



The Daily Bulletin: 2013-04-22

PUBLIC/HOUSE BILLS

H 332 (2013-2014) [NOTARY ACT/SATISFACTION OF SECURITY INTERESTS](#). Filed Mar 18 2013, *A BILL TO BE ENTITLED AN ACT MAKING CORRECTIONS AND OTHER AMENDMENTS TO THE NOTARY PUBLIC ACT, MAKING OTHER CONFORMING CHANGES, AND PROVIDING FOR AN ALTERNATIVE PROCEDURE FOR SATISFACTION OF SECURITY INSTRUMENTS.*

House amendment makes the following change to the 2nd edition.

Repeals GS 10B-5(b)(9), the requirement for qualifying to become a notary public that the person get a recommendation from a NC publicly elected official. Effective July 1, 2013.

Intro. by Bryan, Stam, Glazier.

[GS 10B, GS 41, GS 45, GS 47](#)

[View summary](#)

[Banking and Finance, Civil Law](#)

H 417 (2013-2014) [MODIFY INTERNAL AUDITING STATUTES](#). Filed Mar 21 2013, *A BILL TO BE ENTITLED AN ACT TO MODIFY THE INTERNAL AUDITING STATUTES APPLICABLE TO LARGE STATE DEPARTMENTS AND THE UNIVERSITY SYSTEM.*

House committee substitute to the 1st edition makes the following changes.

Amends GS 143-746 to require minimum qualifications for internal auditors established by the Office of State Personnel be developed in consultation with the Council of Internal Auditing.

Amends GS 143-747 to add the UNC President as a member of the Council of Internal Auditing.

Makes a technical correction to GS 143-748.

Intro. by Hastings, Stone, S. Ross, R. Brown.

[GS 143](#)

[View summary](#)

[Higher Education, State Agencies](#)

H 548 (2013-2014) [MARINE FISHERIES RULEBOOK PRODUCTION](#). Filed Apr 3 2013, *A BILL TO BE ENTITLED AN ACT TO MODIFY THE MEANS OF PROVIDING ACCESS TO RULES OF THE DIVISION OF MARINE FISHERIES.*

House committee substitute makes the following changes to the 1st edition.

Provides that a written copy of any notification produced in accordance with this section will be provided to a licensee upon request.

Deletes language stating that the Fisheries Director must receive authorization from the licensee to use electronic means as a method of communication to issue notifications of rule changes or new rules to licensees.

Intro. by Steinburg, Samuelson, Moffitt, Hastings.

[GS 113](#)

[View summary](#)

[Aquaculture and Fisheries](#)

H 646 (2013-2014) [AIRPORTS EXEMPT FROM LOCAL TREE ORDINANCES](#). Filed Apr 9 2013, *A BILL TO BE ENTITLED AN ACT TO PROHIBIT A COUNTY OR CITY FROM ENFORCING ANY ORDINANCE THAT REGULATES THE TRIMMING OR REMOVAL OF TREES ON PROPERTY OWNED OR OPERATED BY A PUBLIC AIRPORT AUTHORITY.*

House committee substitute to the 1st edition makes the following changes. Deletes proposed content of the 1st edition. Amends GS 153A-123 (concerning counties) and GS 160A-175 (concerning cities) prohibiting enforcement of an ordinance regulating trees on land owned or operated by a public airport authority. Makes conforming changes to the act's title.

Intro. by Catlin, S. Ross.

[GS 153A, GS 160A](#)

[View summary](#)

[Transportation, Local Government](#)

H 652 (2013-2014) [MODIFY JUDICIAL DISCIPLINE \(NEW\)](#). Filed Apr 9 2013, *A BILL TO BE ENTITLED AN ACT TO MODIFY THE LAW REGARDING DISCIPLINE FOR JUDGES.*

House amendment to the 1st edition makes a technical and clarifying change.

Intro. by Davis, Stam.

[GS 29, GS 30](#)

[View summary](#)

[Civil Law, Juvenile Law](#)

H 659 (2013-2014) [COUNTY AND CITY ETHICS](#). Filed Apr 9 2013, *A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR ADDITIONAL ETHICS STANDARDS IN COUNTIES AND CITIES.*

House committee substitute makes the following changes to the 1st edition.

Clarifies in GS 153A-53 that all members of the board of commissioners must comply with GS 160A-88. Makes technical and conforming changes.

Intro. by Moffitt.

[GS 153A, GS 160A](#)

[View summary](#)

[Local Government, Ethics and Lobbying](#)

H 701 (2013-2014) [IT PURCHASING/CONVENIENCE CONTRACTS](#). Filed Apr 9 2013, *A BILL TO BE ENTITLED AN ACT PROVIDING THAT AGENCIES MAY PURCHASE INFORMATION TECHNOLOGY GOODS AND SERVICES THROUGH MULTIPARTY COOPERATIVE PURCHASING AGREEMENTS APPROVED BY THE STATE CHIEF INFORMATION OFFICER.*

House committee substitute entirely rewrites the 1st edition and amends the title.

Adds a new subdivision (7) to GS 147-33.81 to define *cooperative purchasing agreement* as an agreement between a vendor and one or more states or state agencies that provides that the parties may collaboratively or collectively purchase information technology goods and services in order to increase economics of scale and reduce costs.

Amends GS 147-33.95 to require a state agency wishing to enter into a cooperative purchasing agreement to first obtain approval from the state Chief Information Officer (CIO). Specifies factors that the CIO is to consider in reviewing the request and making a decision as to whether to grant approval. Provides that once a state agency obtains approval from the state CIO, the state agency may use the agreement without further approval. Requires state agencies to periodically report to the CIO

regarding the use of these agreements. Directs the state CIO to establish procedures for utilizing cooperative purchasing agreements.

Intro. by Saine, Tolson.

GS 147

[View summary](#)

State Government

H 960 (2013-2014) **INNOVATION THROUGH LOCAL SCHOOLS**. Filed Apr 17 2013, *A BILL TO BE ENTITLED AN ACT TO MAKE THE K-12 EDUCATIONAL SYSTEM MORE FLEXIBLE, ADAPTABLE, AND ACCOUNTABLE IN ORDER TO FOSTER INNOVATION, CREATIVITY, AND WORKFORCE DEVELOPMENT FOR A CHANGING ECONOMY.*

Enacts new subchapter 3A, *Innovation Through Local Schools*, in GS Chapter 115C. The subchapter includes new Article 7A, Curriculum Implementation Plans. Requires local school administrative units to develop curriculum implementation plans that include (1) the mission and belief statements of the local school administrative unit; (2) a curriculum in addition to the basic state curriculum that includes information on locally developed courses, a plan for alternative learning programs or alternative schools, and a plan to provide extended services programs that will expand opportunities for success through access to instructional program during nonschool hours; (3) an instructional model; (4) a formative/summative assessment and evaluation component that includes specified items; (5) resources/capital improvement plan/budget that includes specified items; (6) community communications that consist of specified items and reports, including an annual report on acts of violence in the schools; (7) a statement of local economic impact; and (8) reflections, to be reviewed annually, that include an analysis of local student performance and national test data, as well as ideas for future programming. Sets out the local board of education's duties with regard to the curriculum innovation plan, including developing a curriculum innovation plan every five years in collaboration with the local superintendent, updating the plan annually, and ensuring that the plan is readily available to the general public. Requires that the plans be submitted to the State Board of Education (State Board) for approval. The State Board is to approve a plan unless the Board determines that it is not instructionally sound, upon which the local unit will be allowed to modify and resubmit the plan. Provides for when the Superintendent must send an auditing team to a local school administrative unit. Allows the State Board to revoke approval of a curriculum implementation plan if the unit is not properly implementing the plan, test results indicate that the plan is not working, there are fiscal irregularities, or otherwise in the Board's discretion. Requires local boards of education to implement curriculum implementation plans beginning with the 2014-15 school year.

Repeals GS 115C-11(e), concerning voting on the adoption of textbooks.

