

Daily Bulletin

ACTIONS BY THE NORTH CAROLINA GENERAL ASSEMBLY

School of Government

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House Legislative Day 121

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Senate Legislative Day 121

Tuesday, June 5, 2012

Table of Contents

Summaries of Bills Filed _____	1
Public Bills _____	1
Local Bills _____	2
Action on Bills _____	2
Summaries of Amendments and Committee Substitutes _____	7
Legislation Enacted _____	13
Index by Keyword _____	13
Notes _____	13
Next Sessions _____	13

SUMMARIES OF BILLS FILED

Public Bills

HOUSE BILLS

H 1220. [LEGISLATIVE TERM LIMITS](#). Filed 6/5/12. *TO LIMIT MEMBERS OF THE GENERAL ASSEMBLY TO LIMIT MEMBERS TO THREE CONSECUTIVE FOUR-YEAR TERMS, AND TO PROVIDE FOR STAGGERED FOUR-YEAR TERMS.*

Subject to approval by the voters at the November 2012 general election, adds a new Section 25 to Article II of the North Carolina Constitution setting term limits for terms of office beginning after January 1, 2015, as follows: (1) no person may be elected to more than three consecutive four-term terms to the House of Representatives (House) and (2) no person may be elected to more than three consecutive four-year terms to the Senate. Also provides that if a person fills a vacancy and takes office during the first calendar year of the term, the filling of that vacancy is considered as election to a term for the purpose of the term limits proposed in new Section 25. Prohibits a person disqualified under proposed Section 25 from election to the next succeeding term from filling a vacancy in the succeeding term.

Amends Section 2 in Article II of the NC Constitution to provide that the Senators will be chosen every four years (rather than every two years), as follows: (1) the members in even-numbered districts will be elected to four-

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year terms, beginning in 2014; (2) the members in odd-numbered districts will be elected to two-year terms in 2014 and to four-year terms beginning in 2016. Makes corresponding changes to Section 4 (House of Representatives).

Amends Section 14(1) in Article II of the NC Constitution to limit the service of a member as President Pro Tempore to the earlier of (1) the end of that Senator's term of office, or (2) the qualification of a new Lieutenant Governor.

Makes the constitutional amendments effective January 1, 2013, and provides that the changes do not affect the terms of members elected in 2012.

Intro. by Pridgen. CONST Constitutional Amendment; Elections Law; General Assembly

H 1221. MODIFY EO85/PUBLIC HEALTH. Filed 6/5/12. *TO MODIFY THE EXECUTIVE ORDER NO. 85 TO DELETE THE PROPOSED CREATION OF A DIVISION OF PREVENTION, ACCESS AND PUBLIC HEALTH SERVICES.*

As title indicates.

Intro. by Burr, Dollar. JOINT RES General Assembly; Health, Social Services, and Aging

H 1222. NC SYMPHONY'S 80TH ANNIVERSARY. Filed 6/5/12. *HONORING THE NORTH CAROLINA SYMPHONY AND ITS FOUNDERS.*

As title indicates.

Intro. by Dollar, Crawford, Gillespie. HOUSE RES General Assembly

SENATE BILLS

S 957. RESOLUTION OF DISAPPROVAL OF REORGANIZATION (=H 1191). Filed 6/5/12. *SPECIFICALLY DISAPPROVING EXECUTIVE ORDER NO. 85, ISSUED MARCH 25, 2011, UNDER PROVISIONS OF THE NORTH CAROLINA CONSTITUTION GRANTING EITHER HOUSE OF THE GENERAL ASSEMBLY TO DO SO, AS THE GENERAL ASSEMBLY HAS ACCOMPLISHED ADMINISTRATIVE REORGANIZATIONS BY LEGISLATION.*

Substantively identical to H 1191, filed 5/29/12.

Intro. by Apodaca. SENATE RES General Assembly

Local Bills

None

ACTION ON BILLS

June 5, 2012

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

PUBLIC BILLS

H0142 Economic Development and Finance Changes S Rec From House
S Passed 1st Reading

