIDATE THE DEPARTMENT OF CORRECTION, THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY, AND THE DEPARTMENT OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION INTO THE DEPARTMENT OF PUBLIC SAFETY**

**SECTION 19.1.** Same as 6th edition except removes the State Bureau of Investigation and the North Carolina Justice Academy from consolidation within the Department of Public Safety and makes conforming changes throughout the section. Also deletes provision making the Secretary's appointment subject to confirmation by the General Assembly.

**CONSOLIDATE BUDGET CODES FOR DEPARTMENT OF PUBLIC SAFETY**

**SECTION 19.2.** Identical to 6th edition.

**MODIFY THE REMITTANCE OF TAXES BASED ON VALUATION OF PROPERTY IN THE BUTNER FIRE AND POLICE PROTECTION DISTRICT**

**SECTION 19.3.** Rewrites section to require tax collectors of Durham and Granville Counties to remit taxes collected in the Butner Fire and Police Protection District to the Town of Butner rather than to the State Treasurer. Rewrites GS 122C-408(c) to remove the formula for payment by the Town of Butner for service provided by the Butner Public Safety Division of the Department of Crime Control and Public Safety, and to authorize the town and the Department to determine by mutual agreement the amount to be paid by the town. Rewrites GS 122C-411 to increase the basis for payment by the Department of Crime Control and Public Safety for fire protection in the vicinity of Butner from 20¢ to 25¢ per \$100 valuation.

**REPORTS ON LAW ENFORCEMENT ACCREDITATION SERVICES**

**SECTION 19.4.** Identical to 6th edition.

**STUDY THE FEASIBILITY OF ASSESSING A FEE FOR PROVIDING TRAFFIC CONTROL BY THE STATE HIGHWAY PATROL AT SPECIAL EVENTS**

**SECTION 19.5.** Identical to 6th edition.

**PART XX. DEPARTMENT OF ADMINISTRATION****STATE ENTITIES TO USE AGENCY FOR PUBLIC TELECOMMUNICATIONS**

**SECTION 20.1.** Identical to 6th edition.

**TRANSFER OF NC HUMAN RELATIONS COMMISSION FROM DEPARTMENT OF ADMINISTRATION TO OFFICE OF ADMINISTRATIVE HEARINGS**

**SECTION 20.1A.** Identical to 6th edition.

**STUDY BY THE LEGISLATIVE RESEARCH COMMISSION OF THE DUTIES AND SERVICES OF THE NORTH CAROLINA HUMAN RELATIONS COMMISSION AND THE CIVIL RIGHTS DIVISION OF THE OFFICE OF ADMINISTRATIVE HEARINGS**

**SECTION 20.2.** Identical to 6th edition.

**DOMESTIC VIOLENCE CENTER FUNDS**

**SECTION 20.3.** Identical to 6th edition.

**USE OF CAPITAL PROJECT CONTINGENCY FUNDS TO INCREASE THE SPEED AND EFFICIENCY OF THE STATE CONSTRUCTION OFFICE**

**SECTION 20.4.** Identical to 6th edition.

**OFFICE OF STATE PERSONNEL/STUDY CENTRALIZED HUMAN RESOURCES FOR COUNCIL OF STATE OFFICES**

**SECTION 20.5.** Identical to 6th edition.

**HUMAN RESOURCES DEVELOPMENT**

**SECTION 20.5A.** New provision allows \$1.5 million from the savings in the employer's share of contributions under the Federal Insurance Contributions Act on account of reduction in salary to be transferred from the NCFlex FICA Fund to the Office of State Personnel to support program components of the HCM System during 2011-13.

**STATE BOARD OF ELECTIONS AND ETHICS**

**SECTION 20.6.** Deleted.

**ELIMINATE FUNDING FOR DEVELOPMENT OF SMART CARDS**

**SECTION 20.7.** Identical to 6th edition.

**PART XXI. DEPARTMENT OF CULTURAL RESOURCES**

**TRANSPORTATION MUSEUM SPECIAL FUND**

**SECTION 21.1.** Identical to 6th edition.

**ROANOKE ISLAND COMMISSION FUNDING/HISTORIC ROANOKE ISLAND FUND**

**SECTION 21.2.** Identical to 6th edition.

**TRYON PALACE FUNDING**

**SECTION 21.3.** New provision stating intent of the General Assembly that no state funds will be used to support Tryon Palace Historic Sites and Gardens beginning with the 2014-15 fiscal year. Department of Cultural Resources will report plan for site to become financially self-sufficient by May 1, 2012.

**PART XXII. GENERAL ASSEMBLY**

**PED STUDYING ADMINISTRATION OF STATE ATTRACTIONS**

**SECTION 22.1.** Identical to 6th edition.

**REVISOR OF STATUTES**

**SECTION 22.2.** Deleted.

**ACCOMMODATING FEDERAL LAW FLEXIBILITY**

**SECTION 22.3.** New provision amends GS 120-30.9B, stating that if the Attorney General fails to seek approval of the redistricting plan within 30 days of enactment then the Legislative Services Commission may authorize another appropriate person to seek approval of the plan.

**CLIENT DECISIONS**

**SECTION 22.4.** New provision amending GS 147-17 to add a new subsection (d) providing that the authority of outside counsel employed by a state agency or other entity supported by the state will be allocated between the outside counsel and the client according to Rule 1.2 of the North Carolina Rules of Professional

Conduct; where more than one outside counsel is employed, the client will designate in writing which outside counsel possesses final decision-making authority on behalf of the client.

**CONFORMING CHANGE**

**SECTION 22.5.** New provision amending GS 120-32.6 to exempt the General Assembly from GS 147-17(a) through (c), which requires the Attorney General to act as counsel for all state agencies and limits hiring of outside counsel by state agencies unless approved by the Governor.

**PART XXIII. DEPARTMENT OF INSURANCE****PERMISSIBLE USE OF INSURANCE REGULATORY FUND**

**SECTION 23.1.** Identical to 6th edition.

**NO BUDGET REDUCTION FOR CERTAIN STATE FIRE PROTECTION GRANT FUND RECIPIENTS**

**SECTION 23.2.** Identical to 6th edition.

**PART XXIV. OFFICE OF ADMINISTRATIVE HEARINGS****ACCESS TO REGISTER AND CODE**

**SECTION 24.1.** Identical to 6th edition.

**PART XXV. OFFICE OF STATE BUDGET AND MANAGEMENT****TRANSFER STATE FIRE PROTECTION GRANT FUND**

**SECTION 25.1.** Identical to 6th edition.

**NC SYMPHONY FUNDING**

**SECTION 25.2.** Identical to 6th edition.

**PART XXVI. STATE BOARD OF ELECTIONS****NO EXPENDITURE OF HAVA TITLE II FUNDS FOR STATE FY 2011-2012**

**SECTION 26.1.** Identical to 6th edition.

**ALLOWING COUNTY BOARDS OF ELECTION TO EMPLOY PERSONNEL TO MAINTAIN VOTING SYSTEMS**

**SECTION 26.3.** Identical to 6th edition.

**PART XXVI-A. STATE CONTROLLER****OVERPAYMENTS AUDIT**

**SECTION 26A.1.** Identical to 6th edition.

**PART XXVII. DEPARTMENT OF THE STATE TREASURER****LOCAL GOVERNMENT UNIT POSITIONS**

**SECTION 27.1.** Identical to 6th edition.

**PART XXVIII. DEPARTMENT OF TRANSPORTATION****CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATION**

**SECTION 28.1.(a)** Identical to 6th edition.

**CHANGES TO HIGHWAY FUND CERTIFIED BUDGET TO INCREASE TRANSPARENCY**

**SECTION 28.2.** Identical to 6th edition.

**REMOVE PILOT DESIGNATION FOR PUBLIC-PRIVATE PARTNERSHIPS**

**SECTION 28.3.** Identical to 6th edition.

**REMOVE CAP ON DESIGN-BUILD PROJECTS**

**SECTION 28.4.** Identical to 6th edition.

**REQUEST FOR INFORMATION RELATED TO SPONSORSHIPS**

**SECTION 28.5.** Same as Section 28.5 in 4th edition, except directs DOT to issue a request for information from potential sponsors for specified DOT facilities.

