



The Daily Bulletin: 2013-03-25

PUBLIC/HOUSE BILLS

H 419 (2013-2014) [HONOR WOMEN'S HISTORY MONTH](#). Filed Mar 25 2013, *A HOUSE RESOLUTION HONORING THE LIFE AND MEMORY OF CHARLOTTE HAWKINS BROWN WHILE OBSERVING WOMEN'S HISTORY MONTH.*

As title indicates.

Intro. by Adams.

[HOUSE RES](#)

[View summary](#)

[General Assembly](#)

PUBLIC/SENATE BILLS

S 72 (SL 2013-14) (2013-2014) [AMEND UCC ARTICLE 4A/FUNDS TRANSFERS](#). Filed Feb 7 2013, *A BILL TO BE ENTITLED AN ACT TO AMEND UNIFORM COMMERCIAL CODE ARTICLE 4A, FUNDS TRANSFERS, TO CONTINUE THE APPLICABILITY OF THAT ARTICLE TO REMITTANCE TRANSFERS THAT ARE NOT ELECTRONIC FUND TRANSFERS, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.*

A BILL TO BE ENTITLED AN ACT TO AMEND UNIFORM COMMERCIAL CODE ARTICLE 4A, FUNDS TRANSFERS, TO CONTINUE THE APPLICABILITY OF THAT ARTICLE TO REMITTANCE TRANSFERS THAT ARE NOT ELECTRONIC FUND TRANSFERS, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION. Enacted March 22, 2013. Effective March 22, 2013.

Intro. by Hartsell.

[GS 25](#)

[View summary](#)

[Business and Commerce](#)

S 394 (2013-2014) [LOWER TAX RATES FOR A STRONGER NC ECONOMY](#). Filed Mar 21 2013, *A BILL TO BE ENTITLED AN ACT TO ADOPT A BIPARTISAN TAX REFORM PLAN TO PROMOTE ECONOMIC DEVELOPMENT IN NORTH CAROLINA BY ESTABLISHING A SOUND STATE TAX STRUCTURE THAT REVISES THE EXISTING STRUCTURE ON A REVENUE-NEUTRAL BASIS, LOWERS ALL MAJOR TAX RATES, TAXES ALL INCOME AT THE SAME RATE, AND MAKES THE STRUCTURE SIMPLER, FAIRER, AND CONSISTENT WITH THE MODERN ECONOMY, AS RECOMMENDED BY PAST TAX STUDIES.*

General Findings and Purpose

States the General Assembly's findings

Reduce Individual Income Tax Rates and Broaden Tax

Recodifies numerous statutes.

Current Statute	Recodified Statute
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GS 105-133	GS 105-153.1
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GS 105-134	GS 105-153.2
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GS 105-134.1 GS 105-153.3
 GS 105-134.5 GS 105-153.4
 GS 105-151 GS 105-153.9
 GS 105-152 GS 105-153.8

The following statutes are repealed:

GS 105-134.2, Individual income tax imposed.

GS 105-134.3, Year of assessment.

GS 105-134.6, (Effective for taxable years beginning before January 1, 2012) Adjustments to taxable income.

GS 105-134.7, Transitional adjustments.

GS 105-134.8, Inventory.

GS 105-151.11, Credit for child care and certain employment-related expenses.

GS 105-151.18, Credit for the disabled.

GS 105-151.20, Credit or partial refund for tax paid on certain federal retirement benefits.

GS 105-151.21, Credit for property taxes paid on farm machinery.

GS 105-151.24, Credit for children.

GS 105-151.26, (Effective for taxable years beginning before January 1, 2012) Credit for charitable contributions by nonitemizers.

GS 105-151.33, Education expenses credit.

Amends GS 105-134.1, recodified by this act at GS 105-153.3 (Definitions), deleting the terms and definitions for educational institution and retirement benefits.

Amends GS 105-153.4, (*North Carolina taxable income defined*), previously GS 105-134.5, replacing references to GS 105-134.6(now repealed) to GS 105-153.5 (a new section, *modifications to adjusted gross income*, found below). Makes technical changes.

Amends GS Chapter 105 by creating a new section GS 105-153.5 (*Modifications to adjusted gross income*), providing that in calculating NC taxable income, a taxpayer must deduct any of nine items that are included in the taxpayer's adjusted gross income, including (1) amounts received from retirement annuities or pensions paid under the provisions of the Railroad Retirement Act of 1937, (2) the amount received during the taxable year from one or more State, local, or federal government retirement plans to the extent the amount is exempt from tax, and (3) the amount paid to the taxpayer by the State under GS 148-84 as compensation for pecuniary loss suffered by reason of erroneous conviction and imprisonment.

Specifies five items that taxpayers must add to their adjusted gross income if not already included, including (1) the amount excluded from gross income under section 199 of the Code, (2) interest on the obligations of other states, political subdivisions of those states, or agencies, (3) the amount required to be added under GS 105-153.6 when the State decouples from federal accelerated depreciation and expensing.

Amends GS Chapter 105 by creating new section GS 105-153.6 (*Adjustments when State decouples from federal accelerated depreciation and expensing*), providing a special accelerated depreciation clause, which specifies that placing certain property into use and taking a special accelerated depreciation requires that taxpayer to add to the taxpayer's federal taxable income or adjusted gross income 85% of the amount taken for that year. For taxable years before 2013, the amount must be added to the taxpayer's federal taxable income. For years after 2013, the amount must be added to the taxpayer's adjusted gross income.

Taxpayer is allowed to deduct 20% of the add-back in each of the first five taxable years following the year the taxpayer is required to include the add-back in income. Includes a table which indicates applicable periods. Specifies a 2009 Depreciation Exception, relating to property placed in service during the 2009 taxable year and whose taxable income reflects

a special accelerated depreciation deduction. Provides that for this subdivision, the definition of section 179 property has the same meaning as section 179 of the Code as of January 2011. A taxpayer placing section 179 property into service will have to add a certain amount to either the federal taxable income amount or adjusted gross income.

Creates new GS 105-153.7 (*Individual income tax imposed*), establishing that a tax is charged for each taxable year on the NC taxable income of an individual. The tax is 6% of NC taxable income that exceeds the zero tax brackets for the taxpayer's filing status. Includes a table demonstrating the zero tax brackets, (pg. 6 of bill), for all filing statuses. Beginning January 1, 2016, maximums of the zero tax brackets are indexed in accordance with the cost-of-living adjustment used in the federal rate brackets. Specifies the Secretary of Revenue (Secretary) can provide tables that compute amount of tax due for a taxable year under this section. Tables will not apply to individuals filing a return under section 443(a)(1) of the Code for a period of less than 12 months, due to accounting periods, estates or trusts.

Amends GS 105-153.8 (*Income tax returns*), (previously G.S. 105-152), making technical, conforming, and clarifying changes. Provides that anyone whose taxable income exceeds the zero tax brackets must file an income tax return. Clarifies that nonresidents who have (1) received gross income from NC sources, including gambling, and (2) are required to file a return for the taxable year under the Code must file a return.

Provides that if a taxpayer is deceased or unable to file a return, an authorized agent or guardian must file the return. If the taxpayer has died before making the return the administrator or executor of the estate must file the return and any tax due is payable by the estate. Replaces "taxable income" with "adjusted gross income" and all instances of "shall" with "must".

Amends GS 105-153.9 (*Tax Credits for incomes taxes paid to other states by individuals*), (previously, GS 105-151), making conforming and technical changes. Amends GS 105-153.9(a)(2), to read *The fraction of the adjusted gross income as modified in GS 105-153.5* (previously, The fraction of the gross income, as calculated under the Code and adjusted as provided in GA 105-134.6 and GS 105-134.7).

Amends GS Chapter 105 by creating new section GS 105-153.10 (*Other tax credits*), providing that there is a personal tax credit. Allowing a taxpayer a tax credit equal to their adjusted gross income (AGI), less the zero tax bracket amount, multiplied by 0.6%. Tax credit is subject to a minimum (\$200) and a maximum (\$800).

Provides that a taxpayer is allowed a credit for each dependent child that qualified for the federal tax credit. Amount of credit allowed per taxpayer AGI can be found in the table on pg. nine of the bill. Establishes a tax credit for charitable contributions. Charitable contributions deductible under section 170 of the Code is allowed a credit equal to 6% of the amount deductible, not to exceed \$600. Tax credit cannot exceed the taxes imposed. A non-resident or part-year resident may not be entitled to the entire amount of the allowed credit.

Notwithstanding GS 105-163.15, no addition to tax may be made for taxable year beginning on or after January 1, 2015 and January 1, 2016, with respect to any underpayment of individual income tax to the extent the underpayment was created or increased by this section.

Effective for taxable years beginning on or after January 1, 2015.

Reduce Corporate Income Tax Rate and Broaden the Tax Base.

Amends GS 105-130.3 (*Corporations*), establishing that the tax imposed on a C corporation's State net income is the same as the tax set for the individual income tax in GS 105-153.7 (previously, a 6.9% tax was imposed after 1999, that language is now deleted).

Amends GS 105-130.5(a), by adding the following new subsections GS 105-130.5(a)(2a) and (24), providing that a financial institution's interest expense, that is allocable to interest income exempt from taxation, and any amount required to be added under GS 105-130.5B, will be added or considered as additions to federal taxable income will also be used in determining State net income.

Amends GS 105-130.5(b), creating new GS 105-130.5(b)(27), establishing that the deduction allowed under GS 105-130.5B (add-back for federal accelerated depreciation and expensing) will be included in determining State net income.

GS 105-130.5(a)(15), (15a), (15b), and (23) are repealed (Different additions to federal taxable income in determining State net income).

GS 105-130.5(b)(1a)b., (7), (19), (21), (21a), (21b), (22), (24), and (26) are repealed (Different deductions to federal taxable income in determining State net income).

Amends GS Chapter 105 by creating new GS 105-130.5B (*Adjustments when State decouples from federal accelerated depreciation and expensing*), providing a special accelerated depreciation clause, which specifies that placing certain property into use and taking a special accelerated depreciation, under section 168(k) or 168(n) of the Code requires that taxpayer to add to the taxpayer's federal taxable income or adjusted gross income 85% of the amount taken for that year.

Taxpayer is allowed to deduct 20% of the add-back in each of the first five taxable years following the year the taxpayer is required to include the add-back in income. Includes a table which indicates applicable periods. Specifies a 2009 Depreciation Exception, relating to property placed in service during the 2009 taxable year and whose taxable income reflects a special accelerated depreciation deduction. Provides that for this subdivision, the definition of section 179 property has the same meaning as section 179 of the Code as of January 2011. A taxpayer placing section 179 property into service will have to add a certain amount to either the federal taxable income amount or adjusted gross income.