	S	Ref To Com On Rules and Operations of the Senate
05-30-12, 05-31-12		
H0149 Terrorism/State Offense.	S	Reptd Fav Com Substitute
	SA	Com Substitute Adopted
04-05-11, 06-05-12		
H0176 Review DV Program Participation.	S	Reptd Fav Com Substitute
	SA	Com Substitute Adopted
06-07-11, 06-05-12		
H0302 Charitable Licensing Exemption Clarification.	H	Concurred In S/Com Sub
04-14-11, 05-30-12		
H0345 Modify Move Over Law.	H	Concurred In S/Com Sub
05-11-11, 05-23-12		
H0391 Research Triangle Park District Amendments.	S	Passed 3rd Reading
	S	Engrossed
	H	Rec From Senate
	H	Rec To Concur S Com Sub
	H	Com Sub Ruled Material
	H	Ref To Com On Finance
05-30-12, 05-31-12, 06-04-12		
H0438 Accountable Co. Comms./Expand Loc. Bd. Auth.	S	Reptd Fav Com Substitute
	SA	Com Substitute Adopted
06-05-12		
H0493 Landlord Tenant Law Changes.	H	Rec From Senate
05-09-11, 05-31-12		
H0503 Parent Choice/Carify Pre-Kindergarten.	H	Failed concur in S/Com Sub
	H	Conf Com Appointed
05-18-11, 05-24-11, 06-01-11, 05-30-12		
H0517 Magistrates/Calendaring.	H	Failed concur in S/Com Sub
	H	Conf Com Appointed
05-25-11, 05-24-12		
H0589 Divorce/DVPO/Child Support Changes.	H	Rec From Senate
05-04-11, 05-10-11, 05-31-12		
H0637 Adoption Law Changes.	H	Postponed To 6/6/2012
04-20-11, 05-29-12		
H0660 No In Person Service Required/ 50C Orders.	S	Reptd Fav
H0673 Street Gang Nuisance Abatement.	H	Rec From Senate
05-16-11, 05-31-12		
H0707 Register of Deeds/Directed Trustees/Estates.	S	Passed 2nd & 3rd Reading
	H	Rec To Concur S Com Sub
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/6/2012
06-03-11, 06-04-12		
H0741 Amend Lab Accreditation Effective Date.	S	Reptd Fav Com Substitute
	SA	Com Substitute Adopted
06-08-11, 06-05-12		
H0843 Modernize NC Emergency Management Act.	SA	Amend Adopted 1
	S	Passed 2nd & 3rd Reading
	S	Engrossed
	H	Rec From Senate
	H	Rec To Concur S Com Sub
	H	Cal Pursuant Rule 36(b)

	H	Placed On Cal For 6/6/2012
05-24-11, 05-31-12, 06-05-12		
H0941 Pseudoephedrine Amount Clarifications.	S	Reptd Fav
H0947 Eugenics Compensation Program.	HA	Amend Adopted 1
	H	Amend Failed 2
	H	Passed 2nd & 3rd Reading
	H	Ordered Engrossed
05-25-12, 05-29-12, 06-05-12		
H0954 ENR Reports Consolidation.	H	Passed 2nd & 3rd Reading
05-31-12		
H0957 NC Transportation Museum Special Plate.	HA	Reptd Fav Com Substitute
	H	Re-ref Com On Finance
06-05-12		
H0960 Protect Homeowners With Underwater Mortgages.	HA	Amend Adopted 1
06-05-12		
H0961 Jury Service/Exempt From Ferry Tolls.	H	Reptd Fav
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/5/2012
	H	Passed 2nd & 3rd Reading
H0966 Teacher Prepayment and Salary/Pre-K Eligibility	H	Concurred In S/Com Sub
	H	Ratified
05-31-12		
H0981 Dix Property Sale to Require GA Approval.	HA	Amend Adopted 1
	H	Passed 2nd & 3rd Reading
	H	Ordered Engrossed
05-31-12, 06-05-12		
H1003 Child Nutrition Program Solvency and Support.	H	Reptd Fav
	H	Re-ref Com On Appropriations
H1015 Set Public Utility and Insurance Reg. Fees.	S	Reptd Fav Com Substitute
	SA	Com Substitute Adopted
06-05-12		
H1025 Extend Tax Provisions.	S	Reptd Fav
05-30-12		
H1034 Confirm Tamara Nance to Industrial Comm.	S	Reptd Fav
H1035 License Plate Background.	HA	Reptd Fav Com Substitute
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/6/2012
06-05-12		
H1036 DOT/DENR Study Expedite Water Quality Reg.	H	Reptd Fav
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/5/2012
	H	Passed 2nd & 3rd Reading
H1055 Eliminate LME Provider Endorsement.-AB	H	Reptd Fav
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/5/2012
	H	Passed 2nd & 3rd Reading
H1056 Partnership for Children Participant Records.	H	Reptd Fav
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/5/2012
	H	Passed 2nd & 3rd Reading
H1075 LME/MCO Governance.	HA	Reptd Fav Com Substitute
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 6/5/2012