Amends the powers of the State Board in GS 115C-12 as follows. Provides that the State Board must provide an analysis relating to each of its budget requests (was, limited required analysis to each of its request for expansion funds to anticipated improvements in school performance). Deletes the power to alter the boundaries of city school administrative units and to approve agreements for the consolidation and merger of school administrative units located in the same county. Deletes the power to adopt and supply textbooks. Deletes the power to adopt rules requiring all local boards to implement the Basic Education Program. Deletes the provision requiring that the school performance score and grade on the annual report card reflect student performance on annual subject specific assessments, and requires instead that it reflect student performance assessments. Deletes the duties of developing a system of school building improvement reports for each school building, to implement and enforce the School Based Management and Accountability Program, and to manage and operate a system of insurance for public school property. Deletes provisions concerning revising content standards and the standard course of study; deletes the requirements for high school course content standards. Also deletes the requirement that the State Board develop and implement an ongoing process to align state programs and support materials with the revised academic content standards for each core academic area on a regular basis. Deletes the State Board's powers to provide for programs and projects in the cultural and fine arts areas, to provide for sports medicine and emergency paramedical programs, and to develop noncertified personnel position evaluation descriptions. Deletes provisions concerning the State Board's power to adopt salary schedules for support personnel. Deletes power to implement a Uniform Education Reporting System. Deletes the duty to identify required reports and to eliminate unnecessary reports and paperwork. Deletes duties to monitor acts of school violence and to monitor the decisions of teachers to leave the profession. Requires local school administrative units, instead of the individual schools, to adopt specific emergency action plans for dealing with injuries and medication conditions during interscholastic athletic activities. Deletes the State Board's duty to develop standards for alternative learning programs, provide

assistance in implementing the programs, and evaluating programs. Deletes the duty to report to the Joint Legislative Oversight Committee. Deletes duty to develop a statewide plan to improve tracking dropout data. Deletes the duty to adopt guidelines and policies for establishing local task forces on closing the academic achievement gap. Deletes the requirement of creating assistance models based on school meeting adequate yearly progress. Deletes the duty to adopt guidelines for individual diabetes care plans. Deletes the duty of encouraging early entry into four-year college programs. Deletes the duty to develop recommended programs for use in schools on Memorial Day. Deletes the duty to protect child from toxicants at school and to adopt guidelines for fitness testing. Deletes the power to accredit schools.

Repeals GS 115C-16 (*Authorization for school uniform pilot program*) and GS 115C-17 (*Rulemaking to implement ABC's Plan*).

Amends GS 115C-21 to amend the Superintendent of Public Instruction's powers by deleting an outdated reference. Deletes the duty to communicate information and instruction regarding instructional policies and procedures adopted by the State Board of Education.

Repeals GS 115C-39 (*Suspension of duties by State Board*).

Amends GS 115C-47 to amend the powers and duties of the local boards of education as follows. Deletes the requirement that local boards research and special projects be approved by the State Board and the Department of Public Instruction (DPI). Deletes the requirement that local boards apply to the State Board for additional personnel or for a waiver of the class size requirements. Deletes the requirement to implement the Basic Education Program. Deletes the authority to employ assistant superintendents and supervisors. Deletes power to make rules governing the conduct of teachers, principals, and supervisors. Deletes references to a paperwork control committee. Deletes the power to adopt rules and policies limiting the noninstructional duties of teachers. Deletes the power to approve the assignment of duties to an assistant principal and to provide for training of teachers. Deletes the ability to enter guaranteed energy savings contracts for energy conservation measures. Deletes the authority to appoint advisory councils. Deletes requirement to determine the hours of employment for teachers assistants. Deletes the requirement to refer students to school services including extended day programs. Requires local boards to adopt policies that define what constitutes an alternative school and an alternative learning program. Limits the use of teachers for alternative learning programs to those programs. Requires a report to the State Board on how funds in the Alternative Schools/At-Risk Student allotment are spent. Makes conforming deletions of provisions concerning alternative education. Makes conforming changes concerning adoption of text books. Deletes the requirement to develop guidelines relating to after-school employment. Deletes provisions concerning designating individuals as contacts for local businesses and concerning job shadowing. Deletes requirement to produce school building improvement reports and to report all acts of school violence. Deletes requirement of encouraging recycling. Deletes provision concerning policies requiring superintendents to assign teachers with four years of teaching experience and having a rating of above standard to the core academic courses. Deletes ability to adopt policies and procedures authorizing schools to use unlicensed health care personnel to perform technical aspects of medication administration. Deletes provisions concerning use of pesticides, removal of mercury, exposure to diesel exhaust fumes, providing information on cervical cancer and other diseases and related vaccines, and providing information on lawfully abandoning a newborn. Deletes provisions on programs for successful transition between middle and high school, on increasing parental involvement in student achievement and graduation prep, reducing suspension and expulsion rates, and encouraging student voter registration and preparation. Requires adopting policies directing school guidance counselors to make ninth graders aware of the potential to complete high school courses required for college in three years. Requires local boards to develop recommended programs for use on Memorial Day.

Repeals Article 6 (allowing a board of education to appoint an advisory council for any school) of GS Chapter 115C.

Repeals GS 115C-67 through GS 115C-68.3, concerning merging of school administrative units.

Amends GS 115C-81 to amend the provisions of the Basic Education Program as follows. Deletes references to the roles of the State Board and DPI in alcohol and drug use prevention education. Also limits the State Board's role in conflict resolution and mediation models. Deletes reference to approved textbooks. Deletes references to the role of DPI in civic literacy and deletes the requirement that the State Board require high school tests to include questions related to philosophical foundations of our form of government and underlying principals of related documents. Gives local school administrative units discretion over character education and personal financial literacy.

Amends GS 115C-81.1 to no longer require that priority be given to funding capital needs.

Amends GS 115C-83.6 to remove the requirement that assessments be made available by the State Board and deletes the requirement that assessments yield data that can be used with EVAAS.

Amends GS 115C-83.7 to remove reference to State Board establishment of a reading portfolio and review process.

Amends GS 115C-83.10 to change the date that specified information be submitted to the State Board from September 1 to July 1. Deletes the requirement that the State Board develop a uniform reporting format.

Amends GS 115C-84.2 to replace references to the "school improvement plan" with "curriculum implementation plan." Deletes requirement for the principal to work with the school improvement team to determine the scheduling of teacher workdays and additional instructional days.

Repeals GS 115C-85 through GS 115C-91 (concerning State Board selection of textbooks and the Textbook Commission). Amends GS 115C-92 to give the local boards of education the power, after consulting with the superintendent, to select and adopt textbooks. Repeals GS 115C-93 (concerning the Attorney General bringing suit against any publisher). Repeals GS 115C-95 (*Sale of books at lower price reduces price to the state*). Makes conforming changes related to authority over textbooks to GS 115C-94, GS 115C-96, GS 115C-98 (also adds reference to digital learning hardware and software), GS 115C-102, and GS 115C-102.6A.

Repeals Part 5 (*Interstate Compact on Education*) of Article 8 of GS Chapter 115C. Requires the Governor to give notice to other party states of the repeal.