Amends GS 105-130.7A, changing title to *Royalty income and interest expense reporting options* (was *Royalty income reporting options*), adds language that states that now there are options for the way interest expense is reported for taxation. Adds and defines "interest expense", to the definitions provided for this section.

Makes other technical and conforming changes for the inclusion of interest expense to this section.

Repeals the following sections:

GS 105-130.22, Tax credit for construction of dwelling units for handicapped persons.

GS 105-130.25, Credit against corporate income tax for construction of cogenerating power plants.

GS 105-130.34, Credit for certain real property donations.

GS 105-130.36, Credit for conservation tillage equipment.

GS 105-130.37, Credit for gleaned crop.

GS 105-130.43, Credit for savings and loan supervisory fees.

GS 105-130.44, Credit for construction of poultry composting facility.

GS 105-130.47, Credit for qualifying expenses of a production company.

GS 105-151.1, Credit for construction of dwelling units for handicapped persons.

GS 105-151.12, Credit for certain real property donations.

GS105-151.13, Credit for conservation tillage equipment.

GS 105-151.14, Credit for gleaned crop.

GS 105-151.25, Credit for construction of a poultry composting facility.

GS 105-151.29, Credit for qualifying expenses of a production company.

Repeals Articles 3B (*Business and Energy Tax Credits*), 3D (Historic Rehabilitation Tax Credits) and 3H (Mill Rehabilitation Tax Credit) of GS Chapter 105.

Repeals GS 105-130.5(a)(10) and (a)(20), (different additions to federal taxable income in determining State net income).

Amends GS 105-129.45 (*Sunset*), changing the sunset provision and date of Article 3E (Low-Income Housing Tax & Credits) to January 1, 2020 (was, January 1, 2015). Makes clarifying changes.

Amends GS 105-129.51(b), changing the repeal date of Article 3F (Technology Development), repealing it for taxable years beginning on or after January 1, 2020 (was, January 1, 2014).

Effective for taxable years beginning on or after January 1, 2014.

Replace Franchise Tax with a Lower Business Privilege Tax that Includes All Limited Liability Entities.

Amends GS Chapter 105 Article 3, changing title to "Business Privilege Tax", (was, Franchise Tax).

Repeals the following sections:

GS 105-114, Nature of taxes; definitions.

GS 105-114.1, Limited liability companies.

GS 105-120.2, Franchise or privilege tax on holding companies.

GS 105-121.1, Mutual burial associations.

GS 105-122, Franchise or privilege tax on domestic and foreign corporations.

GS 105-122.1, Credit for additional annual report fees paid by limited liability companies subject to franchise tax.

GS 105-125, Exempt Corporations.

GS 105-127, When franchise or privilege taxes payable.

GS 105-128, Power of attorney.

GS 105-129, Extension of time for filing returns.

Amends GS Chapter 105 by creating the following new Statutes GS 105-114.2, 105-114.3, 105-114.4, 105-114.5, 105-114.6, 105-114.7, 105-114.8, 105-114.9, 105-114.10, 105-116.2, 105-116.3, 105-and 125.1.

GS 105-114.2, (*Definitions*), provides the terms and definitions to be used in this Article.

GS 105-114.3, (*Nature of tax*), establishes a privilege tax on business entities for the privilege of doing business in NC in an organizational form that gives limited liability to one or more owners. Payment of the tax is a condition precedent of doing business in NC. Establishes that each owner of a non-corporate business entity doing business in NC is considered to be doing business in NC.

GS 105-114.4, (*Business privilege tax imposed*), provides that the rate of the business privilege tax is \$1 per \$1000 of whichever is higher, (1) the entity's adjusted net worth tax base (as described in GS 105-114.5) or, (2) the entity's investment tax base (as described in GS 105-114.6). Minimum tax payable is \$200. Maximum tax for a holding company is \$75,000. Business entities are no longer subject to the business privilege tax after the taxable year in which the entity is dissolved.

GS 105-114.5, (*Adjusted net worth tax base*), establishes that the net worth of an entity is the entity's total assets less its total liabilities calculated according to generally accepted accounting principles (GAAP), as of the end of the entity's taxable year. If the entity's books are not maintained according to GAAP, net worth can then be computed using the accounting method used for federal tax purposes, as long as it fairly represents the entity's net worth. Provides eight adjustments that an entity's net worth is subject to, including (1) a liability may not be deducted unless it is a definite and accrued legal liability, (2) a deduction for depreciation and amortization is determined in accordance with the method used for federal tax purposes, and (3) a corporation may deduct the cost of treasury stock.

GS 105-114.6, (*Investment tax base*), establishes that the entity's investment tax base is the entity's investment in real and tangible personal property in this State as of the end of the entity's taxable year. The value of an entity's investment in property is the consideration for the property subject to five adjustments, including (1) the addition of improvements to the property, and (2) a deduction for indebtedness on the property or on an improvement to the property.

GS 105-114.7, (*Exclusions in calculating tax*), specifies and describes certain exclusions, for certain entities, that can be used in the calculation of tax liability for this section. These exclusions include provisions concerning, (1) disregarded LLC, (2) no tax tiering, (3) investment companies, and (4) short year adjustment.

GS 105-114.8, (*Determination of ownership after certain transfers*), provides how to determine ownership of capital interests when asset transfers have taken place. Also provides how ownership of tax-free distributions are calculated for tax purposes.

GS 105-114.9, (*Apportionment by multistate business entities*), provides that an entity doing business in NC and in one or more other states must apportion its net worth to NC. Establishes rules for apportioning income to NC in various situations for entities or corporations.

GS 105-114.10, (*Return and payment*), establishes when taxes and returns are due. Provides for an extension of time to file tax returns. Also states that the president, vice president, treasurer, or chief financial officer must sign the tax return.

GS 105-116.2, (*Compensating privilege tax on seller that is not a registered retailer*), establishes that an annual privilege tax is imposed on a person, who sells tangible personal property, digital property, or services at retail to a consumer, that is not a registered retailer or entity if that person (1) is not registered as a retailer under Article 5 of this Chapter, and (2) the person

reported gross sales of at least \$5 million on its most recent federal income tax. If imposed, the tax is a percentage of the retailer's gross receipts from sales in NC. The rate is the same as the combined rate under GS 105-164.3. Tax is in addition to any charged under GS 105-114.14.

GS 105-116.3, (*Compensating privilege tax on unregulated electric power producer*), establishes that an annual privilege tax is imposed on a person that meets all of the following, (1) produces electric power by using the public waters of NC and sells the electricity it produces, (2) is not subject to regulation by the NC Utilities Commission, and (3) received at least \$5 million in gross receipts during the preceding calendar year from its sale of electric power. The tax is a percentage of the person's gross receipts from sales of the produced electric power. The rate is the same as the combined rate under GS 105-164.3. Tax is in addition to any charged under GS 105-114.14.

GS 105-125.1, (*Exempt business entities*), provides that certain entities are exempt from the privilege tax, including (1) a business entity exempt from federal income tax under, (2) an insurance company subject to tax under Article 8B of this Chapter, (3) a single member limited liability company that is disregarded for federal income tax purposes if the single member is a corporation and the disregarded limited liability company's net worth and property is included in that of its single member, and (4) a real estate mortgage investment conduit, as defined in section 860D of the Code.

Entities in the exempt list above that have unrelated business income, owes a tax on the adjusted net worth/property attributed to that unrelated business income. Provides this section is effective for taxable years beginning on or after January 1, 2015, and applies to taxes due in that year or a subsequent year.

Amends GS 55-1-22, (Filing, service, and copying fees), deleting references to an annual paper or electronic report in lieu of specifying just an annual report with no fee to submit the report (was, \$25 for paper report and \$18 for electronic report). Deletes reference to the fee for annual reports being nonrefundable.

Amends GS 55-16-22, (*Annual report*), reorganizing the majority of language through GS 55-16-22(d), providing clarifying language that simplifies and specifies exactly which types of business entities must submit annual reports and the information that must be included in each annual report. Establishes a firm due date for annual reports, the 15th day of the 4th month following the close of the entity's fiscal year. Clarifies the requirements and expectations in cases where the Secretary deems an annual report to be incomplete. Deletes GS 55-16-22(e-h). Makes technical and conforming changes.

Amends GS 57C-1-22(a)(25), GS 59-35.2(a)(18), GS 59-1106(a)(22), changing the associated fees for the required annual reports of these sections to "*No fee*".

Repeals GS 105-122.1 (*Credit for additional annual report fees paid by limited liability companies subject to franchise tax*).

Amends GS 105-228.90(a), making technical and conforming changes.

Repeals GS 105-256.1 (*Secretary and deputies to administer oath*).

Amends GS 105-259(a), making technical and conforming changes.

Effective January 1, 2015. Subsection (f) repealing GS 105-122.1 of this section applies to returns due on or after April 15, 2015, for taxable years beginning on or after January 1, 2015. The remaining sections apply to annual reports due on or after January 1, 2015.

Reduce Sales Tax Rate and Broaden Sales Tax Base

Under current law, GS 105-164.13, exempts the sale, use, storage, or consumption of certain tangible personal property, digital property, and services from the sales and use tax imposed by Article 5, GS Chapter 105. Repeals the following subdivisions of GS 105-164.13 to delete the exemptions for certain property and services: (13C), nutritional supplements sold by a chiropractor to patients as a part of treatment; (28) sales of newspapers by street vendors, door to door carriers, and vending machines; (30) vending machine sales at a price of one cents per sale; (36) advertising supplements and other printed material distributed with or as a part of a newspaper; (39) sales of paper, ink, and other tangible personal property to commercial printers and publishers for use as ingredients or component parts of "free distribution periodicals" as defined in this section, and; (50) fifty-percent of the sales price of tangible property, other than tobacco, sold through a coin operated vending machine. Also repeals GS 105-164.13C (sales and use tax holiday) and GS 105-164.13D (sales and use tax holiday for Energy Star qualified products). Effective July 1, 2013.

Current law provides that taxes under Article 2 (Privilege Tax), GS Chapter 105 are imposed for the privilege of carrying on the business, exercising the privilege, or doing the act named in this Article. Repeals the following statutes under Article 2 (Privilege Tax) of The Revenue Act (Subchapter I of GS Chapter 105) having to do with admissions, ticket sales, and licensing: GS 105-33, 15.33.1, 105-37.1, 105-38.1, 105-40, 105-103, 105-105, 105-106, 105-108, and 105-109. Effective January 1, 2014 and applies to receipts to admission tickets sold on or after that date.

Repeals GS 105-116, which imposes a privilege or franchise tax on electric power, water, and sewage companies; GS 105-116.1, which provides for the distribution of gross receipts on taxes collected on electric power companies, and GS 164.21A, which provides for deductions for municipalities that sell electric power. Makes conforming changes, repealing subsections (b), (c), (d), and (e) of GS 159B-27 regarding payments made in lieu of taxes by municipalities engaged in the generation, transmission and distribution of electric power and energy. Effective January 1, 2014 and applies to taxes due in the 2014 tax year or a subsequent year.