	H	Passed 2nd & 3rd Reading
06-05-12		
H1081 Provisional Licensure Changes Medicaid.-AB	H	Reptd Fav H Cal Pursuant Rule 36(b) H Placed On Cal For 6/5/2012 H Passed 2nd & 3rd Reading
H1096 Simplify School Beverage Contract Bids.	H	Reptd Fav H Cal Pursuant Rule 36(b) H Placed On Cal For 6/5/2012 H Passed 2nd & 3rd Reading
H1179 Indian Cultural Center/ Terminate Lease.	H	Withdrawn From Com H Re-ref Com On Judiciary Subcommittee C
H1219 Honor Members for Their Service.	HA	Reptd Fav Com Substitute H Cal Pursuant Rule 36(b)
06-05-12		
H1220 Legislative Term Limits.	H	Filed
H1221 Modify EO85/Public Health.	H	Filed
H1222 NC Symphony's 80th Anniversary.	H	Filed
S0077 Rental Property/Lithium Battery Smoke Alarms.	H	Postponed To 6/12/2012
03-01-11, 05-30-12		
S0416 School Buses/State Vehicles/ Tires.	H	Withdrawn From Com H Re-ref Com On Judiciary Subcommittee B
03-31-11		
S0582 Authorize Indian Gaming/ Revenue.	H	Amend Failed 1 H Passed 3rd Reading S Rec To Concur H Com Sub S Placed On Cal For 6/6/2012
05-16-12, 05-30-12		
S0707 School Violence Prevention Act.	H	Rec From Senate
06-07-11		
S0755 Ed. Employees Ass'n./Equal Access Act.	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
06-08-11, 06-05-12		
S0795 Excellent Public Schools Act.	H	Rec From Senate H Passed 1st Reading H Ref to the Com on Education, if favorable, Appropriations
05-29-12, 05-30-12, 05-31-12		
S0806 Modify Mortgage Regulation Funding.	H	Passed 1st Reading H Ref To Com On Finance
S0808 Changes to Commerce Reporting Requirements.	H	Rec From Senate
06-04-12		
S0810 Regulatory Reform Act of 2012.	H	Rec From Senate
05-24-12, 05-30-12, 05-31-12, 06-04-12		
S0816 Banking Law Modernization Act.	H	Passed 2nd Reading
05-23-12, 06-04-12		

S0820 Clean Energy and Economic Security Act. 06-05-12	S Reptd Fav Com Substitute SA Com Substitute Adopted
S0824 Expedited Rule Making for Forced Combination. 05-31-12	H Passed 1st Reading H Ref To Com On Finance
S0826 Revenue Laws Tech., Clarifying, & Admin Chngs. 05-31-12, 06-04-12	S Passed 2nd Reading
S0841 Effective Utilization of PED.	S Reptd Fav
S0886 Strengthen Bd. of Trans. Ethics Policy.	H Passed 1st Reading H Ref To Com On Transportation
S0889 RPO Area Definition.	H Passed 1st Reading H Ref To Com On Transportation
S0890 Sec. of Transportation Project Approval.	H Passed 1st Reading H Ref To Com On Transportation
S0891 Update Ch. 136 with Term "Chief Engineer."-AB	H Passed 1st Reading H Ref To Com On Transportation
S0892 Require DOT Strategic Prioritization Process.	H Passed 1st Reading H Ref To Com On Transportation
S0893 Privacy of Turnpike Authority Toll Data.-AB 05-30-12	H Passed 1st Reading H Ref To Com On Transportation
S0895 DOT Division of Motor Vehicles Leg. Requests.-AB 05-30-12	H Rec From Senate
S0908 Matching Funds Repeal.	S Reptd Fav
S0957 Resolution of Disapproval of Reorganization.	S Filed

LOCAL BILLS

H0180 Wilmington Annexation Suspension. 06-05-12	S Reptd Fav Com Substitute SA Com Substitute Adopted S Re-ref Com On Finance
H0224 Foxfire Village Assessment Validated.	S Reptd Fav S Re-ref Com On Finance
H0296 Sampson-Delinquent Taxpayers. 03-31-11, 06-05-12	SA Reptd Fav Com Substitute SA Com Substitute Adopted
H0328 Wayne Sheriff Vacancies. 06-05-12	SA Reptd Fav Com Substitute SA Com Substitute Adopted
H0437 NH County Commissioners Accountability Act. 06-08-11, 06-05-12	SA Reptd Fav Com Substitute SA Com Substitute Adopted
H0511 Goldsboro-Wayne Airport Authority. 04-21-11, 06-05-12	S Reptd Fav Com Substitute SA Com Substitute Adopted
H1029 Mayodan Manager Residency.	S Rec From House S Passed 1st Reading S Ref To Com On State and Local Government
H1063 Excuse School Day for Johnston Co. School.	S Reptd Fav S Placed On Cal For 6/5/2012