Amends GS 115C-105.20 to require the State Board to adopt guidelines in order to support local boards and schools that are not meeting either the goals of the curriculum implementation plans or their academic performance standards. Makes conforming and clarifying changes. Amends GS 115C-105.21 to require local school administrative units to participate in the School Based Management and Accountability Program in accordance with their curriculum implementation plan. Replaces references to a "school improvement plan" with a "curriculum implementation plan" in GS 115C-105.25 and GS 115C-105.26. Removes references to transferring funds for staff development and into the central office allotment category. Deletes GS 115C-105.27 (development and approval of school improvement plan) and GS 115C-105.30 (distribution of staff development funds). Amends GS 115C-105.32 to encourage schools to include a comprehensive parent involvement program and review the need for a comprehensive conflict resolution program as part of the curriculum implementation plan; deletes other provisions related to the State Board's role in those programs. Amends GS 115C-105.33 to delete provision allowing a school improvement team or a parent organization to ask the local board for assistance concerning safety and an orderly learning environment. Replaces the term "assistance team" with "auditing team." Makes conforming changes to GS 115C-105.35, removing the State Board's role in developing accountability systems. Deletes GS 115C-105.36 (performance recognition). Amends GS 115C-105.37 to provide that low-performing schools are those that fail to meet the minimum growth standards based on tests administered under GS 115C-174.11. Deletes provision concerning written notification from the State Board. Amends GS 115C-105.37A to remove provision concerning the school improvement plan and adds requirement concerning review of the curriculum implementation plan. Amends GS 115C-105.37B to require that the adopted model be included in the curriculum implementation plan. Amends GS 115C-105.38 to allow assigning an auditing team to any school or local unit that the State Board deems necessary. Allows the State Board to assume local board duties upon deeming there to be serious deficiencies in the curriculum implementation plan or its implementation. Makes conforming changes. Deletes GS 115C-105.38A (*Teacher competency assurance*). Amends GS 115C-105.39 (*Dismissal or removal of personnel; appointment of interim superintendent*) to allow the State Board to proceed under the statute to dismiss or remove personnel if there are serious deficiencies in a curriculum implementation plan or its implementation. Deletes GS 115C-105.40 (*Student academic performance standards*).

Repeals GS 115C-105.46 (making it a State Board responsibility to adopt policies that define who is an at-risk student).

Amends GS 115C-105.47A to require local units (was, local boards) to develop a plan (was, proposal), before establishing alternative learning programs or alternative schools, to implement the program or school that includes the specified items. Amends the items to be included. Requires the plan to be included in the curriculum implementation plan.

Amends GS 115C-105.48 to require a referring school to review the reasons for referring the student to an alternative school or an alternative learning program and all relevant records with the parents before making the referral.

Amends GS 115C-152 to allow local boards to provide appropriate definitions to other vocational and technical education programs, services, and activities in grades 6-12 not otherwise included in this part.

Amends GS 115C-174.11 to delete provision concerning assessment instruments for kindergarten, first, second, and third grades. Requires the State Board to require local boards to administer specified tests, including nationally accepted tests for grades three through five that are designed to measure progress toward reading, communication skills, and math; pre-ACT in grades 8-11; ACT in grades 9-12; and other tests required by federal law. Deletes other State Board responsibilities in the statute and makes conforming changes.

Amends GS 115C-174.12 to delete specified components of the State Board's policies and guidelines for minimizing the time students spend taking tests and for minimizing the frequency of field testing at one grade. Deletes provisions concerning an Advisory Council on Testing. Deletes provision concerning notification of field tests to be administered during the school year.

Repeals GS 115C-174.18 (*Opportunity to take Preliminary Scholastic Aptitude Test*).

Repeals GS 115C-203 through GS 115C-209 concerning the Community Schools Act.

Repeals Article 13A, *State Advisory Council on Indian Education*.

Repeals GS 115-231 (*Adult education programs; tuition; limitation of enrollment of pupils over 21*).

Amends GS 115C-233 to delete the requirement that summer school be conducted in accordance with State Board standards, leaving administration to local boards.

Amends GS 115C-238.31 to allow extended services to be incorporated into the curriculum implementation plans.

Repeals GS 115C-238.33 (*Plan for effective use of fiscal resources; comprehensive plan to implement extended services programs*).

Amends GS 115C-238.50 to delete the requirement that innovative high school programs target specified groups. Amends the requirements to be included in plans.

Amends GS 115C-238.50A to amend the definition of cooperative innovative high school to require that it be approved by the local board instead of the State Board, delete the 100-student-per-grade level cap, and to no longer require that a high school diploma and specified higher education programs be completed in five years.

Repeals GS 115C-238.51 and GS 115C-238.51A (application and approval process for innovative high schools).

Repeals GS 115C-238.52(b), listing duties of educational partners that participate in developing a cooperative innovative high school.

Makes conforming changes to GS 115C-238.53.

Amends GS 115C-238.54 to provide that students in cooperative innovative high schools that have community college partners are to be included in calculations of budget full-time equivalent students for the NC Community College System only to the extent that the General Assembly appropriates funds for this purpose. Places limitations on and makes similar changes for those high schools that partner with private colleges.

Amends GS 115C-238.55 to provide that success of cooperative innovative high schools is measured by tests administered according to GS 115C-174.11. Expands reporting to require report to all entities providing funding.

Amends GS 115C-238.61 to delete the term "first generation student" and to delete reference to the State Board in the definition of participating units. Provides that regional schools may include grades six (was, seven) through eight.

Amends GS 115C-238.62 to provide that after receiving the required request and with the approval of the regional school board of directors, the local board may join the existing regional school.

Amends GS 115C-238.63 to remove references to a parent advisory council.

Amends GS 115C-238.66 to require the standard course of study for the regional school to meet at least basic standards adopted by the State Board and the chapter's student performance standards.

Amends GS 115C-238.68 to remove the ability of the State Board to waive requirements on how many teachers must hold teacher certificates.

Repeals GS 115C-238.69 (*Parent Advisory Council; purpose; appointments*).

Amends GS 115C-264.2 to delete specified limitations on the sale of vending machine beverages and on snack vending.

Amends GS 115C-271 to delete the requirement that the State Board adopt rules for minimum credentials for a superintendent. Allows a local board to terminate the superintendent's contract before the contract term of employment has expired; deletes conditions that had to be met in order to terminate the contract before the term expired.

Amends GS 115C-276 to give the superintendent authority to elect all principals, teachers, and other school personnel in the administrative unit and to employ assistant superintendents and supervisors. Also gives the superintendent the power to make rules concerning the conduct and duties of personnel, adopt rules and policies limiting the noninstructional duties assigned to teachers, allow assigning duties to an assistant principal, provide for teacher training, determine the hours for teacher assistants, encourage the designation of high school career development coordinators, adopt policies allowing the use of unlicensed health care personnel to perform the technical aspects of administering medicine to students, and assign principals to school buildings. Requires the superintendent to provide for the development and implementation of annual evaluations of all licensed employees.

Repeals GS 115C-277 (*Office, equipment, and clerical assistance to be provided by board*).

Makes conforming changes to GS 115C-278, GS 115C-284, GS 115C-285, GS 115C-286.1, GS 115C-287.1, GS 115C-289, GS 115C-299, and GS 115C-315.

Amends GS 115C-288 to remove requirement that a principal give suggestions for the improvement of instruction. Deletes establishment of a school improvement team. Makes conforming changes deleting reference to school improvement plan.

Effective when the act becomes law, repeals GS 115C-296.2 (National Board for Professional Teaching Standards Certification), except that employees who achieve certification from the NBPTS before October 1, 2013, are to be paid on the NBPTS salary schedule as long as they maintain certification.

Repeals GS 115C-295.5 and GS 115C-295.6.

Repeals GS 115C-310 (*Teacher assistants engaged in student teaching*).

Amends GS 115C-335 to require local boards to revise and develop uniform performance standards and criteria to be used in the evaluation of certified public school employees.

Repeals GS 115C-375.4 (*Meningococcal Meningitis and Influenza and Their Vaccines*).

Amends GS 115C-407.15 to delete the provision stating that bullying or harassing behavior includes, but is not limited to, acts reasonably perceived as being motivated by any actual or perceived differentiating characteristic such as race; color; religion; ancestry; national origin; gender; socioeconomic status; academic status; gender identity; physical appearance; sexual orientation; mental, physical, developmental, or sensory disability; or by association with a person who has or is perceived to have one or more of these characteristics.

Amends GS 115C-409 to require prior General Assembly approval concerning funds for any phase of the free public school program which will be beneficial to the operation of the schools.