**SMALL CONSTRUCTION AND CONTINGENCY FUNDS**

**SECTION 28.6.** Identical to 6th edition.

**ADJUST SECONDARY ROAD CONSTRUCTION AND SECONDARY ROAD MAINTENANCE**

**SECTION 28.7.(a)** Same as 6th edition, except adds new requirement providing that differences in funding amounts that otherwise would have been allocated from the Highway Fund for secondary road construction and maintenance and the amount allocated in the base budgets for the FY 2011-2013 biennium will be allocated to highway maintenance.

**SECTION 28.7.(b)** Changes subsection to provide that funding allocated from the Highway Trust Fund for secondary road construction and maintenance will not increase over the amounts allocated in the base budgets for the FY 2011-2013 biennium, and any amounts that otherwise would have been allocated above the base budgets from the Highway Trust Fund will be allocated to urban loop projects.

**SYSTEM PRESERVATION FUNDS PREFERENCE FOR DEFICIENT BRIDGES**

**SECTION 28.8.** Identical to 6th edition.

**INCREASE DOT PRIVATIZATION**

**SECTION 28.9.** Identical to 6th edition.

**STATE STREET-AID TO MUNICIPALITIES (POWELL BILL) ADJUSTMENTS**

**SECTION 28.10.** Identical to 6th edition.

**STATE AID TO RAILROADS TRANSPARENCY**

**SECTION 28.12.** Identical to 6th edition.

**PROGRAM EVALUATION DIVISION TO STUDY NORTH CAROLINA RAILROAD**

**SECTION 28.12A.** Identical to 6th edition.

**STATE AID TO SHORT-LINE RAILROADS**

**SECTION 28.13.** Identical to the provision in 4th edition.

**REPORT, CONSULTATION, AND APPROVAL OF RAIL PROJECTS**

**SECTION 28.15.** Same as 6th edition, except makes DOT's acceptance of federal rail funds subject to approval by the General Assembly if the amount of state matching funds or the reasonably expected amount of future annual maintenance and operational costs exceeds \$5 million (was \$20 million).

**PROHIBIT RAIL DIVISION FROM PROVIDING CONVENIENCE ITEMS FREE OF CHARGE ON ALL PASSENGER RAIL SERVICE**

**SECTION 28.16.** Identical to 6th edition.

**STUDY MANNS HARBOR REPAIR AND PAINT SHOP**

**SECTION 28.16A.** Deleted.

**ELIMINATE AERONAUTICS COUNCIL, BICYCLE COMMITTEE, AND RAIL COUNCIL**

**SECTION 28.17.** Identical to 6th edition.

**AVIATION DIVISION APPROPRIATION**

**SECTION 28.17A.** Identical to 6th edition.

**FLEXIBLE USE OF FUNDS TO LEVERAGE FEDERAL FUNDS FOR RURAL PUBLIC TRANSPORTATION**

**SECTION 28.18.** Identical to 6th edition.

**MAXIMIZE LEVERAGE OF FEDERAL PUBLIC TRANSPORTATION OPERATING AND CAPITAL FUNDS FOR LOCAL PUBLIC TRANSPORTATION SYSTEMS**

**SECTION 28.19.** Identical to 6th edition.

**STREAMLINE GRANT PROCESS AND CONSOLIDATE GRANTS FOR PUBLIC TRANSPORTATION**

**SECTION 28.20.** Identical to 6th edition.

**STUDY REGIONAL CONSOLIDATION OF TRANSIT SYSTEMS**

**SECTION 28.21.** Identical to 6th edition.

**BLUE LINE EXTENSION AND RED LINE COMMUTER RAIL PROJECTS**

**SECTION 28.21A.** Deleted.

**FLEXIBLE USE OF FUNDS FOR DIVISION OF MOTOR VEHICLES FOR FISCAL YEARS 2011-2012 AND 2012-2013**

**SECTION 28.23.** Identical to 6th edition.

**COMPETITIVE BIDDING OF LICENSE PLATE AGENCY CONTRACTS**

**SECTION 28.23A.** Deleted.

**CONFORMING CHANGES RELATED TO DMV AUDITORS AND CHANGES RELATED TO DMV HEARINGS**

**SECTION 28.23B.** Identical to 6th edition.

**STUDY EXEMPTING MOTOR VEHICLES FROM EMISSIONS INSPECTIONS**

**SECTION 28.24.** Same as Section 28.24 in 4th edition except directs DMV to lead a study to examine exemption for both the three newest model year vehicles and all vehicles.

**DEPARTMENT OF REVENUE TO REPORT ON MOTOR FUELS TAX AUDITOR AND INVESTIGATOR PERFORMANCE**

**SECTION 28.25.** Identical to 6th edition.

**REDUCE ADMINISTRATIVE TRANSFERS AND REDIRECT LEAKING UNDERGROUND STORAGE TANK FUNDING TO HIGHWAY FUND FOR SYSTEM PRESERVATION**

**SECTION 28.25A.** Identical to 6th edition.

**STUDY REIMBURSEMENT PROCESS FOR DEPARTMENT OF CORRECTION LITTER PICKUP**

**SECTION 28.26.** Identical to 6th edition.

**STATE HIGHWAY PATROL FUNDS TRANSFER**

**SECTION 28.27.(a)** Same as 6th edition except changes amount of funds transferred to \$196,849,542 (was \$193,585,434).

**SECTION 28.27.(b)** Same as 6th edition except changes amount of funds transferred to \$188,209,049 (was \$189,859,507).

**SECTION 28.27.(c)** Identical to 6th edition.

**SECTION 28.27.(d)** Identical to 6th edition.

**STATE HIGHWAY PATROL POSITIONS AND MANAGEMENT FLEXIBILITY**

**SECTION 28.28.** Same as 6th edition except changes the amount of recurring management flexibility budget reduction in subsection (c) to \$2,325,484 in FY 2011-12 (was \$5,589,592), and \$10,373,350 in FY 2012-13 (was \$8,722,892).

**HIGHWAY TRUST FUND MONEY FOR VISITOR CENTERS; SPECIAL REGISTRATION PLATES MONEY FOR VISITOR CENTERS**

**SECTION 28.30.** Same as Section 28.30 in 4th edition except directs any additional funds collected from the new fee to be credited to the Highway Fund (rather than the Mobility Fund) to be allocated and used for urban loop projects.