H1065 Use Moore School Buses for 2014 US Open.	S Passed 2nd & 3rd Reading H Reptd Fav H Cal Pursuant Rule 36(b) H Placed On Cal For 6/5/2012 H Passed 2nd & 3rd Reading
H1088 Graham/Swain TVA Allocation/ Border.	H Withdrawn From Com H Re-ref Com On Finance
S0236 Local Events Priority/ Convention Center.	HA Reptd Fav Com Substitute H Cal Pursuant Rule 36(b) H Placed On Cal For 6/5/2012 H Passed 2nd & 3rd Reading
06-09-11, 06-05-12	
S0805 Isothermal Community College Fed Loan Program.	H Passed 1st Reading H Ref To Com On Education
05-30-12	
S0818 Clay County Courthouse.	S Reptd Fav
S0830 Iredell Register of Deeds Satellite Office.	S Reptd Fav
S0848 Durham City Assessments.	S Reptd Fav S Re-ref Com On Finance
S0857 Add Stokes Cty to Tax Cert Before Recordation.	S Reptd Fav S Re-ref Com On Finance
S0859 Pilot Mountain Even-Year Municipal Elections.	SA Reptd Fav Com Substitute SA Com Substitute Adopted
06-05-12	

SUMMARIES OF AMENDMENTS AND COMMITTEE SUBSTITUTES

HOUSE BILLS

H 149. TERRORISM/STATE OFFENSE. Filed 2/21/11. Senate committee substitute makes the following changes to 2nd edition.

Previous edition included continuing criminal enterprise in proposed GS 14-10.1 (previously designated as GS 14-50.2), which creates the separate offense of terrorism, and made a violation of that statute a Class D felony if based on a continuing criminal enterprise. Proposed new edition removes the references to continuing criminal enterprise from GS 14-10.1 and instead amends GS 14-7.20 (continuing criminal enterprise) as follows. Enacts new subsection (a1) to make any person engaging in a continuing criminal enterprise, who commits a violation of GS 14-10.1 (terrorism), punished as a Class D felon and subject to forfeiture under GS 14-7.20(b). Makes conforming, organizational, and clarifying changes. Changes the act's effective date to apply to offenses committed on or after December 1, 2012 (was, December 1, 2011).

Criminal Law, Procedure, and
Sentencing

H 176. REVIEW DV PROGRAM PARTICIPATION. Filed 2/23/11. Senate committee substitute makes the following changes to 2nd edition. Makes technical changes to GS 15A-1382.1(a) and conforming changes to subsection (c). Changes the effective date to December 1, 2012 (was, December 1, 2011).

Courts; Criminal Law, Procedure,
and Sentencing

H 180. WILMINGTON VOLUNTARY ANNEXATIONS (NEW). Filed 2/24/11. Senate committee substitute makes the following changes to 1st edition. Deletes the provisions of the 1st edition and replaces it with *AN ACT TO VOLUNTARILY ANNEX CERTAIN DESCRIBED AREAS TO THE CORPORATE LIMITS OF THE CITY OF*

WILMINGTON. As title indicates, annexes the described Belle Meade Plaza tract, Lockwood Village Apartments tract, and parcels of land in Masonboro. Effective July 1, 2012.

New Hanover

H 296. SAMPSON-DELINQUENT TAXPAYERS. Filed 3/9/11. Senate committee substitute makes the following changes to 2nd edition. Makes technical changes only.

Sampson

H 328. WAYNE SHERIFF VACANCIES. Filed 3/10/11. Senate committee substitute makes the following changes to 1st edition. Makes technical changes only.

Wayne

H 437. NH COUNTY COMMISSIONERS ACCOUNTABILITY ACT. Filed 3/22/11. Senate committee substitute makes the following changes to 2nd edition. Clarifies that the members of the Airport Authority who are appointed by the New Hanover County Board of Commissioners serve at the pleasure of the Board and may be immediately removed by the Board upon a majority vote.

New Hanover

H 438. ACCOUNTABLE CO. COMMS./EXPAND LOC. BD. AUTH. Filed 3/22/11. Senate committee substitute makes the following changes to 1st edition. Deletes the provisions of the 1st edition and changes the title to *AN ACT TO PROMOTE EFFICIENCY AND EFFECTIVENESS IN THE ADMINISTRATION OF HUMAN SERVICES AND TO STRENGTHEN THE LOCAL PUBLIC HEALTH INFRASTRUCTURE BY ESTABLISHING A PUBLIC HEALTH IMPROVEMENT INCENTIVE PROGRAM AND ASSURING THE PROVISION OF THE TEN ESSENTIAL PUBLIC HEALTH SERVICES.*

Provides that the provisions of GS 153A-77 (was, subsection (a) of GS 153A-77) apply to certain boards, commissions, and agencies appointed by a board of county commissioners (County Board) or acting under the authority of a Board except as provided in GS 153A-76 (sets out limitations on a Board's authority to organize county government). Authorizes any County Board to take direct control of activities conducted by certain boards, commissions, and agencies (was restricted to County Boards in coastal counties with a population in excess of 200,000 and other counties with a population in excess of 425,000). Specifies that a County Board that assumes direct control of a local health board and does not delegate the powers and duties of that local board to a consolidated health services board must appoint an advisory committee that is consistent with the membership described in GS 130A-35. Current law authorizes a County Board to create a consolidated county human services agency. Provides that a consolidated county human services board has the authority to carry out the functions of any combination of commissions, boards, or agencies appointed by or acting under the authority of a County Board. Provides that a consolidated human services board that does not exercise the powers and duties of an area mental health, developmental disabilities, and substance abuse services board must include four persons who are consumers of human services. Authorizes a consolidated human services board to perform comprehensive mental health services planning *if* the county is exercising the powers and duties of an area mental health, developmental disabilities, and substance abuse services board under the consolidated human services board.