Amends GS 115C-451 to prohibit the State Board from approving the curriculum implementation plan of a local school administrative unit that willfully or negligently fails or refuses to comply with these laws and regulations and must revoke its approval for any unit for which it has approved a plan.

Amends GS 115C-521 to delete the requirement that the School Planning Division approve temporary classrooms. Deletes requirement that a local board seeking to build a new school building submit an analysis on costs of a new school building and renovating the existing building to the state superintendent, to be submitted to the NC Historical Commission. Deletes requirement of participating in the Energy Guidelines for School Design and Construction as well as requirements for considering solar energy systems. Deletes requirements for schools constructed with money loaned or granted by the state to any local school administrative unit. Deletes the provisions concerning plans for science lab areas. Deletes requirement for a clearing house of prototype designs.

Amends GS 115C-522 to delete the provision allowing the purchase of supplies, equipment, and materials from contracts made by the Department of Administration.

Amends GS 115C-526, reward for information leading to arrest of persons damaging school property, to increase the reward maximum from \$300 to \$5,000.

Amends GS 115C-528 to delete the requirement that computers and related items meet the technical standards in the NC Instructional Technology Plan.

Changes the repeal date of SL 2006-232, Public-Private Partnerships for Schools, from July 1, 2015, to July 1, 2013.

Amends GS 115C-546.2 to require moneys credited to the Public School Building Capital Fund pursuant to GS 115C-546.1(b) be allocated to the counties on a per average daily membership basis. Deletes the reporting requirement. Deletes the requirement that money in the Fund allocated for capital projects be matched on the basis of one dollar of local fund for every three state dollars. Requires money transferred into the Fund be allocated for capital projects for school construction projects on a per average daily membership basis; deletes provisions specifying allocations. Allows from July 1, 2013, through June 30, 2016, a county to use money in the Fund to pay for digital learning needs; if the funds are used for digital learning, a portion of the funds must also be used to ensure high quality ongoing professional development for teachers. Effective July 1, 2016, allows a county to use funds for digital learning only if the State Board determines that the local school administrative unit has demonstrated consistent improvement and growth in student outcomes.

Appropriates \$2.2 million for 2013-14 and \$2.2 million for 2014-15 from the General Fund to the Department of Public Instruction to assist local school administrative units in the development and implementation of their curriculum implementation plans, to monitor the development of those plans, and for auditing teams.

Applies beginning with the 2013-14 school year.

Intro. by Elmore.

[APPROP, GS 115C](#)

[View summary](#)

[Budget/Appropriations, Elementary and Secondary Education](#)

H 976 (2013-2014) [GUN SAFETY ACT](#). Filed Apr 17 2013, *A BILL TO BE ENTITLED AN ACT TO REPEAL THE "STAND YOUR GROUND LAWS" AND CODIFY THE COMMON LAW REGARDING THE USE OF FORCE AGAINST AN INTRUDER; TO REPEAL THE LAW ALLOWING RECIPROCITY FOR CONCEALED HANDGUN PERMITS; TO STRENGTHEN THE LAW REGARDING SAFE STORAGE OF FIREARMS BY REQUIRING A PERSON WHO POSSESSES A FIREARM AND LIVES WITH EITHER A MINOR OR ANOTHER PERSON WHO CAN NOT LEGALLY OWN A FIREARM TO SAFELY STORE THE FIREARM IN A STORAGE DEPOSITORY OR USE A SAFETY LOCK FOR THE FIREARM WHEN NOT IN POSSESSION OR IMMEDIATE CONTROL OF THE FIREARM; TO REQUIRE THE REPORTING OF LOST AND STOLEN GUNS; TO REQUIRE THE SHERIFF TO REPORT THE DENIAL, REVOCATION, OR FAILURE TO RENEW A CONCEALED HANDGUN PERMIT OR THE DENIAL OF A PISTOL PERMIT TO THE NATIONAL INSTANT CRIMINAL BACKGROUND CHECK SYSTEM; TO REQUIRE UNIVERSAL BACKGROUND CHECKS FOR THE PRIVATE TRANSFER OF FIREARMS IN NORTH CAROLINA; TO PROVIDE THAT A FEE MAY BE CHARGED BY THE SBI FOR CRIMINAL BACKGROUND CHECKS AND TO ESTABLISH A FUND TO HELP PAY THE COSTS OF CONDUCTING BACKGROUND CHECKS; TO REQUIRE ANY PERSON WHO OWNS A FIREARM TO CARRY FIREARM LIABILITY INSURANCE; TO LIMIT THE SIZE OF AMMUNITION MAGAZINES; AND TO DIRECT THE STATE TREASURER TO DIVEST THE PENSION FUND OF GUN STOCKS.*

Repeals the following statutes: (1) GS 14-51.2--*Home, workplace, and motor vehicle protection and presumption of fear of death or serious bodily harm*, (2) GS 14-51.3--*Use of force in defense of person and relief from criminal or civil liability*, (3) GS 14-51.4--*Justification for defensive force not available*, (4) GS 14-315.1--*Storage of firearms to protect minors*, and (5) GS 14-415.24--*Reciprocity and out-of-state handgun permits*.

Enacts new GS 14-51.5, *Use of deadly physical force against an intruder*, to identify when a lawful occupant of a home or other place of residence is justified in using any degree of force that the occupant believes is reasonably necessary, including deadly force, against an intruder to prevent or terminate forcible entry into the home or residence providing that the occupant reasonably believes that the intruder (1) may kill or inflict serious bodily harm on the occupant or others in the home or (2)

intends to commit a felony in the home or residence. Provides that the lawful occupant has no duty to retreat from an intruder under the described circumstances. Declares that this section is not meant to repeal, expand, or limit any other common law defense available.

Enacts new GS 14-315.3, *Safe storage of firearms*, to make it a Class 1 misdemeanor for any person owning or possessing a firearm who resides on the same premises as a minor or an unauthorized person to store or leave the firearm out of the owner or possessor's immediate possession or control without (1) first securely locking the firearm in an appropriate safe storage depository or (2) rendering it incapable of being fired by using an appropriate safety locking device. Defines minor as an unemancipated person less than 18 years of age and defines unauthorized person as a person who is unauthorized to legally purchase a firearm. Declares that nothing in this section prohibits a person from carrying a firearm on the person's body or in close proximity so that the firearm may be used as easily and quickly as if carried on the body.

Amends GS 14-315.2 to rewrite the warning required to be conspicuously posted at each purchase counter of any retail or wholesale store, shop, or sales outlet that sells firearms. Makes a conforming change to require that a seller or transferor of any firearm deliver a written copy of new GS 14-315.3 to a purchaser or transferee.

Enacts new GS 14-409.13, *Report of loss or theft of firearm*, to require the owner of a firearm, as defined in GS 14-409.60, to report the loss or theft of the firearm within 48 hours after discovering the loss or theft to (1) local law enforcement or (2) the State Bureau of Investigation. Makes a violation of this section a Class 3 misdemeanor and makes a second or subsequent violation of this section a Class I felony.

Adds a new subdivision (1a) to GS 14-404(a) to require that a person seeking a firearm permit must verify possession of firearm liability insurance as required under GS 14-409.80, as enacted in this act. Enacts new GS 14-409.80, *Liability insurance required for gun owners*, to mandate that prior to owning a firearm, a person must obtain a liability insurance policy valued at no less than \$100,000 and specifically covering any damages that result from any willful or negligent acts involving the use of the firearm. Requires that the policy be continuously maintained by the owner of the firearm. Prohibits the transfer of a firearm to a person unless that transferee provides proof of liability insurance. Requires a person who owns a firearm on December 1, 2013, to obtain the required liability insurance by January 15, 2014. Provides that a firearm owner is considered to own the firearm if it is lost or stolen until the person reports the loss or theft as required under GS 14-409.13. Directs the Department of Insurance to adopt rules to implement GS 14-409.80. States that this section does not apply to a law enforcement officer authorized to carry a firearm.