**MAINTAIN CURRENT LEVEL OF ADMINISTRATIVE FUNDING FROM HIGHWAY TRUST FUND; SEND SAVINGS TO URBAN LOOPS**

**SECTION 28.31.** Same as 6th edition except directs the difference between the amount that otherwise would have been allocated to Highway Trust Fund administrative expenses and the amounts for administrative expenses in the base budgets for the 2011-2013 biennium to be allocated to urban loop projects.

**ADMINISTRATIVE FUND BALANCE TRANSFERRED TO URBAN LOOPS**

**SECTION 28.31A.** New provision reallocates \$25 million of the accumulated fund balance for administrative costs associated with the Highway Trust Fund to urban loop projects.

**SCHOOL BUS FUNDING FROM UNEXPENDED MID-CURRITUCK BRIDGE GAP FUNDS AND URBAN LOOP FUNDS; REDUCE GARDEN PARKWAY GAP FUNDS AND TRANSFER FUNDING TO URBAN LOOPS PROGRAM**

**SECTION 28.32.(a)** Identical to 6th edition.

**SECTION 28.32.(b)** Identical to 6th edition.

**SECTION 28.32.(c)** Deleted.

**SECTION 28.32.(d)** Deleted.

**SECTION 28.32.(e)** Deleted.

**SECTION 28.32.(f)** Deleted.

**SECTION 28.32.(g)** Deleted.

**SECTION 28.32.(h)** Deleted.

**SECTION 28.32.(i)** Deleted.

**SECTION 28.32.(c)** (new) Same as 6th edition except increases amount of annual appropriation to the North Carolina Turnpike Authority from the Highway Trust Fund to \$64 million (previously \$49 million) (this subsection, previously (j) now renumbered as subsection (c)). Restores \$15 million for the Mid-Currituck Bridge.

**SECTION 28.32.(d)** (new) New provision, effective for 2012-13 only, amends GS 136-176(62) to appropriate \$81.5 million to the Authority. \$17.5 million of that amount will be used for the Garden Parkway.

**SECTION 28.32.(e)** (new) Same as 6th edition except directs DOT to study and develop up to eight Turnpike Projects (was six) by restoring the Garden Parkway and the Mid-Currituck Bridge (this subsection (previously (k), now renumbered as subsection (e)).

**MOBILITY FUND PROJECT SELECTION CRITERIA ADJUSTMENT; MOBILITY FUND MONEY PLACED IN RESERVE ACCOUNT FOR FY 2012-2013 AND FUTURE FISCAL YEARS**

**SECTION 28.33.** Same as Section 28.33 in the 4th edition, except adds two new subsections:

**SECTION 28.33(c)** New subsection amends GS 105-187.9(c) to provide that \$45 million annual transfer of tax revenues will be deposited in the DOT Prioritization Reserve account within the Trust Fund (was, deposited in the Mobility Fund). Effective July 1, 2012.

**SECTION 28.33(d)** New subsection amends GS 105-187.9(c) to increase annual transfer of tax revenues deposited in DOT Prioritization Reserve account within the Trust Fund to \$58 million (was \$45 million). Effective July 1, 2013.

**REMOVE URBAN LOOP PROJECTS FROM STATUTE AND ALLOW DEPARTMENT OF TRANSPORTATION TO DEFINE AND PRIORITIZE URBAN LOOP PROJECTS**

**SECTION 28.34.** Identical to 6th edition.

**MODIFY DEPARTMENT OF TRANSPORTATION REPORTING REQUIREMENTS**

**SECTION 28.35.** Identical to 6th edition.

**COST-EFFICIENT TIRE RETREADS ON STATE VEHICLES AND SCHOOL BUSES**

**SECTION 28.36.** Identical to 6th edition.

**DRIVER EDUCATION REFORM**

**SECTION 28.37.** Same as 6th edition except allows students receiving instruction through a home school to participate in the driver education program.

**ROAD IMPROVEMENTS FOR LAWYERS ROAD IN MECKLENBURG AND UNION COUNTIES**

**SECTION 28.38.** New provision directs DOT to use up to \$2 million of non-highway maintenance funds for improvements to Lawyers Road in Mecklenburg and Union counties between NC Highway 51 and Interstate 485.

**PART XXIX. SALARIES AND BENEFITS**

**GOVERNOR AND COUNCIL OF STATE**

**SECTION 29.1.** Identical to 6th edition.

**NONELECTED DEPARTMENT HEAD**

**SECTION 29.2.** Identical to 6th edition.

**CERTAIN EXECUTIVE BRANCH OFFICIALS**

**SECTION 29.3.** Identical to 6th edition.

**JUDICIAL BRANCH**

**SECTION 29.4.** Identical to 6th edition.

**GENERAL ASSEMBLY**

**SECTION 29.5.** Identical to 6th edition.

**COMMUNITY COLLEGES PERSONNEL**

**SECTION 29.6.** Identical to 6th edition.

**UNIVERSITY OF NORTH CAROLINA SYSTEM**

**SECTION 29.7.** Identical to 6th edition.

**SALARY ADJUSTMENTS FOR SPECIAL CIRCUMSTANCES ONLY/NO AUTOMATIC INCREASES**

**SECTION 29.8.** Same as 6th edition, except adds to subsection (a)(2) authorization for retention adjustments, and adds a new subsection (a)(3) authorizing local supplementation for employees of the judicial branch authorized by GS 7A-300.1.

**MOST STATE EMPLOYEES**

**SECTION 29.9.** Identical to 6th edition.

**ALL STATE-SUPPORTED PERSONNEL/NO SALARY INCREASES**

**SECTION 29.10.** Identical to 6th edition.

**STATE AGENCY TEACHERS' COMPENSATION**

**SECTION 29.11.** Identical to 6th edition.

**TEACHER SALARY SCHEDULES**

**SECTION 29.12.** Same as the provision in 4th edition (including restoring the Monthly Salary Schedule for "M" teachers with NBPTS Certification which was reduced in the 6th edition).

**SCHOOL-BASED ADMINISTRATOR SALARY SCHEDULE**

**SECTION 29.13.** Identical to 6th edition.

**CENTRAL OFFICE SALARIES**

**SECTION 29.14.** Identical to 6th edition.

**NONCERTIFIED PERSONNEL SALARIES**

**SECTION 29.15.** Identical to 6th edition.

**ALL FURLOUGHS PROHIBITED EXCEPT AS ORDERED TO BALANCE THE BUDGET/BENEFITS**

**PROTECTION FOR FURLOUGHED PERSONNEL**

**SECTION 29.18.(a)** Identical to 6th edition.

**SECTION 29.18.(b)** Same as 6th edition except requires the UNC Board of Governors, the State Board of Community Colleges, and local public school boards of education to petition the Governor in order to furlough employees.

**SECTION 29.18.(c)** Same as 6th edition except adds additional language clarifying that a furlough of state employees must be effected in accordance with subsection (b) of the provision if necessary to achieve economies in expenditures.

**SECTION 29.18.(d)** Identical to 6th edition.

**SECTION 29.18.(e)** Identical to 6th edition.

#### **MONITOR COMPLIANCE WITH FREEZE ON MOST SALARY INCREASES**

**SECTION 29.19.** Identical to 6th edition.

#### **COMPREHENSIVE REVIEW FOR REFORM OF PUBLIC EMPLOYEE COMPENSATION PLANS/RECOMMENDATIONS FOR LEGISLATION BY MAY 1, 2012**

**SECTION 29.20.** Same as 6th edition, except adds new subsection (b) directing a consulting firm (if any) hired by the Legislative Services Commission to report its progress to Fiscal Research and Program Evaluation Divisions every 90 days, and renumbers remaining subsections accordingly.