Amends GS 153A-76 to prohibit a County Board from abolishing or consolidating hospital authority assigned to provide public health services under Section 12 of SL 1997-502 into a human service agency. Also places prohibitions on the County Board's authority to consolidate a public hospital and area mental health, developmental disabilities, and substance abuse board into a human services board.

Enacts new GS 130A-34.3 to direct the Department of Health and Human Services (DHHS) to establish a Public Health Improvement Incentive Program (Incentive Program). Requires the Incentive Program to supply monetary incentives to create and expand multicounty local health departments that serve a population of 75,000 or more. Directs the Commission for Public Health to adopt rules to implement the Incentive Program.

Enacts GS 130A-34.4, providing that in order for a local health department to receive state and federal pass through funding, it must be accredited and organized as (1) a district health department, (2) a single/multi-county health authority, or (3) a consolidated human services agency on or before July 1, 2014. Directs counties to maintain local health department funding from ad valorem tax receipts at the levels equal to the appropriated amounts in state fiscal year 2010-2011.

Amends GS 130A-1.1(b) to rewrite the essential public health services provision of the public health law and codifies ten essential public health services. Directs the local health department to assure that the 10 essential public health services are available and accessible to the population in each county that is served by the local health department.

Directs DHHS, effective July 1, 2012, to allocate \$5 million from the funds appropriated to the Division of Public Health to be used to provide incentives to local health departments via the Incentive Program.

Directs the Program Evaluation Division of the General Assembly to study the feasibility of transferring the functions, duties, and obligations of the Division of Public Health to the UNC Healthcare System and/or the School of Public Health at UNC and provide a report to the Joint Legislative Program Evaluation Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services by February 1, 2013.

Makes technical corrections.

Local Government

H 511. GOLDSBORO-WAYNE AIRPORT AUTHORITY. Filed 3/29/11. Senate committee substitute makes the following changes to 2nd edition. Dissolves the Goldsboro-Wayne County Airport Authority as of midnight on June 30, 2012 (was, June 30, 2011).

Wayne

H 741. LAW ENFORCEMENT/EMERGENCY VEHICLE LENGTH (NEW). Filed 4/6/11. Senate committee substitute makes the following changes to 2nd edition. Replaces the second edition with *AN ACT TO SET A MAXIMUM LENGTH FOR LAW ENFORCEMENT AND EMERGENCY MANAGEMENT VEHICLES*.

Amends GS 20-116(d) as the title indicates. Restricts the length of the vehicles to no more than 45 feet overall, exclusive of bumpers and mirrors.

Previously: State Government
Now: Transportation

H 843. MODERNIZE NC EMERGENCY MANAGEMENT ACT. Filed 4/6/11. Senate amendment makes the following changes to 3rd edition. Amends proposed changes in GS 14-415.4(e)(6) and GS 14-415.12(b)(8) to remove the strike through of references to statutes that are repealed by the act and instead refers to those repealed statutes as "former."

Emergency Services

H 947. EUGENICS COMPENSATION PROGRAM. Filed 5/16/12. House amendment makes the following changes to 3rd edition.

Amends the definition of a *qualified recipient* to mean any individual who was asexualized or sterilized by authority of the Eugenics Board of NC, and who was living on May 16, 2012 (was, on March 1, 2010). Permits a claim filed by the personal representative of an individual who died on or after May 16, 2012 (was, March 1, 2010).

Health, Social Services, and Aging;
State Government; Taxation

H 957. AUTHORIZE VARIOUS SPECIAL PLATES (NEW). Filed 5/16/12. House committee substitute makes the following changes to 1st edition.

Adds a section to amend GS 20-79.4(b), authorizing the Division of Motor Vehicles to issue the following special plates: (1) Flag of the United States of America, (2) North Carolina Cattlemen's Association, (3) RiverLink, and (4) Town of Matthews. Plate issuance is contingent on the receipt of at least 300 plate applications for each plate. Sets a special plate fee of \$30 and requires that \$20 of that amount be transferred quarterly to the NC Cattlemen's Association. Sets a special plate fee of \$30 and requires that \$20 of that amount be transferred quarterly to RiverLink. Sets a special plate fee of \$20 and requires that \$10 of that amount be transferred quarterly to the town of Matthews. Provides for a retired Register of Deeds plate and allows a Vietnam Veterans of America motorcycle plate. Makes conforming changes to the bill title. Changes the act's effective date to July 1, 2012.