Enacts new GS 14-415.18A to require a sheriff who denies, revokes, or refuses to renew a person's application for a permit under Article 54B of GS Chapter 14 because of a prohibition under the national instant criminal background check system (NICS) to report the revocation, denial, or refusal to renew to the NICS. Provides specifications as to the reporting requirements. Makes conforming changes to GS 14-404.

Adds a new Article 53D, *Transfer of Firearms*, to GS Chapter 14. Provides definitions for the following terms as they are used in this article: (1) *firearms*, (2) *NCIS*, (3) *SBI*, (4) *transfer*, and (5) *transferee*. Declares that this Article applies to all private transfers of firearms. Prohibits the private transfer of firearms without (1) a background check in accordance with GS 14-409.64, as enacted in this act and (2) approval of the transfer from the SBI after the background check has been requested by a licensed gun dealer. Requires a person, who is not a licensed gun dealer, but is transferring a firearm to a transferee to arrange for a licensed gun dealer to obtain the background check that is required by this section. Provides specifics of the responsibilities of the licensed gun dealer with respect to the background check. Permits a licensed gun dealer to charge a fee of no more than \$10 for services rendered under this section. Provides that an approval from the SBI is valid for 30 days. Prohibits a transferee from accepting possession of a firearm unless the transferor has obtained approval from the SBI subsequent to a background check request to a licensed gun dealer. Provides a list of nine exemptions to the provisions of this section. Makes a violation of this section a Class 1 misdemeanor. Directs the clerk of court to report a conviction of a person for violating this section to the SBI and the NCIS.

Enacts new GS 14-409.62 to provide additional specifications regarding the NCIS and reporting requirements. Directs the clerk of court of every judicial district in the state to electronically submit specified information to the SBI identifying persons adjudicated incompetent, committed for substance abuse, or subject to an order of involuntary commitment.

Enacts new GS 14-409.63, providing a legislative declaration that this section's purpose is to set out a process for a person to petition for relief from federal firearms prohibitions imposed under 18 USC § 922(d)(4), as permitted by the federal *NCIS Improvement Amendment Act of 2007* (Pub. L. 110-180, Sec. 105). Identifies criteria for eligibility under this section, the due

process to which the petitioner is entitled, and the proper record for reviewing requires the court to issue its findings to support granting relief to the petitioner. Provides that the petitioner has a right of appeal to the court of appeals should the court deny relief to the petitioner.

Enacts new GS 14-409.64 providing that the SBI may serve as a state point of contact for implementing 18 USC [§](#) 922(t), all federal regulations and applicable guidelines adopted under those regulations, and the NICS system. Specifies grounds for denial of a firearm transfer and provides details as to the process for a transferee to appeal a denial of the transfer of a firearm. Directs the state Attorney General to adopt rules as necessary to carry out the duties of the SBI as the state point of contact and to assist in implementing 18 USC [§](#) 922(t). Identifies provisions that the adopted rules must include. Specifies unlawful offenses and makes it a Class 1 misdemeanor to violate any of those provisions. Provides that a transferor who complies with the provisions of this section is not subject to criminal or civil liability or regulatory sanctions that arise from the lawful transfer or denial of the transfer of a firearm.

Enacts new GS 14-409.65, which establishes the instant criminal background check cash fund. Authorizes the SBI to charge a fee for performing an instant criminal background check under this section. Limits the amount of the fee to total costs for performing the background check. Directs the SBI to remit all the collected funds to the State Treasurer. Provides that the money in the fund is subject to annual appropriation by the General Assembly for the direct costs associated with performing background checks under this section. Includes an annual reporting requirement.

Enacts GS 14-409.75 to require any person, firm, or corporation in the retail sale, rental, or exchange of firearms to keep a record of each firearm sold, rented, or exchanged at retail. Provides guidelines for keeping the required records. Enacts GS 14-409.80 to provide that failing to keep the required record or to exhibit the record when requested by law enforcement is a Class 3 misdemeanor. Also makes it a Class 3 misdemeanor for any purchaser, lessee, or exchanger of a firearm to provide false information in connection with the making of such record.

Enacts a Part 4 of Article 53D to provide regulations regarding large-capacity ammunition magazines. Defines *large capacity magazines* for the purposes of this section. Makes it unlawful to sell, transfer, or possess a large-capacity magazine. Provides that a violation of this provision is a Class 2 misdemeanor with subsequent offenses a Class 1 misdemeanor. Makes it a Class 1 felony under this section if a person possesses a large-capacity magazine during the commission of a felony. Provides a person may possess a large-capacity magazine if the person (1) owns the large-capacity magazine on December 1, 2013 and (2) maintains continuous possession of the large-capacity magazine. Specifies exemptions from the offenses described in this section.

Requires that a large-capacity magazine manufactured in North Carolina on or after December 1, 2013, must have a permanent stamp or marking indicating that the large-capacity magazine was manufactured or assembled after that date. Makes a violation of this subsection a Class 2 misdemeanor. Authorizes the SBI to adopt rules to implement these provisions.

Enacts a new Article 9, *Firearms Manufacturer Divestment Act*, in GS Chapter 147. Defines terms as used in this article. Includes a definition for *public fund* meaning any funds held by the State Treasurer to the credit of the following: (1) Teachers' and State Employees' Retirement System, (2) Consolidated Judicial Retirement System, (3) Firemen's and Rescue Workers' Pension Fund, (4) Local Governmental Employees' Retirement System, (5) Legislative Retirement System, (6) Legislative Retirement Fund, and (7) North Carolina National Guard Pension Fund. Directs the Public Fund within 90 days of September 1, 2013 to make its best efforts to identify all firearms manufacturers in which the public fund has direct or indirect holdings or could possibly have holdings in the future. Requires that the public fund assemble the list of all firearm manufacturers in which the public fund holds direct or indirect investments by the first meeting of the public fund following the 90-day period. Requires the State Treasurer to promptly divest all direct and indirect holdings in firearms manufacturers held by the public fund. Declares that at no time is the public fund to acquire direct or indirect holdings in firearms manufacturers.

Effective December 1, 2013, and applies to offenses committed on or after that date.

Intro. by Luebke, Harrison, Insko, Adams.

GS 14, GS 147

[View summary](#)

Criminal Law and Procedure

H 985 (2013-2014) **TAX REDUCTION AND SIMPLIFICATION**. Filed Apr 17 2013, *A BILL TO BE ENTITLED AN ACT TO REDUCE THE INDIVIDUAL AND CORPORATE INCOME TAX RATES TO BE COMPETITIVE WITH OUR NEIGHBORING STATES, TO REPLACE THE FRANCHISE TAX WITH A LOWER BUSINESS PRIVILEGE LICENSE TAX THAT APPLIES TO ALL LIMITED LIABILITY COMPANIES, TO REDUCE THE STATE SALES TAX RATE, AND TO CREATE A MORE STABLE GENERAL FUND REVENUE TAX BASE BY BROADENING THE INCOME AND SALES TAX BASES.*

Part I. Reduce Individual Income Tax Rates

Amends GS 105-134.2(a) to tax the following individuals at a rate of 6%: (1) married individuals who file a joint return and certain surviving spouses with taxable income up to \$25,000; (2) heads of households with taxable income up to \$20,000; (3) unmarried individuals with taxable income up to \$12,500; and (4) married individuals not filing a joint return with taxable income up to \$12,500. Provides that surpassing the specified income level of each classification will result in a 7% tax rate.

Repeals GS 105-134.6(b)(11) and (b)(22), subsections regarding specified deductions to taxable income.

Repeals GS 105-151.12 (*Credit for certain real property donations*) and GS 105-151.26 (*Credit for charitable contributions by nonitemizers*).

Part I is effective for taxable years beginning on or after January 1, 2013.

Part II. Reduce Corporate Income Tax Rate

Amends GS 105-130.3 (*Corporations*), establishing that the tax imposed on a C corporation's state net income is 6.4% (previously, a 6.9% tax was imposed after 1999; that language is now deleted), effective for taxable years beginning on or after January 1, 2014. Effective January 1, 2015, the tax imposed on a C corporation's state net income will be amended to 5.9%.