#### **ESTABLISH COMPENSATION ADJUSTMENT AND PERFORMANCE PAY RESERVE IN ANTICIPATION OF COMPENSATION RECOMMENDATIONS**

**SECTION 29.20A.** Same as 6th edition except changes name of Salary Adjustment and Performance Pay Reserve to Compensation Adjustment and Performance Pay Reserve.

#### **ESTABLISH SEVERANCE EXPENDITURE RESERVE**

**SECTION 29.21.** Identical to 6th edition.

#### **REPEAL REDUCTION-IN-FORCE PRIORITY CONSIDERATION UNDER THE STATE PERSONNEL ACT**

**SECTION 29.21A.** Identical to 6th edition.

#### **JUDICIAL DEPARTMENT EXPENSE AMENDMENTS**

**SECTION 29.21B.** Deleted.

#### **STATE PERSONNEL INFORMATION AMENDMENT**

**SECTION 29.21C.** Same as 6th edition except adds additional requirement that access to the BEACON/HR payroll system by the Program Evaluation Division will only be through the Division Director and two employees designated by the Division Director.

#### **SALARY RELATED CONTRIBUTIONS**

**SECTION 29.22(a)** Identical to 6th edition.

**SECTION 29.22(b)** New subsection directing the Boards of Trustees of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Firemen's and Rescue Squad Workers' Pension Fund to adopt a 12-year liquidation period for all unfunded accrued liability, and directs the State Treasurer to do so for the North Carolina National Guard Pension Fund.

**SECTION 29.22(c)** Same as 6th edition except makes changes to employer contribution rates for FY 2011-2012 as follows: 13.12% for Teachers and State Employees (was 13.62%); 18.12% for State Law Enforcement Officers (was 18.62%); and 30.05% for Consolidated Judicial Retirement System (was 31.54%).

**SECTION 29.22(d)** Same as 6th edition except makes changes to employer contribution rates for FY 2012-2013 as follows: 14.31% for Teachers and State Employees (was 15%); 19.31% for State Law Enforcement Officers (was 20%); and 31.70% for Consolidated Judicial Retirement System (was 33.51%).

**SECTION 29.22(e)** Identical to 6th edition.

**SECTION 29.22(f)** Identical to 6th edition.

#### **REPORTING OF POSITION ELIMINATIONS**

**SECTION 29.22A.** Deleted.

#### **LIMIT STATE ABORTION FUNDING/HEALTH PLAN/INSURANCE**

**SECTION 29.23.** Same as 6th edition except codifies provision as new GS 143C-6-5.5 and makes conforming amendment to GS 135-48.50(l).

**PERMANENTLY EXEMPT PARTICIPANTS IN THE UNIVERSITY OF NORTH CAROLINA PHASED RETIREMENT PROGRAM FROM THE RESTRICTIONS ON RETURNING TO WORK**

**SECTION 29.24.** Same as 6th edition except rewrites amendment to GS 135-1(20) to clarify that full-time UNC faculty may return to work after retirement notwithstanding the six-month waiting period so long as the faculty member immediately enters the University's Phased Retirement Program for Tenured Faculty.

**REDUCE THE REQUIRED BREAK IN SERVICE FOR RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM TO RETURN TO WORK WITHOUT LOSING RETIREMENT BENEFITS**

**SECTION 29.25.** Deleted.

**PROVIDE FOR VESTING RECIPROCITY BETWEEN THE STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEMS AND THE OPTIONAL RETIREMENT PROGRAM FOR STATE INSTITUTIONS OF HIGHER LEARNING**

**SECTION 29.26.** Identical to 6th edition.

**ENABLE THE UNC HEALTH CARE SYSTEM TO OFFER THE OPTIONAL RETIREMENT PROGRAM (ORP) AS A RETIREMENT OPTION**

**SECTION 29.27.** Identical to 6th edition.

**PART XXX. CAPITAL APPROPRIATIONS****GENERAL FUND CAPITAL APPROPRIATIONS/INTRODUCTION**

**SECTION 30.1.** Identical to 6th edition.

**CAPITAL APPROPRIATIONS/GENERAL FUND**

**SECTION 30.2.** Identical to 6th edition.

**WATER RESOURCES DEVELOPMENT PROJECTS**

**SECTION 30.3.(a)** Same as 4th edition, including adjustment to allow total allocated funds to provide a state match for an estimated \$23,449,000 (was \$20,749,000) in federal funds and adjusting funding for the following projects: \$1.225 million for Manteo Old House Channel (was, \$0); \$275,000 for Currituck Sound Environmental Restoration Study (was, \$0); \$500,000 million for state-local projects (was, \$3 million); and \$1 million for Agricultural Water Resources Assistance Program (was \$0).

**SECTION 30.3.(b)** Identical to 6th edition.

**SECTION 30.3.(c)** Identical to 6th edition.

**SECTION 30.3.(d)** Identical to 6th edition.

**SECTION 30.3.(e)** Identical to 6th edition.

**NON-GENERAL FUND CAPITAL IMPROVEMENT AUTHORIZATIONS**

**SECTION 30.4.** Identical to 6th edition.

**REPAIRS AND RENOVATIONS RESERVE ALLOCATION**

**SECTION 30.5.** Identical to 6th edition.

**PROCEDURES FOR DISBURSEMENT OF CAPITAL FUNDS**

**SECTION 30.6.** Identical to 6th edition.

**UNC NON-GENERAL FUND CAPITAL PROJECTS**

**SECTION 30.7.** Identical to 6th edition.

**VANCE-GRANVILLE COMMUNITY COLLEGE BOND FUNDS**

**SECTION 30.9.** Identical to 6th edition.

**ALLOW THE UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS TO APPROVE THE PLANNING, AUTHORIZATION, AND FUNDING OF CAPITAL PROJECTS FROM NON-GENERAL FUND SOURCES**

**SECTION 30.10.** Identical to 6th edition.

**AUTHORIZE THE UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS TO ALLOCATE OR REALLOCATE FUNDS TO REPAIRS AND RENOVATIONS PROJECTS**

**SECTION 30.11.** Identical to 6th edition.

**WAIVE THE REQUIREMENT FOR A CAPITAL PROJECT FEASIBILITY DETERMINATION FOR CAPITAL PROJECTS OF THE UNIVERSITY OF NORTH CAROLINA FOR WHICH ADVANCE PLANNING HAS NOT BEEN UNDERTAKEN**

**SECTION 30.12.** Identical to 6th edition.

**JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON CAPITAL IMPROVEMENTS SHALL EXAMINE ADEQUACY OF PLANNING FOR LONG-TERM STATE CAPITAL NEEDS**

**SECTION 30.13.** Identical to 6th edition.

**PART XXXI. FEES****EDUCATION/DRIVER EDUCATION COURSE FEE**

**SECTION 31.1.** New provision amends GS 115C-216 to authorize local boards of education to charge students participating in a driver education program a fee of up to \$45.