Repeals GS 105-164.13(44), which exempts piped natural gas from tax under sales and use tax provisions because it is taxed under Article 5E of GS Chapter 105, however this provision also repeals Article 5E to remove the tax on piped natural gas. Effective January 1, 2014 and applies to piped natural gas received on or after January 1, 2014, pursuant to a sale made on or after that date.

Directs the Utilities Commission, under GS 62-31 and 62-32, to lower the rate set for the following utilities: (1) electricity, to reflect the repeal, in this act, of GS 105-116 and the resulting liability of electric power companies for the tax imposed under GS 105-114.4 and the increase in the tax rate on sales of electricity under GS 105-164.4, and (2) piped natural gas, to reflect the repeal of Article 5E of GS Chapter 105, the repeal of the former credit under GS 105-122(d1), and the resulting liability of companies for the tax imposed on sales of piped natural gas under GS 105-164.4.

Prohibits a city, despite the provisions of GS 160A-211, from imposing or collecting greater taxes on an electric power company than was collected on or before January 1, 1947, or from levying a tax on a person in the business of supplying piped natural gas.

Amends GS 105-164.3 to add definitions for the following terms as they apply in Article 5 (sales and use tax): (1) alteration, repair, maintenance, cleaning, and installation services; (2) capital equipment; (3) datacenter equipment; (4) service contract; and (5) short-term lease or rental. Modifies the definition for "retailer" to include a person who sells tangible personal property, other than the person's own personal property, at a specialty market as defined in GS 66-250. Also clarifies the meaning of the term "combined general rate," altering it to read "combined rate." Effective January 1, 2014.

Amends GS 105-164.4 to delete subsection (a) and all of its subdivisions, which set out the tax rates on a retailer's net taxable sales of various types of property, and deletes subsections (b), regarding the collection of the tax from the retailer, and (c) requiring a person desiring to be a retailer or a wholesale merchant to obtain a certificate of registration. Enacts new subsections (a) and (b) that provide a simplified application of the privilege tax, imposing a general tax rate of 4.75% on a retailer's net taxable sales of tangible personal property, digital property, tangible personal property services, accommodation rentals, prepaid telephone service, entertainment and recreational activities, and satellite radio. Also includes property care and maintenance services, and security services effective July 1, 2014. Provides that an item that is taxable under subsection (b), which specifies categories to which the general rate applies, is also subject to local sales and use tax. Enacts new subsection (c), which lists items that are subject to the combined tax rate and provides that the combined tax rate applies to a retailer's net taxable sales of telecommunication, video programming, and "spirituous liquor" other than "mixed beverages" as those terms are defined in GS 18B-101. Enacts new subsection (d) to declare that the sale of a manufactured or modular home is to be treated as if it is a sale of real property (was, attached a rate of 2.5% to the retail sale of a modular home and all of its attached accessories). Effective July 1, 2014.

Repeals the following statutes: (1) GS 105-164.3(8c) definition for Eligible Internet data sender, (2) GS 105-164.13(49) exemption from retail sales due tax for certain installation charges, (3) GS 105-164.13(49a) exemption for tax on delivery charges for direct retail mail delivery, and (4) GS 105-164.44G requiring distribution of part of the tax on modular homes to the county of residence. Effective July 1, 2014.

Enacts new GS 105-164.4E regarding accommodation rentals. Defines accommodation as meaning a hotel or motel room, a residence, a cottage, or a similar lodging facility for occupancy by an individual. Defines facilitator to mean a person who contracts with a provider of an accommodation to market the accommodation and to accept payment from the consumer for the accommodation but who is not a rental agent. Defines rental agent to include a real estate broker as defined in GS 93A-2.

Declares that the gross receipts received from the rental of an accommodation are taxed at the general rate set in GS 105-164.4, as amended in this act. Provides additional criteria for determining gross receipts, rules governing the actions of a facilitator and those of a rental agent, and the liability of a facilitator or a rental agent for the tax imposed under this section. Effective July 1, 2014.

Enacts new GS 105-164.4F to provide that the charges for certain entertainment or recreational activities are taxed at the general rate set in GS 105-164.4, as amended in this act. Provides that charges include those for admission, registration, membership, amenities, and user charges. Provides a list of activities which when offered are considered to be a service. Enables taxing of charges for entertainment or recreational activities in person or online and provides that charges for online play or entertainment include charges to acquire virtual goods or attributes and activities include a game, a sport, or fitness activity. Also provides for taxing of charges for admission to any of the following recreational or entertainment activities: (1) a live performance or event of any type, (2) a movie or other audiovisual work, (3) a museum, cultural site, garden, exhibit, show, or similar attraction or guided tour at any of these attractions. Excludes any portion of membership charges meeting the following criteria from the tax imposed under this section: (1) a charge that is deductible as a charitable contribution under section 170 of the Code, or (2) a charge that allows access to a dining facility or other property that does not allow the member to play or engage in an entertainment or recreational activity that is listed in subdivision (a)(2) of this section. Additionally, provides criteria for calculating the tax, if any, on an admission ticket that is resold. Effective July 1, 2014.

Adds additional subdivisions to GS 105-164.13 (as amended by this act), which exempts the sale, use, storage, or consumption of certain tangible personal property, digital property, and services from the sales and use tax imposed by Article 5, GS Chapter 105, to include in the exemption: (1) a service contract or alteration, repair, maintenance, cleaning, or installation services provided for tangible personal property that is exempt from tax under Article 5; (2) a service provided by a self-employed person 17-years-old or younger; (3) admission charges to a specified school sponsored event held at an elementary or secondary school; (4) admission charges to a commercial agricultural fair meeting the requirements of GS 106-520.1; (5) admission charges to a festival or other recreational activity sponsored by a nonprofit that is exempt from tax under Article 4 of GS Chapter 105, lasts no more than seven consecutive days, uses all the proceeds exclusively for the entity's nonprofit purpose and sponsors no more than two such activities during a calendar year. Also provides an exemption for short-term lease or rental of a mini-warehouse or other secure self-storage space by a member of the U.S. Armed Forces. Effective July 1, 2014.

Amends GS 105-187.3(a) to remove the maximum caps of \$1,000 on the tax for the retail sale of a commercial motor vehicle as defined in GS 20-4.01, and \$1,500 on the tax for the retail sale of a recreational vehicle not subject to the \$1,000 tax. Effective July 1, 2014.

Enacts new GS 105-164.12D to distinguish the tax liability for a person who provides a landscaping service to install tangible personal property such as a tree or shrub, as a performance contractor or an installing retailer. Amends GS 105-164.13 to add subdivisions which include services provided by a farmer to control pests in crops grown for commercial use and property maintenance service as described in GS 105-164.4(a)(6) as exempt from the sales and use tax of Article 5, GS Chapter 105. Effective July 1, 2014.

Amends GS 105-164.13B to provide that the state tax on food is (1%), (was, exempted food from the tax under Article 5, GS Chapter 105). Maintains the exceptions that provided for tax on specified food items, but provides that those food items are subject to tax at the general rate. Provides that food that is subject to the state food tax of 1% is also subject to a local tax rate of 1%. Amends GS 105-469(a) to direct the Secretary of Revenue (Secretary) to distribute the local taxes collected on food taxable at 1% under GS 105-164B, as amended, to taxing counties, allocating one-half of the net proceeds on a per capita basis according to certified population estimates from the State Budget Office and allocating the remaining net proceeds to each taxing county based on the county of collection. Effective July 1, 2015.

Repeals the following subdivisions from GS 105-164.13 to remove the indicated services or products from the exemption from the sales and use tax under Article 5: (1a)b. (sales of a grain, feed, or soybean storage facility, (4c) listed items concerning the housing, raising, or feeding of animals, and (4d) regarding listed tobacco items. Repeals Article 5F which provides for a privilege tax on certain machinery and equipment, and makes a conforming change, deleting Subdivision (5a) of GS 105-164.13. Effective January 1, 2014.

Makes additional changes to GS 105-164.13 (providing for exemptions from Article 5's sales and use tax) to clarify the exemption as it applies to farm machinery and logging machinery, identifying such machinery as capital equipment. Also identifies equipment sold to a telephone company, a cable device provider, or a radio or television company licensed by the Federal Communications Commission as capital equipment. Adds exemptions for sales of specified equipment to a major

recycling facility, sales of mill machinery that is capital equipment and purchased by specified entities, and sales of certain specified capital equipment used in the manufacturing of or research and development of tangible personal property. Includes exemptions for sales to a company at a port facility for use of the facility to unload or process bulk cargo, and datacenter machinery and equipment exempt from sales and use tax under GS 105-164.13E. Identifies laundry and dry-cleaning machinery as capital equipment. Provides that electricity only qualifies for the exemption under this section if it is measured by a separate meter or a separate device. Provides for the exemption from the sales and use tax under Article 5 for forests and mines products and sales of products of waters in their original state (was, original or unmanufactured state). Effective January 1, 2014.

Enacts new GS 105-164.13E to provide an exemption from the sales and use tax for datacenter equipment located and used at a datacenter that meets requirements as specified in this section. Provides that the exemptions provided in this section expire for sales occurring on or after July 1, 2015. Effective July 1, 2014.

Amends GS 105-164.4(a), effective September 1, 2014, to set the general rate of tax for a privilege tax imposed on a retailer for net taxable sales of tangible personal property, digital property, and services at 4.5% (was, 4.75%).

Enacts new GS 105-164.5B to provide for an automatic rate decrease of one-tenth of one percent (0.1%) in the general rate of tax set in GS 105-164.4 if the amount of sales and use tax collected in the fiscal year exceeds the amount certified by the State Budget Officer by at minimum \$160 million. Provides that a rate decrease under this section becomes effective as of October 1 following the fiscal year in which the over collections occurred and requires the Secretary to notify retailers of any rate decrease under this section. Effective July 1, 2016.

Amends GS 105-467(a) to provide that the sales tax that may be imposed under Article 39, local government sales and use tax, of GS Chapter 105, is limited to a rate of 1%, deleting provision that the sales tax authorized under this Article does not apply to sales that are taxable by the state under GS 105-164.4 but are not specifically included in subsection (a) of GS 105-467. Effective January 1, 2014. Makes changes to GS 105-467(a) as amended by subsection (a) and makes conforming changes to GS 105-467(a). Effective July 1, 2015.

Amends Section 3 of SL 1965-347 to provide that all property owned by Cape Hatteras Electric Membership Corporation (Cape Hatteras) is exempt from property taxes to the same extent as property owned by any county or municipality of the state as long as Cape Hatteras owns the property uses it solely to provide electric energy to consumers on Hatteras Island and Ocracoke Island. Provides that Cape Hatteras is subject to any other taxes to the same extent as other electric membership corporations established under GS Chapter 117. Effective January 1, 2014.