Repeals GS 105-130.34, *Credit for certain real property donations*, effective January 1, 2014.

Part III. Replace Franchise Tax with a Lower Business Privilege Tax That Includes All Limited Liability Entities

Amends Article 3 of GS Chapter 105 to repeal the franchise tax and replace it with a business privilege tax applicable to all businesses with limited liability. Renames Article 3 as *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, 105-116.4 and GS 105-125.1.

GS 105-114.2, *Definitions*, providing the terms and definitions to be used in this article.

Adds definitions for terms as they apply in amended Article 3. Includes a comprehensive definition for *business entity* as meaning any of the following: (1) a domestic corporation organized under GS Chapter 55 or a foreign corporation that has received a certificate of authority under that chapter authorizing it to do business in this state, (2) an electric membership corporation organized under GS Chapter 117, (3) a domestic liability company formed under GS Chapter 57C or a foreign

limited liability company authorized under that chapter to do business in this state, (4) a domestic limited partnership or a foreign limited partnership authorized under Article 5 of GS Chapter 59, (5) a domestic limited liability partnership registered under Article 3B of GS Chapter 59 or a foreign limited liability partnership registered under Article 4A of that chapter, (6) a domestic or foreign limited liability limited partnership registered under GS 59-210, or (7) any other business organized to confer limited liability on one or more of its owners.

GS 105-114.3, *Nature of tax*, establishes a privilege tax on business entities for the privilege of doing business in North Carolina 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 North Carolina. Establishes that each owner of a non-corporate business entity doing business in North Carolina is considered to be doing business in North Carolina.

GS 105-114.4, *Business privilege tax imposed*, provides that the rate of the business privilege tax is \$1.25 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*, provides criteria governing the determination of a business entity's adjusted net worth tax base and for determining exclusions in calculating certain business entities' tax liability under this article.

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 four adjustments, including the addition of improvements to the property, and 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 LLCs, (2) no tax tiering, (3) investment companies, and (4) short-year adjustments.

GS 105-114.8, *Determination of ownership after certain transfers*, provides how to determine ownership of capital interests when certain 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 North Carolina and in one or more other states must apportion its net worth to North Carolina. Establishes rules for apportioning income to North Carolina in various situations for such entities or corporations.

GS 105-114.10, *Return and payment*, provides that the tax imposed by proposed GS 105-114.4 is due when the return is due, on or before the 15th day of the fourth month following the end of the business entity's income year. Provides guidelines for requesting an extension for filing and the signing of the return.

GS 105-116.2, *Distribution in lieu of local privilege license tax*, replaces local privilege license tax revenues with a portion of the state business privilege tax. Provides that each year the Secretary must distribute to cities the net proceeds of tax collected under the preceding year, pursuant to GS 105-114.4, at a rate of \$0.10 per \$1,000. Specifies the procedures for distribution and that the share of proceeds will be based on a per capita basis according to the most recent annual population estimates.

GS 105-116.3, *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 North Carolina. 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 105-116.4, *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 North Carolina 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 the following entities are exempt from the privilege tax: (1) a business entity exempt from federal income tax under the Code; (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.

Directs the Secretary of Revenue to distribute \$45 million to cities in accordance with GS 105-116.2. Provides that the above sections of Part III are 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. The subsection 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.

Part IV. Replace the Gross Receipts Privilege Tax on Amusements and Movies with the State and Local Sales Tax

Repeals GS 105-37.1, *Live entertainment and ticket resales*, GS 105-38.1, *Motion picture shows*, and GS 105-40, *Amusements-Certain exhibitions, performances, and entertainments exempt from tax*.

Enacts new GS 105-164.4(a), establishing a privilege tax at the general rate of 4.75% to be applied to admission charges to entertainment events and activities including live performances, movies or audiovisual work, museums, cultural sites, gardens, shows, or exhibits. Provides when the tax applies in regards to the resale of tickets.

Adds an additional subdivision to GS 105-164.13, 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 an exemption for 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; an event held and sponsored by an elementary or secondary school; or a commercial agricultural fair that meets specified requirements.

Part IV becomes effective July 1, 2014, and applies to sales made on or after that date and to gross receipts received on or after July 1, 2014, from admissions purchased on or after that date. Gross receipts received on or after July 1, 2014, from admissions purchased before that date are taxable under GS 105-37.1 or GS 105-38.1.

Part V. Repeal Special Interest Exemptions and Preferential Rates in Sales Tax and Expand Sales Tax Base to Include Service Contracts

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) *service contract*; and (3) *short-term lease or rental*.

Amends GS 105-164.4, *Tax imposed on retailers*, providing that, in regards to GS 105-164.4(4a), the general rate of tax, 4.75%, applies to gross receipts derived from sales of electricity to a residential property. As used in this subdivision, residential property means property where the predominant use is for residential purposes. Amends GS 105-164.4 to add (10), establishing that the general rate of tax applies to specified tangible personal property services, including service contracts; alteration, repair, maintenance, cleaning, or installation services; and specified short-term leases or rentals.

Amends GS 105-164.13, *Retail sales and use tax*, providing that service contracts or alteration, repair, maintenance, cleaning, or installation services are exempt from the tax imposed in this Article if they are provided for tangible personal property exempt from tax under this Article or under GS 105-164.13(32).

Repeals GS 105-164.13(11a), (13c), (27), (28), (30), (49), and (50), all subsections dealing with tax exemptions for specified personal property, digital property, and services.

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*).

Amends GS 105-467(b), making conforming changes.

Part V becomes effective July 1, 2014, and applies to sales made on or after that date.

Part VI. Reduce State Sales Tax Rate from 4.75% to 4.25% over Two Years

Amends GS 105-164.4, *Tax imposed on retailers*, providing for a 4.5% general sales tax rate (was, 4.75%), effective July 1, 2014, and then for a 4.25% tax rate, effective July 1, 2015.

Part VII. Transitional Provision, Savings Clause, and Effective Date

Amends GS 105-237.1(a)(6), providing that the Secretary can compromise a taxpayer's liability for tax when the taxpayer is a retailer or consumer and the assessment is for sales or use tax which failed to be collected or paid on an item that first became taxable under that article on or after July 2, 2014. A good faith effort to comply with sales and use tax laws is required for the compromise.

Provides that this act does not affect the rights or liabilities of the state, a taxpayer, or another person arising under a statute amended or repealed by this act before the effective date of its amendment or repeal, nor does it affect the right to any refund or credit of a tax that accrued under the amended or repealed statute before the effective date of its amendment or repeal.

Intro. by Blust.

[GS 105](#), [GS 55](#), [GS 57C](#), [GS 59](#)

[View summary](#)

Tax

PUBLIC/SENATE BILLS

S 287 (2013-2014) [NOTICE PUBLICATION--CERTAIN LOCAL GOVS. \(NEW\)](#). Filed Mar 13 2013, *A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE GOVERNING BOARDS OF GUILFORD AND MECKLENBURG COUNTIES, AND ALL THE MUNICIPALITIES LOCATED IN THOSE COUNTIES, TO GIVE PUBLIC NOTICES ELECTRONICALLY.*

Senate amendment to the 2nd edition makes the following changes. Specifies that the act does not apply to the Town of Rolesville.

Intro. by Wade, Barringer.