**EDUCATION/STATE BOARD AUTHORITY TO ESTABLISH GED TESTING FEES**

**SECTION 31.2.** Identical to 6th edition.

**NER/COMMERCE/SET REGULATORY FEE FOR UTILITIES COMMISSION**

**SECTION 31.4.** Identical to 6th edition.

**FEE TO ADVERTISE IN WELCOME CENTERS**

**SECTION 31.4A.** Deleted.

**NER/AGRICULTURE/INCREASE FEES FOR PET SHOPS, AUCTIONS, KENNELS, AND DEALERS**

**SECTION 31.5.** Identical to 6th edition.

**NER/AGRICULTURE/FEES FOR OUT-OF-STATE SOIL TESTS AND EXPEDITED SOIL TESTS**

**SECTION 31.7.** Identical to 6th edition.

**NER/AGRICULTURE/TECHNICAL CORRECTIONS REGARDING COMMERCIAL FERTILIZER INSPECTION FEE, PESTICIDE TECHNICIAN IDENTIFICATION CARD RENEWAL FEE, AND PESTICIDE DEALER LICENSE RENEWAL FEE**

**SECTION 31.8.** Identical to 6th edition.

**NER/AGRICULTURE/INCREASE AGRICULTURAL LIMING MATERIALS TONNAGE FEES**

**SECTION 31.9.** Identical to 6th edition.

**NER/AGRICULTURE/INCREASE ANTIFREEZE DISTRIBUTION REGISTRATION FEE**

**SECTION 31.10.** Identical to 6th edition.

**NER/ENVIRONMENT/REDUCE PORTION OF CERTIFICATE OF TITLE FEES CREDITED TO MERCURY SWITCH REMOVAL ACCOUNT**

**SECTION 31.11.** Identical to 6th edition.

**LOCALS TO RECEIVE LARGER PORTION OF FOOD AND LODGING FEES**

**SECTION 31.11A.** Identical to 6th edition.

**NER/ENVIRONMENT/ADDITIONAL USES OF HAZARDOUS WASTE FEES**

**SECTION 31.15.** Identical to 6th edition.

**NER/NATURAL RESOURCES/NO NEW FEES FOR PARKING IN STATE PARKS**

**SECTION 31.22.** Identical to 6th edition.

**JPS/AOC/INCREASE CERTAIN COURT COSTS**

**SECTION 31.23.** Same as 6th edition except changes to \$1.50 (was \$2.05) the amount to be remitted from various court fees to the North Carolina State Bar for the support of legal services programs; and deletes amendment to new provision in GS 7A-307(a)(4) specifying that the \$20 fee must accompany any filing *requiring a notice of hearing*.

**JPS/AOC/COMMUNITY MEDIATION CENTERS/WORTHLESS CHECK PROGRAMS**

**SECTION 31.24.** Identical to 6th edition.

**JPS/AOC/INCREASE INTERSTATE COMPACT FEE**

**SECTION 31.25.** Identical to 6th edition.

**JPS/AOC/CONTINGENT COURT COST INCREASES FOR COUNTIES**

**SECTION 31.26.** Identical to 6th edition.

**LABORATORY FACILITIES FEE EXPANSION**

**SECTION 31.26A.** Identical to 6th edition.

**GENGOV/INS/SET INSURANCE REGULATORY CHARGE**

**SECTION 31.27.** Identical to 6th edition.

**INVESTMENT COMPANY NOTICE FILING FEE**

**SECTION 31.27A.** Identical to 6th edition.

**RAISE PARKING RATES**

**SECTION 31.27B.** Identical to 6th edition.

**TRANSPORTATION/DIVISION OF MOTOR VEHICLES BULK DATA**

**SECTION 31.29.** Identical to 6th edition.

**TRANSPORTATION/FERRY DIVISION TOLLING**

**SECTION 31.30.** Same as 6th edition except prohibits establishing tolls for the Ocracoke/Hatteras Ferry and the Knotts Island Ferry.

**PART XXXI-A. FINANCE PROVISIONS****USE ADJUSTED GROSS INCOME AS STARTING POINT FOR CALCULATION OF STATE INCOME TAX AND PROVIDE TAX RELIEF FOR SMALL BUSINESS**

**SECTION 31A.1.** Same as 2nd edition of HB 619, Job Creation Act of 2011, summarized in *Daily Bulletin* on May 26, 2011, except removes sunset provision on amendment to proposed GS 105-134.6(b)(22). Deletes amendments to GS 105-134.2, which reduced the individual income tax rate.

**ELIMINATE DEDUCTION FOR SEVERANCE WAGES AND CREDIT FOR OYSTER SHELLS**

**SECTION 31A.2.** Deleted.

**FRANCHISE TAX BASE MODIFICATIONS**

**SECTION 31A.2.** New provision amending GS 105-122(b)(2) to add amortization of intangible assets to the franchise tax base. Effective for taxable years beginning on or after January 1, 2007.

**ELIMINATE SALES TAX EXEMPTION FOR CERTAIN NUTRITIONAL SUPPLEMENTS AND THE ENERGY STAR TAX HOLIDAY**

**SECTION 31A.3.** Deleted.

**PART XXXII. MISCELLANEOUS PROVISIONS****STATE BUDGET ACT APPLIES**

**SECTION 32.1.** Identical to 6th edition.

**MOST TEXT APPLIES ONLY TO THE 2011-2013 FISCAL BIENNIUM**

**SECTION 32.2.** Identical to 6th edition.

**EFFECT OF HEADINGS**

**SECTION 32.3.** Identical to 6th edition.

**COMMITTEE REPORT**

**SECTION 32.4.** Same as 6th edition except references the Senate Appropriations Committee Report, dated May 31, 2011, and references distribution of the Committee Report in the House of Representatives.

**SEVERABILITY CLAUSE**

**SECTION 32.5.** Identical to 6th edition.

**EFFECTIVE DATE**

**SECTION 32.6.** Identical to 6th edition.

Budget and Appropriations; State Government; Agriculture, Environment, and Natural Resources; Alcoholic Beverage Control; Animal Law; APA/Rule Making; Banking and Finance; Business and Commerce; Children and Juvenile Law; Civil Law and Procedure; Community and Economic Development; Courts; Criminal Law, Procedure, and Sentencing; Education; Elections Law; Emergency Services; Employment and Retirement; Energy and Utilities; General Assembly; Health, Social Services, and Aging; Local Government; Lottery and Gaming; Property, Land Use, and Housing; Taxation; Transportation

**H 227. [DISTURBING/DISEMBLING HUMAN REMAINS \(NEW\)](#).** Filed 3/2/11. Changes made by House committee substitute will be summarized in tomorrow's *Daily Bulletin*.

Criminal Law, Procedure, and Sentencing

**H 350. [PROPERTY TAX UNIFORMITY FOR CONSERVATION LAND \(NEW\)](#).** Filed 3/14/11. Changes made by House committee substitute will be summarized in tomorrow's *Daily Bulletin*.