Transportation

H 960. PROTECT HOMEOWNERS WITH UNDERWATER MORTGAGES. Filed 5/16/12. House amendment makes the following changes to 1st edition. Amends the definition of an eligible mortgage to include only a debt secured by a mortgage or deed of trust executed before July 1, 2008, that identifies the property being condemned as collateral (was, to obtain money for the purchase of the property being condemned).

Property, Land Use, and Housing

H 981. DIX PROPERTY SALE TO REQUIRE GA APPROVAL. Filed 5/16/12. House amendment makes the following changes to 3rd edition.

Modifies uncodified language in the act to clarify that proceeds from the sale of the Dorothea Dix Hospital campus will fund programs and community treatment alternatives for individuals currently residing, or at risk of residing, in a state psychiatric hospital. Further clarifies that the funds will be used for capital needs of persons with mental illness, and will not replace current appropriations or existing federal, state, private, or local funds.

General Assembly; Property, Land Use, and Housing; Health, Social Services, and Aging

H 1015. ECONOMIC DEVPT. & FINANCE CHANGES (NEW). Filed 5/21/12. Senate committee substitute makes the following changes to 1st edition. Amends GS 143B-437.52 to remove the cap on the number of grants awarded under the Job Development Investment Grant Program in each calendar year (was, set the cap at a maximum of 25 grants annually). Effective July 1, 2012.

Under current law, the Industrial Development Fund provides funds to assist local governments in the most economically distressed counties in creating and maintaining jobs in certain industries, including sewer infrastructure. Amends GS 143B-437.01(a) to modify the eligibility requirements for funding for the sewer infrastructure, requiring that it be located on the building site, or be directly related to the operation of the specific eligible industrial activity, even if the sewer infrastructure is located in a different county than the county in which the building is located.

Amends GS 105-129.84(c) to permit carryforwards by a taxpayer of any unused portion of a credit for a period of 20 years providing the Secretary of Commerce makes a written determination that the taxpayer is expected to purchase or lease, and place in service in connection with an eligible business within a two-year period, at least the minimum investment amount of business and real property (was, at least \$150,000). Defines a *minimum investment amount* to be \$100 million for an eligible business in a development tier one area, and \$150 million for any other eligible business. Effective for taxable years beginning on or after January 1, 2012.

Amends GS 143B-437.013(a) to modify one of the required conditions for definition as a Port Enhancement Zone to mean an area that is comprised of *part or all* of one or more contiguous census tracts, census block groups, or both. Effective for taxable years beginning on or after January 1, 2013.

Makes conforming changes to the title.

Previously: Energy and Utilities
Now: Energy and Utilities;
Business and Commerce; Taxation

H 1035. LICENSE PLATE BACKGROUND. Filed 5/22/12. House committee substitute makes the following change to 1st edition.

Adds a section to prohibit the Division of Motor Vehicles from issuing full-color plates for non-First in Flight plates in the design used before the standardized design for full-color plates was developed.

Transportation

H 1075. LME/MCO GOVERNANCE. Filed 5/22/12. House committee substitute makes the following changes to 1st edition.

Amends GS 122C-118.1 (structure of area boards) to add that the process for appointing members to the board must ensure participation from each of the counties of a multi-county area authority. Also specifies that registered lobbyists will not serve on a board. Amends proposed subdivision (5) in GS 153A-76 (prohibiting consolidation of an area mental health, development disabilities, and substance abuse services board into a consolidated human services board) to add that the provision does not apply to any board that has exercised the powers and duties of an area mental health, developmental disabilities, and substance abuse services board as of January 1, 2012. Restores, in GS 153A-77 (board of commissioner authority over consolidated boards, agencies, and commissions) the limitation of statute to counties with populations over 425,000, which was deleted in the previous version. Makes technical changes and adds a section to make conforming changes to GS 122C-115.1(i). Adds a section, amending SL 2011-264 (statewide expansion of 1915(b)(c) waiver), to clarify that local management entities (LMEs) must manage the waiver, and makes other clarifying changes.

Health, Social Services, and Aging

H 1219. HONOR MEMBERS FOR THEIR SERVICE. Filed 6/4/12. House committee substitute makes the following changes to 1st edition. Corrects the listed district numbers for various House members.

General Assembly

SENATE BILLS

S 236. ADOPT STATE BUTTERFLY; FESTIVALS (NEW). Filed 3/7/11. House committee substitute makes the following changes to 2nd edition. Deletes the provisions of the 2nd edition and replaces it with *AN ACT ADOPTING THE EASTERN TIGER SWALLOWTAIL AS THE OFFICIAL STATE BUTTERFLY, DESIGNATING THE SHELBY LIVERMUSH FESTIVAL AS THE OFFICIAL FALL LIVERMUSH FESTIVAL OF THE STATE OF NORTH CAROLINA, DESIGNATING THE MARION LIVERMUSH FESTIVAL AS THE OFFICIAL SPRING LIVERMUSH FESTIVAL OF THE STATE OF NORTH CAROLINA, AND DESIGNATING THE SWANSBORO MULLET FESTIVAL AS THE OFFICIAL MULLET FESTIVAL OF NORTH CAROLINA*. Enacts new GS 145-38, GS 145-39, and GS 145-40, as the title indicates.