[Burke](#), [Davidson](#), [Durham](#), [Forsyth](#), [Graham](#), [Guilford](#), [Haywood](#), [Jackson](#), [Macon](#), [Mecklenburg](#), [Randolph](#), [Swain](#), [Union](#), [Wake](#)

[View summary](#)

S 594 (2013-2014) [OMNIBUS JUSTICE AMENDMENTS](#). Filed Apr 2 2013, *AN ACT TO REMOVE PROHIBITIONS ON CARRYING CONCEALED FIREARMS BY ADMINISTRATIVE LAW JUDGES, NORTH CAROLINA APPELLATE JUSTICES AND JUDGES, AND CERTAIN DEPARTMENT OF PUBLIC SAFETY EMPLOYEES; TO INCREASE THE PENALTY FOR CARRYING A CONCEALED FIREARM; TO INCREASE THE PENALTY FOR GIVING OR SELLING A CELL PHONE TO AN INMATE AND TO MAKE POSSESSION OF A CELL PHONE BY AN INMATE UNLAWFUL; TO AMEND THE OFFENSE OF MAKING THREATS AGAINST OR ASSAULTING LEGISLATIVE, EXECUTIVE, OR COURT OFFICERS; TO CREATE AN OFFENSE WHEN AN INMATE SOLICITS ANOTHER TO COMMIT A CRIMINAL OFFENSE; TO INCREASE PENALTIES FOR CERTAIN VIOLATIONS OF THE AMUSEMENT DEVICE SAFETY ACT; TO PROPERLY IMPLEMENT CURRENT EXPUNCTION PROVISIONS; TO ADD QUALIFIED RETIRED CORRECTIONAL OFFICERS TO OFFICERS EXEMPT FROM CONCEALED CARRY COURSE; TO CONFORM STATE LAW WITH THE UNITED STATES SUPREME COURT DECISION IN HALL V. FLORIDA; TO ADD THE UNFAIR USE OF CRIMINAL RECORD INFORMATION TO THE CONSUMER PROTECTION LAWS; TO DIRECT MERGERS AT THE DEPARTMENT OF PUBLIC SAFETY; AND TO AUTHORIZE REMOTE VIDEO TESTIMONY BY FORENSIC AND CHEMICAL ANALYSTS, AS RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION'S COMMITTEE ON JUDICIAL EFFICIENCY AND EFFECTIVE ADMINISTRATION OF JUSTICE.*

Senate amendment #2 makes the following changes to the 3rd edition. Adds the requirement that the Department of Health and Human Services report to the General Assembly by July 1, 2014, on the implementation of the act.

Intro. by J. Davis.

[GS 108A](#)

[View summary](#)

[Department of Health and Human Services, Public Assistance](#)

LOCAL/HOUSE BILLS

H 427 (2013-2014) [MIDDLESEX/EXTEND MAYOR'S TERM TO FOUR YEARS](#). Filed Mar 26 2013, *A BILL TO BE ENTITLED AN ACT AMENDING THE CHARTER OF THE TOWN OF MIDDLESEX TO EXTEND THE TERM OF OFFICE OF THE MAYOR FROM TWO TO FOUR YEARS.*

House committee substitute makes the following changes to the 1st edition.

Repeals Chapter 44 of the 1961 Session Laws, related to the terms of office of the Board of Commissioners of Middlesex.

Amends the Middlesex town charter, SL 1908-2, applying the changes to Section 1 of the town charter, as previously provided for in the first edition, to Section 3 of the town charter instead. Makes conforming deletions in Section 3 and no longer amends Section 1.

Intro. by Collins.

[Nash](#)

[View summary](#)

[Elections](#)

H 441 (2013-2014) [ROBESON COUNTY DRAINAGE DISTRICT](#). Filed Mar 26 2013, *A BILL TO BE ENTITLED AN ACT TO INCREASE THE MEMBERSHIP OF THE BOARD OF DRAINAGE COMMISSIONERS OF ROBESON COUNTY DRAINAGE DISTRICT NUMBER ONE FROM THREE PERSONS TO FOUR PERSONS AND TO ALLOW TWO OF THEM TO SERVE EACH WATERSHED WITHIN THE DISTRICT.*

House committee substitute makes the following changes to the 1st edition.

Makes technical corrections. Also modifies the provisions regarding the composition of the Board of Drainage Commissioners of Robeson County Drainage District Number One to provide that the three current members serve out the remainder of their terms (was, provided that those terms expire when this act becomes law). Provides that a fourth member is to be appointed to serve until September 30, 2016 (was, a fourth member appointed by the clerk of superior court of Robeson County for a term

that expires on September 30, 2015). Provides that two members are to serve the Jacob Swamp Watershed and two are to serve the Black Swamp Watershed. Deletes specified appointments.

Intro. by C. Graham, Goodman.

[Robeson](#)

[View summary](#)

H 538 (2013-2014) [APEX LAND USE CHANGES](#). Filed Apr 3 2013, *A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF APEX TO CONTINUE COMMUNICATIONS WITH RESIDENTS AND OTHERS ON OTHER MATTERS PENDING A QUASI-JUDICIAL DECISION.*

House committee substitute makes the following change to the 1st editon.

Provides that the act applies to quasi-judicial decisions of the Town of Apex on or after the date the act becomes law (previously, only applied to the decisions of the board of adjustment for the Town of Apex).

Intro. by Dollar.

[Wake, GS 160A](#)

[View summary](#)

ACTIONS ON BILLS

PUBLIC BILLS

H 118: CONSULAR DOCUMENTS NOT ACCEPTABLE AS ID.

House: Serial Referral To Finance Added

H 135: ADJUST LANDFILL PERMIT FEE TIMING.

Senate: Rec From House

Senate: Passed 1st Reading

Senate: Ref to Agriculture/Environment/Natural Resources. If fav, re-ref to Finance

H 176: CHARTER SCHOOL ELECTION.

Senate: Rec From House

Senate: Passed 1st Reading

Senate: Ref To Com On Pensions & Retirement and Aging

H 203: REVISIONS/HOMEOWNER/HOMEBUYER PROTECTION ACT.

Senate: Rec From House

Senate: Passed 1st Reading

Senate: Ref To Com On Judiciary I

H 210: HONOR DOC WATSON.

House: Withdrawn From Com

House: Placed On Cal For 04/25/2013

H 233: LONG-TERM CARE INSURANCE CHANGES.-AB

House: Serial Referral To Finance Stricken

H 238: MAINTAINING WATER & SEWER FISCAL HEALTH.

House: Passed 2nd Reading

H 242: VOLUNTEER FIRE DEPT. SALES TAX REFUND CHANGE.

House: Passed 3rd Reading

H 248: TAXPAYER DEBT INFORMATION ACT.

Senate: Rec From House

Senate: Passed 1st Reading

Senate: Ref To Com On Finance

H 278: HOAS/VOLUNTARY PRELITIGATION MEDIATION.

House: Withdrawn From Com

House: Cal Pursuant Rule 36(b)

House: Placed On Cal For 04/23/2013

H 279: TRANSFER ENVIRONMENTAL PERMITS.

House: Assigned To Regulatory Reform Subcommittee on Environmental

H 298: AFFORDABLE AND RELIABLE ENERGY ACT.

House: Withdrawn From Com

House: Re-ref to the Com on Public Utilities and Energy, if favorable, Environment, if favorable, Regulatory Reform

H 315: PLASTICS LABELING REQUIREMENTS.

House: Passed 2nd Reading

House: Passed 3rd Reading

H 332: NOTARY ACT/SATISFACTION OF SECURITY INTERESTS.

House: Amend Adopted A1

House: Passed 2nd Reading

House: Passed 3rd Reading

House: Ordered Engrossed

H 391: VOLUNTEER SERVICE IN RETIREMENT.

House: Serial Referral To Finance Stricken

H 395: EXEMPT DCR FROM UMSTEAD ACT.-AB

House: Withdrawn From Com

House: Re-ref Com On Commerce and Job Development

H 417: MODIFY INTERNAL AUDITING STATUTES.

House: Reptd Fav Com Substitute

House: Re-ref Com On State Personnel

H 428: NORTH CAROLINA SCHOOL BUS SAFETY ACT.

House: Serial Referral To Finance Stricken

H 449: STATE CONTRACTS/FURNITURE.

Senate: Rec From House

Senate: Passed 1st Reading

Senate: Ref To Com On Finance

H 474: REDEPOSIT GOVT. FUNDS INTO INS. DEPOSIT ACCT.