Taxation; Property, Land Use, and Housing

**H 440. [ADOPT OFFICIAL LIVERMUSH FESTIVALS \(NEW\)](#).** Filed 3/23/11. House committee substitute makes the following changes to 1st edition. Deletes all provisions of previous edition and replaces them with *AN ACT DESIGNATING THE SHELBY LIVERMUSH FESTIVAL AS THE OFFICIAL FALL LIVERMUSH FESTIVAL OF THE STATE OF NORTH CAROLINA AND DESIGNATING THE MARION COMMUNITY AND MCDOWELL COUNTY LIVERMUSH FESTIVAL AS THE OFFICIAL SPRING LIVERMUSH FESTIVAL OF THE STATE OF NORTH CAROLINA*. Enacts new GS 145-35 to provide as title indicates.

Previously: Mecklenburg  
Now: State Government

**H 450. [LRC STUDY AUTO RENEWAL CREDIT CARD CONTRACTS](#).** Filed 3/23/11. House committee substitute makes the following changes to 1st edition. Deletes all provisions of previous edition and replaces them with *AN ACT AUTHORIZING THE LEGISLATIVE RESEARCH COMMISSION TO STUDY THE AUTOMATIC RENEWAL OF MERCHANT CREDIT CARD PROCESSING CONTRACTS*. As title indicates. Provides reporting requirements.

Previously: Business and Commerce  
Now: Business and Commerce;  
General Assembly

**H 476. PROTECT GALAX & VENUS FLYTRAP/WRC RULE FINES.** Filed 3/24/11. Changes made by the House committee substitute will be summarized in tomorrow's *Daily Bulletin*.

Agriculture, Environment, and  
Natural Resources

**H 503. NUTRITION STDS./ALL FOODS SOLD AT SCHOOL.** Filed 3/29/11. House amendment makes the following changes to 2nd edition. Limits provisions of the act to competitive foods and beverages sold to students (previously applied to competitive foods and beverages sold or served to students). Rewrites proposed GS 115C-264.4(b) by clarifying that fund raisers conducted after the end of the last lunch period of the day (was, fund raisers for grades 9-12) are exempted from the definition of *competitive food*.

Education

**H 518. AUTHORIZE ADD'L PERSON COUNTY OCCUPANCY TAX.** Filed 3/29/11. Changes made by the House committee substitute will be summarized in tomorrow's *Daily Bulletin*.

Person

**H 542. TORT REFORM FOR CITIZENS AND BUSINESSES.** Filed 3/30/11. House amendments make the following changes to 2nd edition. Amendment #1 amends Rule 414 to clarify that evidence offered to prove past medical expenses is limited to evidence of the amounts actually paid to satisfy bills that have been satisfied (was, all bills reasonably paid), and evidence of the amounts actually necessary to satisfy the bills that have been incurred but not yet satisfied. Makes a conforming change to GS 8-58.1, and provides that the testimony of a person under GS 8-58.1, as amended, establishes a rebuttable presumption of the reasonableness of the amount paid or required to be paid; provides instances in which the presumption is rebutted. States that the fact that a provider charged for services provided establishes a rebuttable presumption that the services were reasonably necessary.

Amendment #2 amends proposed GS 99B-12 to provide the statute does not bar an action brought pursuant to Article 51 of GS Chapter 1, if the action is not based upon allegations that the product was not safe or effective or that the manufacturer failed to provide an adequate warning. Makes other clarifying and organizational changes.

Amendment #3 amends GS 6-21.1 to cap attorneys' fees awarded under the statute at \$10,000 (was, fees must not exceed the higher of \$5,000 or 50% of the damages awarded).

Amendment #4 amends GS 99B-12, as amended, to create a rebuttable presumption that the drug alleged to cause harm in a product liability case was safe and effective for its approved use, and that the manufacturer or seller is not liable if the drug was approved by the FDA and had compliant labeling when the drug left control of the manufacturer or seller. Provides that this presumption is only rebuttable by clear and convincing evidence.

Amendment #5 deletes all previous amendments to GS 1D-25 concerning punitive damages awards over \$100,000.

Amendment #7 amends GS 6-21.1 to provide that, along with other requirements, a judge may allow reasonable attorneys' fees to the attorney representing the litigant, in certain cases, when the amount of damages recovered exceeds the highest offer made by the defendant no later than 30 days after the deadline for completion of court-ordered mediation, or no later than the earlier of either 180 days after the filing of the last responsive pleading or 90 days before commencement of the trial in cases where there is no court ordered mediation.

Amendment #8 amends Rule 414, as amended, to clarify that evidence presented to prove past medical expenses is limited to amounts actually paid to satisfy the bills, regardless of the source of payment. Clarifies that nothing in the rule modifies current law governing the admissibility of evidence relating to collateral sources of payments.

Civil Law and Procedure; Courts;  
Business and Commerce

**H 556. VOLUNTEER SERVICE AS A GAL IN RETIREMENT.** Filed 3/30/11. House committee substitute makes the following changes to 1st edition. Rewrites the definition of *retirement* in GS 135-1(20) to clarify that work performed as an unpaid bona fide volunteer Guardian ad Litem in the Guardian ad Litem Program is not considered service. Effective July 1, 2011. Makes a conforming change to the bill title.

Employment and Retirement

**H 591. LDP/IGNITION INTERLOCK CHANGES (NEW).** Filed 4/4/11. Changes made by the House committee substitute will be summarized in tomorrow's *Daily Bulletin*.

## Transportation

**H 593. ALLOW COUNTY GRANTS FOR BROADBAND (NEW)**. Filed 4/4/11. House committee substitute makes the following changes to 1st edition. Deletes all the provisions of the 1st edition and replaces it with *AN ACT TO AUTHORIZE NASH COUNTY TO PROVIDE GRANTS TO PROMOTE BROADBAND IN UNSERVED AREAS FOR ECONOMIC DEVELOPMENT IN THE COUNTY*. Authorizes a county to provide grants to unaffiliated providers of high-speed Internet broadband to expand service in unserved areas for economic development in the county; however, does not authorize a county to provide high-speed Internet broadband service. Limits the county to use of unrestricted general fund revenue for the grants and provides criteria for awarding the grants. Applies only to Nash County.

Previously: Local Government  
Now: Nash

**H 603. PAYING OF OVERWEIGHT FINES BY PRIVATE PARTIES**. Filed 4/4/11. House amendment makes the following change to 2nd edition. Makes a technical change only.

## Transportation

**H 642. JUSTICE REINVESTMENT ACT**. Filed 4/5/11. House committee substitute, reported in on 5/31/11, makes the following changes to 2nd edition. Amends proposed GS 15A-1343(a1)(4) to clarify the following condition as part of community or intermediate punishment: submission to a period or periods of confinement in a local confinement facility for a total of no more than six days per month during any three separate months during the period of probation; the six days per month confinement may only be imposed as two-day or three-day consecutive periods. Makes similar changes to proposed GS 15A-1343.2(e)(5) and GS 15A-1343.2(f)(6). Amends GS 15A-1343.2(e) to provide that the condition concerning periods of confinement in a local confinement facility may not be imposed unless the Division of Community Corrections (Division) determines that the offender failed to comply with one or more conditions imposed by the court. Makes similar change to GS 15A-1343.2(f).

Amends GS 14-7.26 to clarify that any felony offense of breaking and entering committed before the person is 18 years of age cannot constitute more than one felony breaking and entering. Amends proposed GS 14-7.28(a) and GS 14-7.3 to clarify that the district attorney, in his or her discretion, may charge a person with the status offense of habitual breaking and entering. Rewrites GS 14-7.1 to provide that a person may be charged as a status offender if declared to be a habitual felon.