Repeals GS 105-41, 105-83, 105-88, 105-102.3, and 105-102.6 to eliminate business privilege taxes deemed archaic under this act. Effective January 1, 2014 and applies as follows: (1) for taxes payable under GS 105-41, 105-88, or 105-102.3, applies to taxes imposed under those statutes for taxable years beginning on or after July 1, 2014; (2) for taxes payable under GS 105-102.6, applies to taxes due on or after January 31, 2014; and (3) for taxes payable under GS 105-83, applies to obligation dealt in, bought, or discontinued on or after January 1, 2014.

Rewrites the title of Article 2C of GS Chapter 105 as "Local Alcoholic Beverage Licenses and State Excise Taxes," (was, Alcoholic Beverage License And Excise Taxes). Makes clarifying and conforming changes to the language of GS 105-113.69. Amends GS 105-113.70 to provide for the receipt of a local license upon proper application (was, upon proper application and payment of the prescribed tax). Makes conforming changes to GS 105-113.77 regarding city beer and wine retail licenses and to GS 105-113.78 regarding county beer and wine retail licenses. Amends GS 105-113.79 (city wholesaler license) to delete provision to allow a city to charge an annual tax of not more than \$37.50 for a city malt beverage or wine wholesaler. Effective January 1, 2014 and applies to taxes for periods beginning on or after May 1, 2014.

Amends GS 153A-152 to prohibit a county from levying a privilege tax on a trade, occupation, profession, business, or franchise operating within the county unless there is an act or statute of the General Assembly that authorizes the county to do so. Amends GS 160A-211 to apply the same prohibition to a city. Effective July 1, 2014 and applies to taxes for fiscal years beginning on or after that date.

Deletes subsection (a1) of GS 105-113.21 which allows a distributor filing a timely report under GS 105-113.18 and sends a timely payment to deduct a discount of 2%. Makes conforming changes, including repealing GS 105-113.85. Also amends GS 105-113.39 to delete a discount for wholesale dealers or retail dealers liable for excise taxes, who file timely reports and make timely payments. Makes conforming changes. Effective July 1, 2014 and applies to returns filed for periods beginning on or after that date.

Repeals GS 105-113.82 regarding distribution of beer and wine taxes. Makes conforming changes to GS 108A-93. Effective July 1, 2014.

Repeals GS 105-486(b) effective January 1, 2014.

Provides that the amount of a county's hold harmless payment for the 2013-14 fiscal year is one-half of the amount calculated under GS 105-523, effective July 1, 2013. Repeals GS 105-523 effective July 1, 2014.

Amends GS 115C-546.1 to delete the distribution provisions for the Public School Building Capital Fund (Capital Fund). Repeals GS 115C-546.2(a) regarding allocations from the Capital Fund. Effective April 1, 2014 and applies to distributions for collections for quarters beginning on or after that date.

Transitional Provision

Amends GS 105-237.1(a) to add to the following to the findings which the Secretary may use one or more of to determine that compromise on a taxpayer's liability for a tax collectible under GS 105-241.22: the taxpayer is a retailer or consumer under Article 5 of GS Chapter 105, the assessment is for a sales or use tax that the retailer failed to collect or the consumer failed to pay on an item that first became taxable under Article 5 on or after January 1, 2014, and the retailer or consumer made a good faith effort to comply with the sales and use tax laws. Provides that this expires on January 1, 2024.

Directs the Revenue Laws Study Committee (1) to study the fiscal impact of the changes proposed by this act and (2) to recommend any adjustments that are needed to the General Assembly. Specifies that the Committee is to address the following: (1) the application of the business privilege tax on related business entities and recommend to the General Assembly any changes necessary to prevent vertical or horizontal pyramiding of the tax; (2) the additional revenue received by counties and cities as a result of the expansion of the sales tax base in this act and the amount by which the local revenue is reduced by the repeal of local privilege license taxes and other taxes; and (3) the reasons for the remaining distributions of state tax revenue to local governments and ways to eliminate as many of these distributions as possible.

Declares that this act does not affect the rights or liabilities of the state, a taxpayer, or another person that arise under a statute amended or repealed under this act before the amendment or repeal becomes effective. Also does not affect the right to any refund or credit that accrued under the repealed or amended statute before the effective date of the repeal or amendment.

Privilege Tax Conforming Changes

Repeals GS 93-12(12) (requiring the Secretary of Revenue to submit the names of persons who have qualified under this Chapter as certified public accountants and providing that privilege license issued under GS 105-41 designate whether it was issued to a certified public accountant or an accountant) and GS 105-259(b)(4) (allowing the disclosing to a governmental agency or an officer of an organized association of taxpayers a list of taxpayers who have paid a privilege license tax). Amends GS 53-165 to make clarifying and technical corrections to the definitions. Adds a definition of installment paper dealer and amends the definition of loanable assets to mean cash, bank deposits, installment loans, or any combination. Expand the definition of person to also include a group acting as a unit. Amends GS 53-172 to provide that the business of making loans includes acting as an installment paper dealer and collecting a loan made by a government regulated lender. Makes conforming changes. Amends GS 53-191 to make conforming and technical changes. Amends GS 95-47.2 to amend the reasons for denying a license for operating a private personnel service when the employment agency will be operating on the same premises as specified businesses to include, in addition to a collection agency, a business making loans and taking an assignment of wages as security, or any other type of security (was, a loan agency as defined in GS 105-88), check cashing business and a pawnbroker business. Amends GS 105-130A.6A to remove the reference to the privilege tax. These changes are effective January 1, 2014.

Franchise and Corporate Income Tax Conforming Changes

Amends GS 105-129.27 (taxes credited), GS 105-129.41 (tax election), and GS 105-129.96 (taxes credited), GS 105-130.6A (limitation on credit) to replace the references to franchise tax with privilege tax. Amends GS 105-129.50, add a definition of establishment and amend the definition of related person. Amends GS 105-129.51 to provide that a taxpayer is eligible for the technology development credit if it satisfied specified standards for wages, health insurance, environmental impact, and employee safety and health, deleting previous reference to these types of standards in GS 105-129.83. Amends GS 105-130.6A to update statutory references in the definitions. Repeals GS 105-130.9(4) (concerning disallowing a corporate income tax deduction for a contribution for which the taxpayer has already claimed a specified credit effective for taxes before January 1,

2013). Amend GS 105-230, concerning the suspension of business entity's right to do business for noncompliance (was, charter suspended for failure to report). Applies the statute to a business entity as defined in GS 105-114.2 (was, to a corporation or a limited liability company). Requires the Secretary of State, upon being notified that a business entity's authority to transact business is subject to suspension, to immediately suspend the entity's articles of incorporation or other authority to transact business and notify the entity of the suspension by mail. Makes other technical, clarifying, and conforming changes. Amends GS 105-232 by removing the existing provisions and providing the following. Provides that the suspension of the authority of a business entity to transact business terminates when the entity resolves the noncompliance and pays a \$50 fee. Requires the Secretary of Revenue to notify the Secretary of State when an entity resolves the noncompliance. Requires the Secretary to immediately reinstate and notify the business entity. Reinstatement relates back to and takes effect as of the date of the suspension, subject to the rights of a person who reasonably relied to that person's prejudice on the suspension. Repeals GS 105-259(b)(24) (allowing disclosure of tax information to furnish the Department of Commerce and the Division of Employment Security a copy of the qualifying information required in GS 105-129.7(b) or GS 105-129.86(b)), (37) (allowing disclosure of tax information to furnish the Department of Commerce with the information needed to complete the study required under GS 105-129.82), and (38) (allowing disclosure of tax information to verify with a nonprofit organization or a unit of State or local government information relating to eligibility for a credit under GS 105-129.16H). Repeals GS 105-269.13 (debts not collectable under North Carolina law). Enacts new GS 143B-437.08A, wage, health insurance, and other standards applicable to economic development incentives. Requires the Department to annually determine the average weekly wage for a calendar year for all insured private employers in each county and in the state and publish the specified wage standards applicable to economic development incentives. Specifies how an employer meets the health insurance standard. Specifies how the environmental standards and employee safety and health standards are met. Makes conforming changes to GS 143B-437.01. Also amends GS 143B-437.01 to delineate the definitions for air courier services, company headquarters, information technology and services, manufacturing, warehousing, and wholesale trade; adds a definition of NAICS. Changes are effective January 1, 2014.

Individual Income Tax Conforming Changes

Updates statutory references in GS 105-131.2, GS 105-131.5, GS 105-131.7, GS 105-131.8, and GS 105-154. Makes clarifying changes. Amends GS 105-159 (federal corrections) to make the statute applicable to corrections to a taxpayer's adjusted gross income or federal tax credit (was, federal taxable income). Makes conforming changes. Amends GS 105-163.1 to update statutory references and remove the amount of severance wages paid to an employee during the taxable year that is exempt from state income tax for that year, to those items excluded from the definition of wages. Amends GS 105-163.22 to update statutory references. Effective January 1, 2014, repeals GS 105-259(b)(34) (allowing disclosure of tax information exchange information concerning a tax credit claimed under GS 105-130.47 or GS 105-151.29 with the North Carolina Film Office of the Department of Commerce and with the regional film commissions) and (36) (allowing disclosure of tax information to furnish to a taxpayer claiming a credit under GS 105-130.47 or GS 105-151.29 information used by the Secretary to adjust the amount of the credit claimed by the taxpayer). Amends GS 105-277.3(d1) to provide that property that is appraised at its present use value will continue to qualify for appraisal, assessment and taxation as provided in specified statutes, as long as the property is subject to a conservation easement that meets the property eligibility requirements under GS 113A-232. Amends GS 105-309(d) to delete the requirement that personal property be listed to indicate which property is subject to a tax credit under GS 105-151.21 (credit for property tax paid on farm machinery). Repeals GS 105-320(a)(16) to remove the requirement that a tax receipt form show the total assessed value of farm machinery, attachments, and repair parts of individual owners and S corporations engaged in farming subject to the income tax credit in GS 105-151.21 and the amount of ad valorem taxes due on farm machinery, attachments, and repair parts subject to that credit. Amends GS 110-130.1(a) to update the definition of the term Code. Amends GS 113-77.9 to remove references to GS 105-151.12 and GS 130.34. Amends GS 113A-231, GS 113A-232, and GS 113A-233 to remove references to the conservation tax credits. Further amends GS 113A-232 to add to the eligibility requirements for the Conservation Grant Fund that the property must be (1) useful for one or more of seven specified purposes including public beach access or use, forestland or farmland conservation, or watershed protections, or (2) donated in perpetuity to and accepted by the state local government, or body that is organized to receive and administer lands for conservation purposes and qualified to receive charitable contributions (disqualifies land required to be dedicated under local government regulation or ordinance and dedications made to increase building density levels). Repeals GS 113A-256(g), deleting the power of the Clean Water Management trustees to determine whether land donated for a tax credit under specified statutes may be certified for a tax credit. Changes are effective January 1, 2015.