State Government

S 755. ED. EMPLOYEES ASS'N./EQUAL ACCESS ACT. Filed 4/19/11. House committee substitute makes the following changes to 2nd edition. Amends GS 115C-238-29F(e) to provide that education employee associations are to have equal access to charter school employees as provided in proposed GS 115C-335.9. Provides that this act applies beginning with the 2012-13 school year (was, 2011-12 school year). Makes organizational changes.

Education

S 820. CLEAN ENERGY AND ECONOMIC SECURITY ACT. Filed 5/17/12. Senate committee substitute makes the following changes to 1st edition.

Mining and Energy Commission. Deletes provisions that established an Oil and Gas Board in the previous edition. Repeals Part 6 of Article 7 in GS Chapter 143B (NC Mining Commission) and reconstitutes that Commission as the 14 member Mining and Energy Commission (Commission) under new Part 6A, to adopt rules to develop the oil, gas, and mining resources in North Carolina. Sets out the powers and duties of the Commission, including the authority to hear permit appeals and hold hearings on decisions made by the Department of Environment and Natural Resources (DENR) under the Oil and Gas Conservation Act. Details the Commission members, term limits, and officers, and provides for quasi-judicial powers under the Administrative Procedure Act, as described. Provides for the transition of rule changes from the Mining Commission to the Commission created in this act, and includes reporting requirements. Effective October 1, 2012.

Regulatory Program. Amends GS 113-380 to clarify that any violation of Article 27 (Oil and Gas Conservation Act) of GS Chapter 113 is a Class 1 misdemeanor. Deletes previous amendments to GS 113-391(a) and (b) and instead directs the Commission to establish a modern regulatory program to manage oil and gas exploration and development and horizontal drilling and hydraulic fracturing in the state, by adopting rules for the listed purposes. Specifies that the adopted rules will not regulate oil and gas exploration and development in the waters of the Atlantic Ocean and certain coastal sounds. Specifies that DENR enforces the provisions of the Oil and Gas Conservation Act, except for the jurisdiction and authority reserved to the Department of Labor and the Commission. Deletes subsection (c), which authorizes DENR to make rules related to oil and gas wells. Directs the Department of Labor to adopt health and safety standards for workers engaged in oil and gas operations in NC. Includes a reporting requirement. Makes additional conforming changes to provisions in the Oil and Gas Conservation Act to add references to the Commission.

Amends GS 113-410 to impose a penalty not to exceed \$25,000 a day on any person who fails to obtain a permit before drilling a well or using hydraulic fracturing treatments, or who otherwise commits a described violation (current penalty is \$1,000). Amends GS 113-415 to clarify that the Oil and Gas Conservation Act does not affect the Environmental Management Commission's authority with respect to the regulation of water and air pollution, or the Commission for Public Health's authority with respect to the regulation of solid and hazardous waste. Adds the power to regulate horizontal drilling and hydraulic fracturing within their respective jurisdiction to the scope of the Environmental Management Commission's powers and to the Commission for Public Health's powers. Directs the Commission and other specified entities to identify levels and sources of funding to address the impact on local governments and infrastructure, and to make a report before January 1, 2013. Makes the above provisions effective October 1, 2012.

Effective when the act becomes law, directs the Commission and specified entities to study local government regulation, and the issue of integration or compulsory pooling, and to report as required. Requires all rules under this act to be adopted by October 1, 2014. Details additional reporting and meeting requirements.

Horizontal Drilling and Hydraulic Fracturing. Changes references from DENR to Commission in GS 113-393. Amends GS 113-395 to require the issuance of a permit before any person may use hydraulic fracturing treatments, and makes conforming changes. Deletes uncodified provisions, which prohibited DENR from taking specified actions related to wells and established a moratorium on the issuance of permits until July 1, 2014, and

instead prohibits the issuance of a permit until the General Assembly takes legislative action. Effective October 1, 2012.

Landowner and Public Protections. Amends GS 113-420 (notice and entry to property) to require an oil or gas (was, and gas) developer or operator to give written notice to the surface owner of property at least 14 days (rather than seven) before the date of entry, when the oil or gas operations will not disturb the surface. Requires written notice of 30 days (rather than 14) when the oil or gas operations will disturb the surface. Requires oil or gas personnel to carry identification. Provides that entry onto land creates a rebuttable presumption that the surface owner properly protected the developer or operator personnel against personal injury or property damage while on the land. Rewrites GS 113-421 to create a rebuttable presumption that an oil or gas developer or operator is responsible for contamination of a private drinking water well or a water supply well within 5,000 feet of a wellhead. Details the remedy and compensation for the contamination and damage, and sets out the procedure for rebutting the presumption. Modifies the indemnification clause under GS 113-422.