Amends proposed GS 15A-1344(d2) to clarify that the court may not revoke probation unless the defendant has previously received a total of two 90-day periods of confinement under the subsection. Specifies that a defendant may only receive two 90-day periods of confinement under the subsection. Makes a clarifying change to GS 90-96(a), and makes other clarifying and conforming changes to GS 90-96.

Amends GS 15A-145.2(c) by making a conforming change and clarifying that when a court finds, among other things, that a petitioner was convicted of a felony under GS 90-95(a)(3) and has no disqualifying previous conviction as set forth in the subsection, the court must enter an order of expunction of the petitioner's court record.

Amends proposed GS 15A-1340.18 to create a new subsection providing that a defendant released on the advanced supervised release date is subject to post-release supervision. Provides that if a defendant has been returned to prison for three, three-month periods of confinement, a subsequent violation will result in the defendant returning to prison to serve the time remaining on the maximum imposed term. Makes the defendant ineligible for further post-release supervision regardless of the amount of time remaining to be served. Deletes proposed GS 15A-1340.24.

Amends GS 15A-1352(b) to provide that a person sentenced to imprisonment for a felony under the Article must be committed for the term designated by the court to the custody of the Department of Correction (removes exceptions). Creates new subsection (b1) to GS 148-32.1, establishing the Statewide Misdemeanor Confinement Program (Confinement Program). Directs the Confinement Program to provide housing for misdemeanants from all counties serving sentences imposed for a period between 90-180 days, except those serving sentences for impaired driving. Provides additional duties for the Confinement Program. Directs the Sheriffs' Association, in consultation with the Department of Correction, to develop the Confinement Program by September 1, 2011; directs the Secretary of Commerce to contract with the Association by November 1, 2011, as detailed. Enacts new (b2) and (b3) to GS 148-32.1 to provide for instances in which the custodian of a local confinement facility may request a judicial order to transfer a misdemeanant housed pursuant to the Confinement Program to a facility operated by the Department of Correction. Makes conforming and clarifying changes to GS 15A-1352 and GS 148-32.1(b).

Amends Article 1 of GS Chapter 148 by adding new GS 148-10.4 to establish a special, nonreverting Statewide Misdemeanor Confinement Fund (Fund). Provides definitions, intent, and purpose of the Fund; details Fund uses and details operating and administrative expenses. Provides reporting requirements for the North Carolina Sheriffs' Association regarding the implementation of the Confinement Program and the Fund. Directs that, of the funds appropriated to the Department of Correction for the 2011-12 fiscal year, \$300,000 is to be transferred to the North Carolina Sheriffs' Association for expenses related to implementing the Confinement Program and the Fund. Provides that provisions related to the establishment of the Confinement Program and the Fund, reporting requirements, availability of the Confinement Program, and the appropriation to the North Carolina Sheriffs' Association are effective July 1, 2011. All other provisions of this part of the act are effective January 1, 2012, and apply to sentences imposed on or after that date.

Makes other technical and clarifying changes.

Criminal Law, Procedure, and  
Sentencing

**H 641. [CERTIFICATE OF RELIEF ACT \(NEW\)](#).** Filed 4/5/11. Changes made by House committee substitute will be summarized in tomorrow's *Daily Bulletin*.

Criminal Law, Procedure, and  
Sentencing

**H 642. [JUSTICE REINVESTMENT ACT](#).** Filed 4/5/11. House amendments make the following changes to 3rd edition. Amendment #1 amends proposed GS 148-32.1(b2) by deleting the provision that a transfer of a misdemeanor housed under the Statewide Misdemeanor Confinement Program to a facility operated by the Department of Corrections be performed by the North Carolina Sheriffs' Association.

Amendment #2 adds a new section to authorize the Department of Correction (DOC) to use funds received from the Statewide Misdemeanor Confinement Program (Program) to operate facilities previously identified for closure and for diagnostic staff positions in the event there is not adequate capacity in the Program such that the DOC must continue to house prisoners serving between 90-180 days pursuant to GS 148-32.1(b3).

Criminal Law, Procedure, and  
Sentencing

**H 662. [ELECTRONIC MONITORING FEE](#).** Filed 4/6/11. Changes made by the House committee substitute will be summarized in tomorrow's *Daily Bulletin*.

Criminal Law, Procedure, and  
Sentencing

**H 696. [ASSAULT/OFFICER/PHYSICAL INJURY \(NEW\)](#).** Filed 4/6/11. Changes made by the House committee substitute will be summarized in tomorrow's *Daily Bulletin*.

Criminal Law, Procedure, and  
Sentencing

**H 704. [STUDY STATE'S FUTURE ENERGY NEEDS](#).** Filed 4/6/11. Changes made by the House committee substitute will be summarized in tomorrow's *Daily Bulletin*.

Energy and Utilities

**H 706. [ALIMONY/POSTSEPERATION SUPPORT CHANGES](#).** Filed 4/6/11. House committee substitute makes the following changes to 1st edition. Deletes proposed GS 52-10(a) concerning contracts between a husband and wife to waive and release all rights and obligations to postseparation support or alimony. Makes conforming change.

Family Law

**H 713. [PUBLIC CONTRACTS/MULTIPLE AWARD](#).** Filed 4/6/11. House committee substitute makes the following changes to 1st edition. Changes made by the committee substitute will be summarized in tomorrow's *Daily Bulletin*.

State Government

**H 813. [ESC/JOBS REFORM](#).** Filed 4/6/11. Changes made by House committee substitute will be summarized in tomorrow's *Daily Bulletin*.

Employment and Retirement; State Government

**H 916. [STATEWIDE EXPANSION OF 1915\(B\)/\(C\) WAIVER](#).** Filed 5/4/11. House amendment makes the following change to 2nd edition. Provides for stakeholder input in the Department of Health and Human Services' strategic plan on delineating specific strategies and agency responsibilities for the achievement of the objectives and deadlines set forth in the act.

Health, Social Services, and Aging

## SENATE BILLS

**S 9. [NO DISCRIMINATORY PURPOSE IN DEATH PENALTY \(NEW\)](#).** Filed 1/27/11. Changes made by the House committee substitute will be summarized in tomorrow's *Daily Bulletin*.

Criminal Law, Procedure, and Sentencing

**S 16. [OBTAIN BLOOD SAMPLE/IMPLIED-CONSENT LAWS](#).** Filed 3/21/11. Changes made by the House committee substitute will be summarized in tomorrow's *Daily Bulletin*.

Criminal Law, Procedure, and Sentencing; Emergency Services

**S 321. [SURPLUS LINES/PREMIUM TAX](#).** Filed 3/10/11. Changes made by the House committee substitute will be summarized in tomorrow's *Daily Bulletin*.

Business and Commerce

**S 562. [STANDARDS FOR SOME NURSERY STOCK PURCHASES](#).** Filed 4/11/11. Senate committee substitute makes the following changes to 1st edition. Makes technical changes only.