Sales Tax Conforming Changes

Repeals GS 106-507 (exempting county societies from state and local taxes on exhibits, shows, attractions, and amusements), and GS 106-516 through GS 106-520 (related to licensing and permits for agricultural fair vendors and exhibitors, and carnival permits), GS 140-10.1 (exempting the North Carolina Symphony Society, from all privilege license and gross receipts taxes), and GS 105-164.9 (prohibiting a retailer from offering to absorb the sales tax). Amends GS 105-164.10 to remove provisions concerning rate tables for the general rate, preferential rate and combined state and local rates. Amends GS 105-164.44F, and GS 105-164.44I to update references to GS 105-164.4. Applicable to a claim for a refund of taxes on motor fuel paid on or after January 1, 2014, amends GS 105-449.106 and GS 105-449.107 to remove references to the privilege tax. Changes are effective January 1, 2014.

Effective January 1, 2014, amends GS 105-164.14(c) to also exclude direct purchases of piped natural gas from those items for which a specified local government entity is allowed an annual refund of the sales and use taxes.

Local Government Distribution Conforming Changes

Amends GS 153A-134 (county regulation and license of occupations, business, trades, professions and forms of entertainment and prohibition of those that are inimical to the public health, welfare, safety, order, or convenience) to provide that the statute does not authorize a county to levy a privilege license tax on an entity that is subject to regulation and license under the statute (was, the statute did not impair the county's power to levy a privilege tax on occupations, businesses, trades, professions, and other activities). Amends GS 160A-194 134 (city regulation and license of occupations, business, trades, professions and forms of entertainment and prohibition of those that are inimical to the public health, welfare, safety, order, or convenience) to provide that the statute does not authorize a city to levy a privilege license tax on an entity that is subject to regulation and license under the statute. Amends GS 153A-156 and GS 160A-215.1 (both now captioned, motor vehicle gross receipts tax in lieu of property tax), to exempt motor vehicles that are subject to the gross receipts tax from property tax, and provide that the tax provides an alternative to the property tax on motor vehicles. Changes are effective July 1, 2014.

Intro. by Clodfelter.

[GS 105](#), [GS 115C](#), [GS 53](#), [GS 55](#), [GS 57C](#), [GS 59](#), [GS 93](#), [GS 95](#), [GS 108A](#), [GS 110](#), [GS 113](#), [GS 113A](#), [GS 143B](#), [GS 153A](#), [GS 160A](#)

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Tax

S 401 (2013-2014) [SHARE ARREST WARRANT STATUS/PUB. ASSISTANCE](#). Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT REQUIRING A COUNTY DEPARTMENT OF SOCIAL SERVICES (DSS) TO CONDUCT A CRIMINAL CHECK ON APPLICANTS FOR OR RECIPIENTS OF TEMPORARY ASSISTANCE TO NEEDY FAMILY (TANF) BENEFITS OR FOOD AND NUTRITION SERVICES (FNS) BENEFITS, TO REQUIRE DSS TO SHARE INFORMATION WITH A LOCAL LAW ENFORCEMENT AGENCY REGARDING AN APPLICANT FOR OR RECIPIENT OF TANF OR FNS BENEFITS WHO HAS AN OUTSTANDING ARREST WARRANT, AND TO DENY TANF OR FNS BENEFITS TO AN APPLICANT OR RECIPIENT SUBJECT TO AN OUTSTANDING WARRANT FOR A FELONY OR FOR A PROBATION OR PAROLE VIOLATION.*

Identical to [H 392](#), filed 3/20/13.

Amends GS Chapter 108A, creating a new section, GS 108A-26.1 (*Information sharing of outstanding arrest warrant of applicant for or recipient of program assistance*), providing that a county department of social services will notify applicants for program assistance, under Part 2 or Part 5 of this Article, that confidential information from the applicant's record may be released if a felony or misdemeanor arrest warrant is issued against the applicant. County departments of social services will notify all recipients under programs of assistance at the time of renewal that the applicant's confidential information may not be protected in the instances described above.

As far as allowed by law, a county department of social services will conduct a criminal history check of an applicant or recipient of program assistance under Part 2 or Part 5 of this Article. If the record check reveals that a warrant has been issued for the commission of a felony or a misdemeanor, the department of social services must, within 24 hours or by the end of the next business day, notify local law enforcement. The information that can be released is limited to name, address, telephone number, Social Security number, birth date, and physical description; all other information will be kept confidential.

The Social Services Commission (Commission) will adopt rules regarding the sharing of information between county departments of social services and local law enforcement agencies, the accuracy of information shared, and other rules the Commission deems necessary.

Each county's department of social services is authorized to enter into a memorandum of agreement with the head of any law enforcement agency as defined in GS 90-95.2, in order to perform the functions described in this section.

Amends GS Chapter 108A by creating a new section, GS 108A-26.2 (*Individual subject to felony charge; eligibility for program assistance; federal approval; review by department*), providing that departments of social services will not grant public assistance under Part 2 or 5 of Article 2 of GS 108A if they receive information that the applicant or recipient is subject to arrest on an outstanding warrant arising from violating parole or probation or from a felony charge. However, this does not affect the eligibility for assistance of other members of the applicant or recipient's household. An applicant or recipient will be eligible to receive program assistance if all other criteria of the law are met when he or she is no longer subject to arrest under an outstanding warrant.

Amends GS Chapter 114 by creating a new section, GS 114-19.33 (*Criminal record checks of applicants for or recipients of program assistance*), providing that the Department of Justice can provide to a county department of social services, from the State and National Repositories of Criminal Histories, the criminal history of any person who applies for program assistance under Part 2 or 5 of Article 2 of GS Chapter 108A. The county department will provide to the Department of Justice, along with a request, a form signed by the applicant or recipient acknowledging receipt of notification required by GS 108Aa-26.1(a), any identifying information required by the State and National Repositories, and any other information needed by the Department of Justice. Except as provided by GS 108A-26.1, the department of social services will keep all information obtained pursuant to this section confidential.

Intro. by Tucker.

[GS 108A, GS 114](#)

[View summary](#)

[Criminal Justice, Public Assistance](#)

S 402 (2013-2014) [APPROPRIATIONS ACT OF 2013](#). Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES.*

Blank bill.

Intro. by Brunstetter, Brown, Hunt.

[APPROP](#)

[View summary](#)

[Budget/Appropriations](#)

S 403 (2013-2014) [OMNIBUS ELECTION CLARIFICATIONS \(NEW\)](#). Filed Mar 25 2013, *AN ACT TO AMEND AND CLARIFY VARIOUS PROVISIONS OF THE ELECTION LAWS.*

Amends GS 36C-9-901(d)(1), which provides that the Uniform Prudent Investor Act (Article 9, GS Chapter 36C) does not apply to specified trusts, unless the trust provides otherwise via specific reference to Article 9, to remove trusts that are created by a legislative act from among those trusts to which Article 9 does not apply.

Makes conforming changes to and amends GS 65-60.1(e) to require that any trustee invest and reinvest cemetery trust funds in accordance with GS 32-71, which imposes a reasonable and prudent person standard of care on any fiduciary of the property of others.

Amends GS 90-210.61(a)(1) to provide that if a pre-need funeral contract purchaser chooses to fund the pre-need funeral contract by a trust deposit or deposits, then the pre-need licensee must deposit all funds within 30 days from the end of the

calendar month in which the payment is received in accordance with the provisions of GS 32-71. Makes additional conforming changes to GS 90-210.6(a)(1) regarding pre-need funeral funds as related to trust funds.

Intro. by Bingham.

[GS 36C, GS 65, GS 90](#)

[View summary](#)

[Banking and Finance](#)

S 404 (2013-2014) [RELIGIOUS STUDY CREDIT](#). Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT TO AUTHORIZE LOCAL BOARDS OF EDUCATION TO ADOPT POLICIES ALLOWING STUDENTS TO ATTEND OFF-CAMPUS RELIGIOUS INSTRUCTION, AND TO AUTHORIZE LOCAL BOARDS OF EDUCATION TO AWARD ELECTIVE CREDIT FOR OFF-CAMPUS RELIGIOUS INSTRUCTION.*

Enacts new GS 115C-81.5 (*Release Time and Elective Credit for Religious Instruction*), providing that local boards of education can adopt policies allowing students to attend classes on religious instruction, conducted by a private entity, at an off-campus non-school property location during the day if the policies contain seven requirements, including that the student's parent or guardian provides written consent to the school and no public funds from any source will be expended for, and no public school personnel will be involved in, providing the religious instruction.

Local boards of education can award high school students no more than two elective course credits for the completion of such classes as described above. Provides criteria that local boards will consider in determining whether to award course credit for religious instruction courses.

Effective when the act becomes law and applies beginning with the 2013-14 school year.

Intro. by Bingham.

[GS 115C](#)

[View summary](#)

S 405 (2013-2014) [COUNCIL OF STATE MEMBERS/CONCEALED HANDGUNS](#). Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT A COUNCIL OF STATE MEMBER WHO HAS A CONCEALED HANDGUN PERMIT MAY POSSESS OR CARRY A HANDGUN ON STATE PROPERTY WHILE DISCHARGING THE MEMBER'S OFFICIAL DUTIES.*

Amends GS 14-269(b) as the title indicates. Defines *state property* to mean any building or land owned or leased by the state. Makes a conforming change to GS 14-415.11(c) to add carrying a concealed handgun as provided in new GS 14-415.28 to the exceptions in GS 14-415.11(c).

Enacts new GS 14-415.28 to provide that the scope of a concealed handgun permit for Council of State members permits the member possessing a concealed handgun permit valid under GS 14-415.24 to carry a concealed handgun on the educational property of a community college or a constituent institution of the University of North Carolina. Provides that a Council of State member with a valid concealed handgun permit under this section or under GS 14-415.24 is not subject (1) to the area prohibitions set out in GS 14-415.11(c)(2) (unless it is a building housing a court or the grounds of such a building) or (2) to the area prohibitions provided in subdivisions (3), (5), (6), and (7) of GS 14-415.11(c).

Effective December 1, 2013.

Intro. by Bingham.

[GS 14](#)

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[Criminal Law and Procedure, State Government, Executive](#)

S 406 (2013-2014) [REPEAL LAWS DENIED SECTION 5 PRECLEARANCE](#). Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT TO REPEAL LAWS AND ORDINANCES THAT WERE DENIED PRECLEARANCE UNDER SECTION 5 OF THE VOTING RIGHTS*

ACT OF 1965.