Amends GS 113-423 to require a developer or operator to provide copies to the surface owner of specified statutory provisions and a consumer protection publication before executing a lease or conveyance to separate rights to oil or gas from the freehold estate of surface property. Provides for royalty payments of at least 12.5% of the proceeds of the oil or gas produced and sold from the property, which sum may be reduced by production costs not exceeding 10%, and requires the lease separating oil or gas rights to state whether the property's water supplies will be used, at the landowner's permission and with full compensation. Requires the developer or operator to initially test water supplies within 5,000 feet from a wellhead, and follow-up two times within 24-month period. Provides for recordation of leases, and notice of assignment within 30 days. Enacts new GS 113-423.1 to permit the developer or operator and the surface owner to enter into an agreement setting out the rights and obligations of the parties. Requires minimal intrusion upon and damage to the land surface, as detailed. Directs the Consumer Protection Division of the NC Department of Justice and the NC Real Estate Commission to develop a publication on consumer protection issues and landowner rights. Specifies that the remedies and protections granted to landowners are not exclusive. Makes these protections apply to wells drilled and leases or contracts entered into on or after the date the act becomes law.

Effective October 1, 2012, enacts new GS 113-425 to require landmen, as defined, to register with DENR, and allows DENR to deny registration and penalize registrants.

Enacts new subsection (b2) to GS 47E-4 (required disclosures under the Residential Property Disclosure Act) to require property owners to include an oil, gas, and mineral rights mandatory disclosure in any real estate contract, as specified; includes form language. Applies to real estate transfers or dispositions occurring on or after October 1, 2012.

Energy Policy Oversight Commission. Makes the establishment of this Commission, provided for in the previous version, effective October 1, 2012, and references the new Mining and Energy Commission.

Additional Changes. Deletes proposed GS 113-388A and GS 113-413A, which authorized local governments to impose impact fees and prohibited any local ordinance that conflicted with the regulatory scheme. Deletes the provisions that required the Department of Public Instruction and the Department of Transportation to purchase vehicles operating on compressed natural gas, and the provisions creating a task force to develop compressed natural gas fueling infrastructure. Deletes the provisions related to electric vehicle charging stations at rest areas and the use of retread tires. Also deletes the provisions amending the Energy Jobs Act of 2011 if such act becomes law. Makes modifications to whereas clauses related to oil and gas resources. Makes a conforming change to the bill title.

Agriculture, Environment, and
Natural Resources; Energy and
Utilities; State Government

S 859. PILOT MOUNTAIN/DOBSON EVEN-YEAR ELECTIONS (NEW). Filed 5/22/12. Senate committee substitute makes the following changes to 1st edition.

Amends Pilot Mountain's charter to clarify that the mayor elected in 2011 will serve for a term of three years (was, one year), and the mayor's successors will serve four-year terms (was, two-year terms) beginning in the 2014 election. Adds a section to make similar amendments to Dobson's charter. Specifies that (1) the mayor elected in 2009 will serve a term of five years; (2) the mayor's successors will serve four-year terms, beginning in the 2014 election; and (3) the members of the board of commissioners elected in 2009 and 2011 serve terms of five years, with the members' successors serving four-year terms, beginning in the 2016 election.

Surry

Legislation Enacted

None

Index by Keyword

Agriculture, Environment, and Natural Resources	H 947, 9
S 820, 12	H 981, 10
Business and Commerce	Local Government
H 1015, 10	H 438, 9
Constitutional Amendment	New Hanover
H 1220, 2	H 180, 8
Courts	H 437, 8
H 176, 7	Property, Land Use, and Housing
Criminal Law, Procedure, and Sentencing	H 960, 9
H 149, 7	H 981, 10
H 176, 7	Sampson
Education	H 296, 8
S 755, 11	State Government
Elections Law	H 741, 9
H 1220, 2	H 947, 9
Emergency Services	S 236, 11
H 843, 9	S 820, 12
Energy and Utilities	Surry
H 1015, 10	S 859, 12
S 820, 12	Taxation
General Assembly	H 1015, 10
H 1219, 10	H 947, 9
H 1220, 2	Transportation
H 1221, 2	H 1035, 10
H 1222, 2	H 741, 9
H 981, 10	H 957, 9
S 957, 2	Wayne
Health, Social Services, and Aging	H 328, 8
H 1075, 10	H 511, 9
H 1221, 2	

Notes

None

NEXT SESSIONS

June 6, 2012

HOUSE convenes at 3:00 p.m.

SENATE convenes at 9:30 a.m.