Local Government; Health, Social Services, and Aging

## Legislation Enacted

**SL 2011-90 (S 245). [MEDICAID BILLING BY LOCAL HEALTH DEPARTMENTS](#), AN ACT TO AUTHORIZE LOCAL PUBLIC HEALTH DEPARTMENTS, DISTRICT HEALTH DEPARTMENTS, AND CONSOLIDATED HUMAN SERVICES AGENCIES TO BILL MEDICAID THROUGH AN APPROVED MEDICAID CLEARINGHOUSE OR THROUGH THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF PUBLIC HEALTH.** Summarized in *Daily Bulletin* 3/7/11, 3/17/11, 5/17/11 and 5/18/11. Enacted May 26, 2011. Effective May 26, 2011.

Health, Social Services, and Aging; Local Government

**SL 2011-91 (H 769). [HIGH SCHOOL TO WORK PARTNERSHIP](#), AN ACT DIRECTING LOCAL BOARDS OF EDUCATION TO ADOPT AND IMPLEMENT POLICIES THAT ENCOURAGE HIGH SCHOOL TO WORK PARTNERSHIPS.** Summarized in *Daily Bulletin* 4/7/11 and 4/21/11. Enacted May 26, 2011. Effective May 26, 2011.

Education

**SL 2011-92 (S 244). [FIRE AND RESCUE/SURVIVOR'S BENEFIT](#), AN ACT TO EXTEND THE SURVIVOR'S ALTERNATE BENEFIT TO SURVIVORS OF FIREFIGHTERS AND RESCUE SQUAD WORKERS WHO ARE MEMBERS OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM AND ARE KILLED IN THE LINE OF DUTY.** Summarized in *Daily Bulletin* 3/7/11 and 3/31/11. Enacted May 26, 2011. Effective July 1, 2011.

Emergency Services; Employment and Retirement

**SL 2011-93 (H 197).** [SCHOOL CALENDAR FLEXIBILITY/INCLEMENT WEATHER](#). AN ACT TO GIVE CERTAIN LOCAL BOARDS OF EDUCATION ADDITIONAL FLEXIBILITY WITH REGARD TO INSTRUCTIONAL TIME LOST DUE TO INCLEMENT WEATHER OR OTHER EMERGENCY SITUATIONS. Summarized in *Daily Bulletin* 2/28/11 and 5/5/11. Enacted May 26, 2011. Effective May 26, 2011.

Education

**SL 2011-94 (S 384).** [CONFORMING CHANGES/PERSONS W/DISABILITIES ACT](#). AN ACT AMENDING THE NORTH CAROLINA PERSONS WITH DISABILITIES PROTECTION ACT TO CONFORM WITH FEDERAL CHANGES UNDER THE AMERICANS WITH DISABILITIES ACT AMENDMENTS ACT OF 2008 (ADAAA). Summarized in *Daily Bulletin* 3/21/11. Enacted May 26, 2011. Effective May 26, 2011.

State Government

**SL 2011-95 (H 222).** [ELECTRIC VEHICLE INCENTIVES](#). AN ACT TO AUTHORIZE PLUG-IN ELECTRIC VEHICLES TO OPERATE IN HIGH OCCUPANCY VEHICLE LANES AND TO EXEMPT PLUG-IN ELECTRIC VEHICLES FROM THE EMISSIONS INSPECTION REQUIREMENT. Summarized in *Daily Bulletin* 3/2/11, 4/13/11, 4/14/11, and 5/10/11. Enacted May 26, 2011. Effective May 26, 2011.

Transportation

**SL 2011-96 (H 578).** [STATE HEALTH PLAN/ADDITIONAL CHANGES](#). AN ACT (1) TO ALLOW THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES TO PROVIDE THE BASIC PLAN PREMIUM-FREE USING AVAILABLE CASH BALANCE RESERVES, (2) TO DELAY IMPLEMENTATION OF CERTAIN CHANGES TO THE STATE HEALTH PLAN UNTIL SEPTEMBER 2011, (3) TO COMPLY WITH THE FEDERAL AFFORDABLE CARE ACT, (4) TO CLARIFY THE STATE HEALTH PLAN'S SUBROGATION RIGHTS, (5) TO GRANT THE STATE TREASURER IMMEDIATE ACCESS TO CONFIDENTIAL STATE HEALTH PLAN DOCUMENTS TO PLAN FOR THE TRANSFER, AND (6) TO CLARIFY THE BOARD COMPOSITION AND STAGGER INITIAL APPOINTMENTS. Summarized in *Daily Bulletin* 5/18/11. Enacted May 26, 2011. Effective May 26, 2011, except as otherwise provided.

Health, Social Services, and Aging

**SL 2011-97 (H 306).** [TRANSFER GSC/REVISOR OF STATUTES TO GA](#). AN ACT TO TRANSFER THE GENERAL STATUTES COMMISSION, THE RESPONSIBILITY FOR THE CODIFICATION OF THE GENERAL STATUTES, THE REVISOR OF STATUTES AND THE STAFF FOR THESE FUNCTIONS TO THE GENERAL ASSEMBLY. Summarized in *Daily Bulletin* 5/17/11. Enacted May 26, 2011. Effective June 1, 2011.

General Assembly; State  
Government

**SL 2011-98 (H 284).** [WAYNE COUNTY DESIGN BUILD](#). AN ACT TO PERMIT THE COUNTIES OF WAYNE AND CURRITUCK TO UTILIZE THE DESIGN-BUILD METHOD OF CONSTRUCTION AND RENOVATION OF COUNTY BUILDINGS. Summarized in *Daily Bulletin* 3/9/11, 4/11/11, 4/13/11, and 5/18/11. Enacted May 26, 2011. Effective May 26, 2011.

Wayne

**SL 2011-99 (H 474).** [PROTECT ADULT CARE HOME RESIDENTS](#). AN ACT TO PROTECT ADULT CARE HOME RESIDENTS BY INCREASING MINIMUM CONTINUING EDUCATION, TRAINING, AND COMPETENCY EVALUATION REQUIREMENTS FOR ADULT CARE HOME MEDICATION AIDES, STRENGTHENING ADULT CARE HOME INFECTION CONTROL REQUIREMENTS, AND REQUIRING THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF HEALTH SERVICE REGULATION, TO ANNUALLY INSPECT ADULT CARE HOMES FOR COMPLIANCE WITH SAFE INFECTION CONTROL STANDARDS. Summarized in *Daily Bulletin* 3/24/11, 4/26/11, 4/28/11, and 5/12/11. Enacted May 31, 2011. Effective May 31, 2011.

Health, Social Services, and Aging

**SL 2011-100 (H 280).** [COUNTY LAW ENFORCEMENT SERVICE DISTRICT](#). AN ACT TO CHANGE THE QUALIFICATION REQUIREMENT FOR A COUNTY SERVICE DISTRICT ESTABLISHED FOR LAW ENFORCEMENT. Summarized in *Daily Bulletin* 3/9/11 and 3/31/11. Enacted May 31, 2011. Effective May 31, 2011.

Emergency Services; Local  
Government

**SL 2011-101 (S 120). [NEW BERN CHARTER AMENDMENTS](#). AN ACT AMENDING THE CHARTER OF THE CITY OF NEW BERN RELATING TO THE MAYOR AND MAYOR PRO TEM.** Summarized in *Daily Bulletin* 2/23/11, 3/22/11, and 5/19/11. Enacted June 1, 2011. Effective June 1, 2011.

Craven

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## Notes

None

## NEXT SESSIONS

June 2, 2011

**HOUSE convenes at 1:00 p.m.**

**SENATE convenes at 12:00 p.m.**