Enacts new GS 120-30.9J (*Repeal of acts and ordinances which were denied preclearance*), providing that any city/county ordinance or resolution, act, policy, or resolution of a county board of elections, or public or local law that was enacted by the General Assembly, for which prior to January 1, 2013, the US Department of Justice interposed an objection to, under the Voting Rights Act (VRA), and did not withdraw its objection is repealed. Only in situations where the US District Court for the District of Columbia issued a declaratory judgement that such ordinance, resolution, act, law, or policy did not violate the VRA is such not repealed.

Intro. by Brunstetter, Brock.

GS 120

[View summary](#)

[Elections](#)

S 407 (2013-2014) [ELECTRONIC VEHICLE LIEN/TITLE](#). Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO IMPLEMENT A STATEWIDE ELECTRONIC LIEN SYSTEM TO PROCESS THE NOTIFICATION AND RELEASE OF SECURITY INTERESTS AND CERTIFICATE OF TITLE DATA.*

Enacts new GS 20-58.4A (*Electronic lien system*), as the title indicates. Requires the Division of Motor Vehicles (DMV) to implement a statewide electronic lien system no later than July 1, 2014. Directs the DMV to contract with a qualified vendor to implement this statewide electronic lien system. Provides minimum standards for the DMV to consider in contracting with a vendor. Mandates participation in the electronic lien system by all individuals and lienholders normally engaged in the business or practice of financing motor vehicles beginning July 1, 2015. Provides that an electronic notice or release is to have the same force and effect as a paper document of notice or release as provided under GS 20-58 through GS 20-58.8. Directs the DMV to adopt rules to implement this section. Authorizes the DMV, the qualified vendor, and up to five lienholders to conduct a pilot program of the electronic lien system for up to a 90-day period prior to the statewide implementation of the system. Requires the DMV to report, no later than October 1, 2013, to the chairs of the Joint Legislative Transportation Oversight Committee on the status of the implementation of the electronic lien system.

Intro. by Brunstetter, Rabon.

GS 20

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[Transportation, Department of Transportation](#)

S 408 (2013-2014) [LAWFUL CITIZENS SELF PROTECTION ACT](#). Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT TO EXPAND AREAS IN WHICH LAWFUL CONCEALED HANDGUN PERMIT HOLDERS MAY CARRY OR KEEP FIREARMS FOR SELF PROTECTION.*

Amends GS 14-269.3, (*Carrying weapons into assemblies and establishments where alcoholic beverages are sold and consumed*), providing that the prohibition on carrying any gun into an assembly for which admission has been charged does not apply to a person who has a concealed handgun permit lawfully issued or valid under GS 14-415.24. Maintains the prohibition on carrying any gun into an establishment in which alcoholic beverages are sold and consumed.

Adds to the exceptions section, that GS 14-269.3 does not apply to a person on the premises of an eating establishment as defined in GS 18B-1000(2) or a restaurant in GS 18B-1000(6), provided they have a lawful concealed handgun permit. Does not interfere with the rights of premises owners to prohibit the carrying of concealed handguns and requires posting notice of such a prohibition.

Amends GS 14-277.2(c), making technical and conforming changes. Establishing the section (prohibiting weapons at parades, funeral processions, picket lines, or demonstrations on a private health care facility or public place under the control of the state or its political subdivisions) does not apply to persons who have a concealed handgun permit lawfully issued or valid under GS 14-415.24.

Enacts a new section GS 14-409.41, (*No prohibition regarding the transportation or storage of a firearm in locked motor vehicle by business, commercial enterprise, or employer; civil liability; enforcement*), preventing any business, employer, or

commercial enterprise from making rules or policies that prohibits a person from transporting or storing any firearm or ammunition when that person has a legal permit to carry, and is in compliance with all other applicable laws and regulations and the firearm or ammunitions is in a closed compartment or container within the person's locked vehicle or locked container affixed to the vehicle. Does not apply to vehicles owned or leased by an employer or where transport or storage of a firearm is prohibited by the State or federal law.

A person who is injured or incurs damage, or the survivors of a person killed as a result of a violation of GS 14-409.41(b), may bring a civil action against the entity that caused the violation.

Provides that an employee who is fired by an employer, business entity, or commercial enterprise for violation of a policy or rule prohibited by GS 14-409.41(b), is entitled to certain recovery. If the demand for the recovery, as described in this section is denied, a person may bring a civil action against the employer, business entity, or commercial enterprise for fulfillment of their due recovery.

A business, commercial enterprise, employer, or property owner that allows persons to legally transport or store any firearm or ammunition as described in this section will have complete immunity and will not be held liable in any civil action arising out of another person's actions involving a firearm or ammunition transported or stored in accordance with these sections.

Good-faith efforts of a business, commercial enterprise, employer, or property owner to comply with other applicable and irreconcilable federal or State safety laws or regulations will be a complete defense to any liability of the business, commercial enterprise, employer, or property owner.

Amends GS 14-415.23, (*Statewide uniformity*) to exclude passive recreation areas from the definition recreational facilities and to provide that the statute does not prohibit firearms in entire parks which contain recreational facilities

Effective December 1, 2013.

Intro. by Tarte, Randleman, Brock.

GS 14

[View summary](#)

Criminal Law and Procedure

S 409 (2013-2014) **ASSESS COSTS/RESTRAINING ORDERS (NEW)**. Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT TO AMEND PROCEDURES, CLARIFY COSTS AND ATTORNEYS' FEES PROVISIONS APPLICABLE WHEN RELIEF IS NOT ORDERED IN CHAPTER 50B PROTECTIVE ORDER AND CHAPTER 50C NO CONTACT ORDER CASES, AND TO PROVIDE FOR ATTORNEYS' FEES UPON THE GRANT OF RELIEF IN CHAPTER 50C CASES.*

Amends GS 50C-1 to delete the definition for *stalking* as it applies in GS Chapter 50C. Modifies the definition for *unlawful conduct* to mean an act of nonconsensual sexual misconduct by a person 16 years of age or older on a person. Deletes provisions that define *unlawful conduct* to apply to single incidences of nonconsensual sexual conduct or stalking and deletes specification that "unlawful conduct" does not include acts of self defense or defense of others.

Current law prohibits assessing court costs for the filing or service of the complaint or the service of any orders under GS Chapter 50C (civil no-contact orders). Amends GS 50C-2(b) to provide that there are no court costs assessed unless the court determines any of the following: the plaintiff (1) willfully failed to appear to prosecute the action, (2) initiated the action for an improper purpose to harass the defendant, or (3) filed the action knowing that he or she was not the victim of unlawful conduct.

Makes clarifying changes to GS 50C-5(b) and GS 50C-7.

Amends GS 50C-8(a) to require that if a temporary no-contact order is granted without notice and a motion for a permanent civil no-contact order is made, then the hearing is to be held within 10 days from the date of the motion. Provides that if the request for a temporary, ex parte civil no-contact order is denied, then the hearing on the plaintiff's claim for a civil no-contact order is to be heard within 30 days from the date that the temporary civil no-contact order is denied.

Effective October 1, 2013, and applies to actions begun on or after that date.

Intro. by Tarte.

GS 50C

[View summary](#)**Civil Law**

S 410 (2013-2014) **ENABLING HEROES ACT OF 2013**. Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT TO ENHANCE THE ABILITY OF LAWFUL CITIZENS OF NORTH CAROLINA TO PROTECT THEMSELVES, CHILDREN, AND OTHERS FROM CRIMINALS AND VIOLENT SOCIOPATHS BY AMENDING LAWS THAT PROHIBIT CARRYING OF CONCEALED WEAPONS AND WEAPONS ON EDUCATIONAL PROPERTY.*

Repeals GS 14-269 (*Carrying concealed weapons*).

Amends GS Chapter 14 by creating new GS 14-269A (*Carrying concealed weapons*), providing that no person will be able to carry a concealed deadly weapon for any illegal purpose. Violations of this results in a Class 2 misdemeanor for the first offense, with Class I felony for second or subsequent offenses.

Amends GS 14-269.2, changing the definition for educational property to exclude property that is not used primarily for educational purposes. Deletes language in GS 14-269.2(b) concerning the level of felony/punishment a violation of discharging a firearm on educational property would incur. Expands the exceptions to the section to include a person not participating in curricular or extracurricular events held at places other than educational property.

Expands the circumstances and situations where the prohibitions of GS 14-269.2 (*Weapons on campus or other educational property*) does not apply, adding 10 new exceptions, including individuals with a concealed handgun permit, civil and law enforcement officers of the US and officers and soldiers of the militia and the National Guard when called into actual service. Deletes one exception to GS 14-269.2, persons exempted by the provisions of GS 14-269(b).

Effective December 1, 2013.

Intro. by Tarte, Randleman, Brock.

GS 14

[View summary](#)**Criminal Law and Procedure, Education**

S 411 (2013-2014) **ETHICS REQUIREMENTS FOR MPOS/RPOS**. Filed Mar 25 2013, *AN ACT TO PROVIDE THAT THE TRANSPORTATION ADVISORY COMMITTEES OF METROPOLITAN PLANNING ORGANIZATIONS AND RURAL TRANSPORTATION PLANNING ORGANIZATIONS ARE SUBJECT TO STANDARD ETHICS PROVISIONS.*

Adds new subsections to GS 136-200.2 regarding Metropolitan Planning Organizations (MPO) and GS 136-211, regarding rural transportation planning organizations (RPO) to require that all individuals with voting authority and who serve on an MPO or an RPO are subject to the ethics provisions of state government, including an affirmative duty to promptly disclose in writing any conflict of interest or potential conflict of interest and to file a statement of economic interest with the State Ethics Commission (SEC). Provides penalties for violations. Requires all individuals with voting authority, who are serving on an MPO or an RPO to file a statement of economic interest and additional real estate lists with SEC no later than April 15, 2003. Provides that any member of an MPO or RPO who filed a statement of economic interest in compliance with GS 136-202(e) and GS 136-211(e) is not required to file again and SEC will prepare the evaluation under that filing.

Makes conforming changes, repealing GS 136-202(e) and GS 136-211(e).

Intro. by Rabon, Harrington.

GS 136

[View summary](#)**Ethics and Lobbying**

S 412 (2013-2014) **WATER INFRASTRUCTURE AUTHORITY/WATER GRANTS**. Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE NORTH CAROLINA WATER AND WASTEWATER INFRASTRUCTURE AUTHORITY TO ADMINISTER THE*

STATE'S FUNDING FOR WATER AND WASTEWATER INFRASTRUCTURE PROJECTS, TO TRANSFER THE CONSTRUCTION GRANTS AND LOANS SECTION OF THE DIVISION OF WATER QUALITY AND THE FINANCIAL SERVICES UNIT IN THE PUBLIC WATER SUPPLY SECTION OF THE DIVISION OF ENVIRONMENTAL HEALTH FROM THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO THE AUTHORITY, TO PROVIDE THAT THE CLEAN WATER MANAGEMENT TRUST FUND SHALL NOT FUND WASTEWATER PROJECTS, TO TRANSFER ANNUALLY THE SUM OF TWENTY-FIVE MILLION DOLLARS FROM THE CLEAN WATER MANAGEMENT TRUST FUND TO THE WATER INFRASTRUCTURE FUND TO PROVIDE GRANT AND LOAN FUNDS FOR WATER AND WASTEWATER INFRASTRUCTURE PROJECTS, TO DIRECT THE AUTHORITY AND THE NORTH CAROLINA RURAL ECONOMIC DEVELOPMENT CENTER TO DEVELOP A TRANSITION PLAN TO MOVE THE WATER AND WASTEWATER PROGRAMS FROM THE NORTH CAROLINA RURAL ECONOMIC DEVELOPMENT CENTER TO THE AUTHORITY, AND TO MAKE CONFORMING STATUTORY CHANGES.

Enacts new Article 5 of GS Chapter 159G establishing the North Carolina Water and Wastewater Infrastructure Authority (Authority). Locates the Authority in the Department of Environment and Natural Resources (DENR) for administrative purposes. Provides definitions for the following as they apply in the proposed Article: (1) *Authority* means the NC Water and Wastewater Infrastructure Authority established in new GS 159G-71; (2) *Commission* means the State Water Infrastructure Commission; and (3) *Strategic plan* means the statewide strategic plan for the state's water and wastewater infrastructure developed by the Commission. Provides for 12 members with four members each appointed to the Authority by the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives. Provides guidelines and criteria for initial appointments, terms, member qualifications, selection of a chair, filling of vacancies, and meeting other organizational needs of the Authority. Declares that the purpose of the Authority is to administer the state's funding for water and wastewater infrastructure projects. Identifies the duties of the Authority including awarding grants and loans for water and wastewater systems and implementing and maintaining the strategic plan for the state's water and wastewater infrastructure developed by the Commission after the plan is approved by the General Assembly. Requires the chair of the Authority to report each year by January 1 to the Joint Legislative Commission on Governmental Operations, the Environmental Review Commission, the subcommittees on Natural and Economic Resources of the House of Representatives and Senate Appropriations committees, and the Fiscal Research Division of the General Assembly regarding the implementation of the Authority's duties under proposed GS 159G-72. Includes specifications regarding the content of the report. Directs the Authority to appoint an Executive Director (ED), provides for hiring of clerical and other assistance as necessary by the ED, and provides criteria regarding compensation for the ED. Requires any state agency or other entity receiving state or federal funds to fund state water or wastewater infrastructure to cooperate with the Authority in using and disbursing those funds pursuant to the strategic plan. Directs the Department of Commerce to notify the Authority of grants and loan guarantees that it awards under GS 143B-431(d) for waste and wastewater infrastructure under the Community Development Block Grant program and of funds provided for water and wastewater infrastructure projects from the Industrial Development Fund established in GS 143B-437.01. Transfers the Construction Grants and Loans Section of the Division of Water Quality and the Financial Services Unit in the Public Water Supply Section of the Division of Environmental Health from DENR to the Authority. Requires the Authority and the Rural Economic Development Center to develop a transition plan for the transfer of the Clean Water Partners Program and the water and wastewater portion of the Economic Infrastructure Program currently operated by the Rural Economic Development Center and program funds to the Authority by July 1, 2015. Amends GS 113A-253 and GS 113A-254 to provide that the Clean Water Management Trust Fund will not fund wastewater projects. Repeals Article 4 of GS Chapter 159G (established the State Water Infrastructure Commission). Amends GS 159G-30 to move the responsibility for administering loans and grants made from the Clean Water State Revolving Fund, the Drinking Water State Revolving Fund, the Wastewater Reserve, and the Drinking Water Reserve from DENR to the Authority. Amends GS 159G-32 to authorize the Authority (was, DENR) to make loans and grants from the Wastewater Reserve for certain specified projects and to make loans and grants from the Drinking Water Reserve for public water system projects. Makes additional conforming changes to GS Chapter 159G-20, through 159G-26, 159G-30, 159G-32 through 159G-35, and 159G-37 through 159G-44. Effective July 1, 2014.

Intro. by Hartsell.

GS 113A, GS 159G

[View summary](#)

Community and Economic Development, Environment, Department of Environmental Quality (formerly DENR), Public Health, Public Enterprises and Utilities

S 413 (2013-2014) [INTERCONNECTION OF PUBLIC WATER SYSTEMS](#). Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT REQUIRING THE INTERCONNECTION OF PUBLIC WATER SYSTEMS OR WASTEWATER SYSTEMS TO REGIONAL SYSTEMS WHEN NECESSARY TO PROMOTE PUBLIC HEALTH, PROTECT THE ENVIRONMENT, AND ENSURE COMPLIANCE WITH DRINKING WATER RULES AND TO REQUIRE THAT AN ANALYSIS OF REASONABLE ALTERNATIVES BE DONE BEFORE CONSTRUCTING OR ALTERING A PUBLIC WATER SYSTEM.*

Rewrites GS 130A-317(c) and (d) and GS 143-215.1(b)(4) and (f), as title indicates. Enacts new GS 143-215.1(b)(6) and (7) to provide that no permit for a new or expanded municipal or nonmunicipal human waste treatment system may be issued unless the applicant (1) has adopted a plan to implement a program to reduce demand and manage existing capacity by reducing or eliminating stormwater and groundwater infiltration and intrusion into collection lines, (2) submits an analysis of reasonable alternatives to the proposed new or expanded system that indicates that the proposed new or expanded system is appropriate, and (3) can demonstrate that the proposed new or expanded waste treatment facility will be designed and constructed to accommodate eventual interconnection with adjoining or regional systems located within the same subbasin as set out in GS 143-512.22G. Requires the Commission for Health Services and the Environmental Management Commission to adopt rules implementing the act by October 1, 2013.

Intro. by Hartsell.

[GS 130A, GS 143](#)

[View summary](#)

[Public Health, Public Enterprises and Utilities](#)

S 414 (2013-2014) [CONVERT AIR CARRIER FUEL REFUND TO EXEMPTION](#). Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT TO CONVERT THE SALES TAX REFUND FOR CERTAIN FUEL PURCHASES OF AN INTERSTATE PASSENGER AIR CARRIER INTO A SALES TAX EXEMPTION.*

Amends GS 105-164.14A, concerning sales tax refunds, and GS 105-164.13, concerning exemptions from the retail sales and use tax, as the title indicates. Effective July 1, 2013, and applies to sales made on or after that date.

Intro. by Hartsell.

[GS 105](#)

[View summary](#)

[Tax](#)

S 415 (2013-2014) [DEFINE MIN. QUALIFICAT'NS/LOCAL DSS DIRECTORS](#). Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT TO DEFINE BY STATUTE MINIMUM QUALIFICATIONS FOR DIRECTORS OF COUNTY DEPARTMENTS OF SOCIAL SERVICES.*

Amends GS 108A-12 to require individuals appointed as a county director of social services to satisfy at least one of the following minimum education and experience requirements (1) a master's degree in social work and two years of supervisory experience in the delivery of client services, (2) bachelor's degree in social work and three years of supervisory experience in the delivery of client services, one of which must be in social services, (3) graduation from a four year college or university and three years of supervisory experience in the delivery of client services, two of which must be in social services, or (4) an equivalent combination of training and experience in social work as determined by the Office of State Personnel.

Intro. by Hartsell.

[GS 108A](#)

[View summary](#)

[Social Services](#)

S 416 (2013-2014) [PRIVILEGE TAX ON GEOLOGISTS](#). Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT TO REQUIRE LICENSED GEOLOGISTS TO OBTAIN A STATE PRIVILEGE TAX AND THUS PROHIBIT CITIES FROM IMPOSING A LOCAL PRIVILEGE TAX.*

Amends GS 105-41 as the title indicates. Applies to taxable years beginning on or after July 1, 2013.

Intro. by Hartsell.

[GS 105](#)

[View summary](#)

Tax

S 417 (2013-2014) **ESTABLISH STATE PUBLIC HEALTH AUTHORITY**. Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT TO IMPROVE THE QUALITY AND ACCOUNTABILITY OF THE PUBLIC HEALTH SYSTEM, TO REORGANIZE THE DIVISION OF PUBLIC HEALTH, AND TO STRENGTHEN THE PUBLIC HEALTH INFRASTRUCTURE BY THE DEVELOPMENT AND IMPLEMENTATION OF REGIONAL PUBLIC HEALTH AUTHORITIES.*

Creates the North Carolina Public Health Authority, with administrative direction over the Division of Public Health and the Institute for Public Improvement. Abolishes all programs in the Division of Public Health in the Department of Health and Human Services except the following four programs, to be administered by the State Health Director: (1) State Lab, (2) Vital Records, (3) Medical Examiner, and (4) Public Health Emergency Response. Transfers all functions, powers, duties, and obligations previously vested in the Division of Environmental Health in the Department of Environment and Natural Resources to the Division of Public Health, as a Type I transfer.

Enacts new Article 1C, State Public Health Authority, in GS Chapter 130A to create the State Public Health Authority (Authority) as a state agency to perform essential governmental and public functions under supervision of the Authority Board. Creates a 13-member Authority Board (Board) to govern the Authority, with membership as specified. Specifies that each appointing authority will appoint members who reside in one of the four regional public health authorities in the state. Details additional membership provisions, including terms, removal, ethics, compensation, and the Board's duty to adopt bylaws. Enumerates 17 powers and duties of the Authority Board, including the power to construct and maintain public health facilities, and the power to adopt and enforce a professional reimbursement policy, as detailed.

Provides that the Authority has the power to establish and operate health care networks, and may contract with other public health authorities or local health departments to provide public health services, provided that the Authority complies with the Health Maintenance Organization Act (Article 67 of GS Chapter 58) as required, for the purposes of this provision.

Permits the Authority to lease any public health facility to a nonprofit association or to any corporation authorized to do business in the state, as specified. Prohibits the Authority from selling or conveying any rights in any public health facility to any corporation or business entity operated for profit, except when the Authority sells surplus buildings, land, or equipment. Permits the Authority to purchase insurance, and specifies that the purchase waives the Authority's governmental immunity, to the extent of the coverage, for any act or omission that occurs in the exercise of a governmental function. Sets forth additional provisions related to insurance and governmental immunity.

Specifies that the Institute for Public Health Improvement executive director is an employee of the Authority Board, to perform public health duties under the Board's supervision, and with five specified powers and duties.

Enacts new GS 130A-46 to establish the Institute for Public Health Improvement (Institute), tasked with administering all state and federal public health appropriations and grants, and providing public health administration through four regional authorities. Establishes four regional public health authorities, located in Asheville, Kannapolis, Greenville, and Wilmington, to administer public health services in N.C. Describes the coverage areas for each respective regional authority. Authorizes a county to select a regional public health authority to serve as the public health department for the county.

Directs the Office of State Budget and Management to transfer any funds appropriated to the Department of Health and Human Services for 2013-14 or 2014-15 for public health programs abolished by this act, to the Authority for allocation to the Institute. Specifies that only health departments accredited by the Local Health Department Accreditation Board or operating as a regional public health authority are eligible to receive state or federal funds as pass-through grants administered by the state and local agencies, unless otherwise provided by federal law.

Effective July 1, 2013.

Intro. by Hartsell.

[GS 130A](#)

[View summary](#)

Public Health

LOCAL/HOUSE BILLS

H 420 (2013-2014) [SCHOOL CALENDAR FLEXIBILITY/ORANGE COUNTY](#). Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT TO PROVIDE ADDITIONAL FLEXIBILITY TO CERTAIN LOCAL BOARDS OF EDUCATION IN ADOPTING THE SCHOOL CALENDAR.*

Amends GS 115C-84.2(d) (concerning school opening and closing dates), as it applies to the Orange County and Chapel-Hill Carrboro City School administrative units, providing that, except for year-round schools, the opening date for students will be no earlier than August 9 and the closing date for students will be no later than the Friday closest to June 11. Allows local boards to revise the scheduled closing date if necessary in order to comply with the minimum requirements for instructional days or instructional time.

Applies beginning with the 2013-14 school year.

Intro. by Foushee.

[Orange](#)

[View summary](#)

[Elementary and Secondary Education](#)

H 421 (2013-2014) [MARSHVILLE DEANNEXATION](#). Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT REMOVING CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE TOWN OF MARSHVILLE.*

Provides for the deannexation of property in the Town of Marshville as the title indicates. Provides that Section 1 of this act, describing the property to be removed from the corporate limits of Marshville, has no effect on the validity of any liens of the town for ad valorem taxes or special assessments outstanding before the act's effective date. Effective July 1, 2013.

Intro. by Brody.

[Union](#)

[View summary](#)

H 422 (2013-2014) [MARSHVILLE CHARTER AMENDMENT/UTILITY BILLING](#). Filed Mar 25 2013, *A BILL TO BE ENTITLED AN ACT AMENDING THE CHARTER OF THE TOWN OF MARSHVILLE TO DELETE THE PROVISIONS FOR UTILITY BILLING AND TERMINATION OF UTILITY SERVICES.*

As title indicates. Repeals Section 6.1 of the Charter of the Town of Marshville, contained in SL 2011-70.

Intro. by Brody.

[Union](#)

[View summary](#)

[Public Enterprises and Utilities](#)

ACTIONS ON BILLS

PUBLIC BILLS

H 405: [JUDGE AND CLERKS/CONCEALED HANDGUN PERMIT \(NEW\)](#).

House: Passed 1st Reading

House: Ref To Com On Rules, Calendar, and Operations of the House

H 407: TRUSTEE-ATTY FEE/FORECLOSURES/CLERK APPROVAL.

House: Passed 1st Reading

House: Ref To Com On Judiciary Subcommittee A

H 410: CANCEL TITLE TO MANUFACTURED HOME.

House: Passed 1st Reading

House: Ref to the Com on Transportation, if favorable, Judiciary Subcommittee A

H 415: LIMIT SUCCESSOR ASBESTOS-RELATED LIABILITY.

House: Passed 1st Reading

House: Ref To Com On Judiciary

H 416: INCREASE SMALL CLAIMS AMOUNT.

House: Passed 1st Reading

House: Ref To Com On Judiciary Subcommittee A

H 417: MODIFY INTERNAL AUDITING STATUTES.

House: Passed 1st Reading

House: Ref to the Com on Government, if favorable, State Personnel

H 419: HONOR WOMEN'S HISTORY MONTH.

House: Filed

S 45: INCAPACITY TO PROCEED AMENDMENTS.

Senate: Withdrawn From Cal

Senate: Placed On Cal For 03/26/2013

S 106: HOME BIRTH FREEDOM ACT.

Senate: Withdrawn From Com

Senate: Re-ref Com On Rules and Operations of the Senate

S 148: EXEMPT CERTAIN STEEL TUBING/ELECTRICAL K'ORS.

House: Passed 1st Reading

House: Ref To Com On Public Utilities and Energy

S 168: CLARIFY EDUCATION REPORTING REQUIREMENTS.

House: Passed 1st Reading

House: Ref To Com On Education

S 175: BANKING LAWS CLARIFICATIONS/CORRECTIONS.

House: Passed 1st Reading

House: Ref To Com On Banking

S 194: ELIMINATE SAFETY INSP./EMISSION INSP. REQ.

Senate: Withdrawn From Com

Senate: Re-ref Com On Rules and Operations of the Senate

S 205: ELIMINATE UNNECESSARY TESTING/ANIMAL WASTE.

House: Passed 1st Reading

House: Ref to the Com on Agriculture, if favorable, Environment

S 334: DOROTHEA DIX LEASE.

Senate: Withdrawn From Cal

Senate: Placed On Cal For 03/26/2013

S 349: NATUROPATHIC DOCTORS LICENSING ACT.

Senate: Withdrawn From Com

Senate: Re-ref Com On Rules and Operations of the Senate

S 392: EXEMPT VETERAN INCOME FROM TAXATION.

Senate: Passed 1st Reading

Senate: Ref To Com On Finance

S 393: CONSTRUCTIVE FRAUD/LIMITATIONS PERIOD.

Senate: Passed 1st Reading

Senate: Ref To Com On Judiciary I

S 394: LOWER TAX RATES FOR A STRONGER NC ECONOMY.

Senate: Passed 1st Reading

Senate: Ref to Finance. If fav, re-ref to Appropriations/Base Budget

S 395: TRICARE SUPPLEMENT FOR FLEX ACCOUNTS.

Senate: Passed 1st Reading

Senate: Ref To Com On Pensions & Retirement and Aging

S 396: MODIFY SALES TAX FOR PRODUCTS OF MINES.

Senate: Passed 1st Reading

Senate: Ref To Com On Finance

S 397: NATURAL GAS/RATE ADJUSTMENT MECHANISM.

Senate: Passed 1st Reading

Senate: Ref To Com On Commerce

S 398: GOVERNOR'S BUDGET.

Senate: Passed 1st Reading

Senate: Ref To Com On Appropriations/Base Budget

S 399: CRIMINAL DEFENDANT MAY WAIVE JURY TRIAL.

Senate: Passed 1st Reading

Senate: Ref To Com On Judiciary II

S 400: REVISE HOMEOWNER/HOMEBUYER PROTECTION ACT.

Senate: Passed 1st Reading

Senate: Ref to Commerce. If fav, re-ref to Judiciary II

S 401: SHARE ARREST WARRANT STATUS/PUB. ASSISTANCE.

Senate: Filed

S 402: APPROPRIATIONS ACT OF 2013.

Senate: Filed

S 403: OMNIBUS ELECTION CLARIFICATIONS (NEW).

Senate: Filed

Senate: Filed

S 404: RELIGIOUS STUDY CREDIT.

Senate: Filed

S 405: COUNCIL OF STATE MEMBERS/CONCEALED HANDGUNS.*Senate: Filed***S 406: REPEAL LAWS DENIED SECTION 5 PRECLEARANCE.***Senate: Filed***S 407: ELECTRONIC VEHICLE LIEN/TITLE.***Senate: Filed***S 408: LAWFUL CITIZENS SELF PROTECTION ACT.***Senate: Filed***S 409: ASSESS COSTS/RESTRAINING ORDERS (NEW).***Senate: Filed***S 410: ENABLING HEROES ACT OF 2013.***Senate: Filed***S 411: ETHICS REQUIREMENTS FOR MPOS/RPOS.***Senate: Filed***S 412: WATER INFRASTRUCTURE AUTHORITY/WATER GRANTS.***Senate: Filed***S 413: INTERCONNECTION OF PUBLIC WATER SYSTEMS.***Senate: Filed***S 414: CONVERT AIR CARRIER FUEL REFUND TO EXEMPTION.***Senate: Filed***S 415: DEFINE MIN. QUALIFICAT'NS/LOCAL DSS DIRECTORS.***Senate: Filed***S 416: PRIVILEGE TAX ON GEOLOGISTS.***Senate: Filed***S 417: ESTABLISH STATE PUBLIC HEALTH AUTHORITY.***Senate: Filed***LOCAL BILLS****H 406: LOCAL FLEXIBILITY RE: SCHOOL CALENDAR.***House: Passed 1st Reading**House: Ref to the Com on Commerce and Job Development, if favorable, Education***H 408: BEAUFORT/RIGHT-OF-WAY SAFETY.***House: Passed 1st Reading**House: Ref to the Com on Environment, if favorable, Judiciary Subcommittee B***H 409: SHELBY DEANNEXATION.***House: Passed 1st Reading**House: Ref to the Com on Government, if favorable, Finance***H 411: SCHOOL CALENDAR FLEXIBILITY/CERTAIN COUNTIES.***House: Passed 1st Reading*

House: Ref to the Com on Commerce and Job Development, if favorable, Education

H 412: EDEN/DUKE ENERGY/ANNEXATION AGREEMENT.

House: Passed 1st Reading

House: Ref to the Com on Government, if favorable, Finance

H 413: SCHOOL CALENDAR FLEXIBILITY/GRANVILLE COUNTY.

House: Passed 1st Reading

House: Ref to the Com on Commerce and Job Development, if favorable, Education

H 414: SCHOOL CALENDAR FLEXIBILITY: GASTON CO.

House: Passed 1st Reading

House: Ref to the Com on Commerce and Job Development, if favorable, Education

H 420: SCHOOL CALENDAR FLEXIBILITY/ORANGE COUNTY.

House: Filed

H 421: MARSHVILLE DEANNEXATION.

House: Filed

H 422: MARSHVILLE CHARTER AMENDMENT/UTILITY BILLING.

House: Filed

S 67: SURRY COMM. COLLEGE/YADKIN CTY. LAND TRANSFER (NEW).

Senate: Withdrawn From Com

Senate: Re-ref Com On State and Local Government

S 177: HOOKERTON/MAYSVILLE SATELLITE ANNEXATIONS.

Senate: Withdrawn From Cal

Senate: Placed On Cal For 03/26/2013

S 229: OCEAN ISLE BEACH/SEA TURTLE SANCTUARY.

House: Passed 1st Reading

House: Ref to the Com on Government, if favorable, Environment

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