House: Passed 2nd Reading

House: Passed 3rd Reading

H 548: MARINE FISHERIES RULEBOOK PRODUCTION.

House: Reptd Fav Com Substitute

House: Cal Pursuant Rule 36(b)

House: Placed On Cal For 04/23/2013

H 584: SUSPEND TRUCK INSPECTION/SEVERE WEATHER.

Senate: Rec From House

Senate: Passed 1st Reading

Senate: Ref To Com On Transportation

H 587: ALTERNATE ACT/PLAN FOR CERTAIN STUDENTS (NEW).

Senate: Rec From House

Senate: Passed 1st Reading

Senate: Ref To Com On Education/Higher Education

H 588: PUBLIC SCHOOL REPORT/FLEXIBILITY.

Senate: Rec From House

Senate: Passed 1st Reading

Senate: Ref To Com On Education/Higher Education

H 597: BAIL BONDSMAN/OFFICIAL SHIELD (NEW).

House: Passed 2nd Reading

House: Passed 3rd Reading

H 636: CREEK NAME CHANGE.

House: Passed 2nd Reading

House: Passed 3rd Reading

H 641: AMEND CONDITIONAL DISCHARGE/1ST DRUG OFFENSE.

House: Postponed To 04/23/2013

H 646: AIRPORTS EXEMPT FROM LOCAL TREE ORDINANCES.

House: Reptd Fav Com Substitute

House: Cal Pursuant Rule 36(b)

House: Placed On Cal For 04/23/2013

H 652: MODIFY JUDICIAL DISCIPLINE (NEW).

House: Amend Adopted A1

House: Passed 2nd Reading

House: Passed 3rd Reading

House: Ordered Engrossed

H 659: COUNTY AND CITY ETHICS.

House: Reptd Fav Com Substitute

House: Re-ref Com On Appropriations

H 660: AMEND FUNERAL PROCESSION LAW.

House: Passed 2nd Reading

House: Passed 3rd Reading

H 676: ELIMINATE DIETETICS/NUTRITION BOARD.

House: Assigned To Regulatory Reform Subcommittee on Business and Labor

H 677: CONSOLIDATION OF CERTAIN FIRE DISTRICTS (NEW).

House: Assigned To Regulatory Reform Subcommittee on Local Government

House: Assigned To Regulatory Reform Subcommittee on Local Government

H 688: AMEND CONTINUING ED REQ'S/CERT. WELL K'ORS.

House: Assigned To Regulatory Reform Subcommittee on Environmental

House: Assigned To Regulatory Reform Subcommittee on Environmental

H 690: HONOR TERRY SANFORD HS.

House: Withdrawn From Com

House: Placed On Cal For 04/23/2013

H 701: IT PURCHASING/CONVENIENCE CONTRACTS.

House: Reptd Fav Com Substitute

House: Cal Pursuant Rule 36(b)

House: Placed On Cal For 04/23/2013

H 702: TOURISM ABC PERMITS.

House: Assigned To Commerce and Job Development Subcommittee on Alcoholic Beverage Control

H 706: PRESERVE LANDFILL SPACE.

House: Passed 2nd Reading

House: Passed 3rd Reading

H 707: ENSURE SAFE NAVIGATION CHANNELS.

House: Passed 2nd Reading

House: Passed 3rd Reading

H 719: EDUCATION IMPROVEMENT ACT OF 2013.

Senate: Rec From House

Senate: Passed 1st Reading

Senate: Ref To Com On Ways & Means

H 761: REGULATORY REFORM ACT OF 2014.

House: Assigned To Regulatory Reform Subcommittee on Environmental

House: Assigned To Regulatory Reform Subcommittee on Environmental

H 774: BUILDING CODE EXCLUSION/PRIMITIVE STRUCTURES.

House: Assigned To Regulatory Reform Subcommittee on Local Government

H 783: PYROTECHNICS TECHNICAL AND CONFORMING CHANGES.

House: Assigned To Regulatory Reform Subcommittee on Business and Labor

H 834: MODERN STATE HUMAN RESOURCES MANAGEMENT/RTR (NEW).

House: Assigned To Regulatory Reform Subcommittee on Business and Labor

H 892: NO FISCAL NOTE FOR RULE REPEAL.

House: Assigned To Regulatory Reform Subcommittee on Environmental

H 898: HONOR WALTER CHURCH.

House: Withdrawn From Com

House: Placed On Cal For 05/01/2013

H 999: LRC/STUDY BUILDING CODE ISSUES.

House: Passed 1st Reading

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

H 1000: WC/FIREFIGHTER OCCUPATIONAL DISEASES.

House: Passed 1st Reading

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

H 1002: RAIL CORRIDOR LEASE/TOWN OF BELMONT.

House: Passed 1st Reading

House: Ref To Com On Transportation

S 105: ADD TOWNS TO SHP.

Senate: Passed 2nd Reading

Senate: Passed 3rd Reading

Senate: Passed 2nd Reading

Senate: Passed 3rd Reading

Senate: Passed 2nd Reading

Senate: Passed 3rd Reading

S 140: FINANCIAL EXPLOITATION OF OLDER ADULTS.

House: Assigned To Regulatory Reform Subcommittee on Business and Labor

S 180: AUTO INSURANCE/ALLOW OPTIONAL ENHANCEMENTS.

House: Rec From Senate

S 181: AUTO INSURANCE/YOUNG DRIVER CLASSIFICATION.

House: Rec From Senate

S 239: AMEND NC BUSINESS CORPORATION ACT.

House: Passed 1st Reading

House: Ref To Com On Judiciary Subcommittee A

S 240: DEVELOP RULES FOR RELEASE OF PATH MATERIALS.

House: Postponed To 04/23/2013

S 287: NOTICE PUBLICATION--CERTAIN LOCAL GOVS. (NEW).

Senate: Amend Adopted A1

Senate: Passed 2nd Reading

S 344: VINTAGE AUTO INSPECTIONS.

House: Rec From Senate

S 369: NAME CHANGE REQUIREMENTS FOR MINORS.

House: Postponed To 04/23/2013

S 377: SUSPEND TRUCK INSPECTION/SEVERE WEATHER.

Senate: Passed 2nd Reading

Senate: Passed 3rd Reading

S 426: CHANGE DEADLINE/AUDITEE RESPONSE.-AB

House: Passed 1st Reading

House: Ref To Com On Regulatory Reform Subcommittee on Local Government

S 430: CLARIFY ELECTRIC LOAD CONTROL PROCESS.

House: Rec From Senate

S 456: DESIGNATE PRIMARY STROKE CENTERS.

House: Rec From Senate

S 461: CDL CHANGES.*Senate: Passed 2nd Reading**Senate: Passed 3rd Reading***S 520: WC/RECORD FULL IC HEARINGS.***Senate: Withdrawn From Cal**Senate: Placed On Cal For 04/25/2013***S 539: JURY LIST/DATE OF BIRTH INFORMATION.***Senate: Passed 2nd Reading***S 594: OMNIBUS JUSTICE AMENDMENTS.***Senate: Amend Failed A1**Senate: Motion to Table Amd 2 Failed**Senate: Amend Adopted A2**Senate: Passed 2nd Reading**Senate: Passed 3rd Reading**Engrossed**Senate: Amend Failed A1**Senate: Motion to Table Amd 2 Failed**Senate: Amend Adopted A2**Senate: Passed 2nd Reading**Senate: Passed 3rd Reading**Engrossed***S 635: TRANSMISSION LINE OWNERSHIP.***House: Passed 1st Reading**House: Ref To Com On Public Utilities and Energy***S 639: BD. OF AGRICULTURE MODIFICATIONS.***House: Passed 1st Reading**House: Ref To Com On Agriculture***LOCAL BILLS****H 196: WS/FC SCHOOL BOARD VACANCIES.***House: Serial Referral To Government Stricken***H 222: BUNCOMBE COUNTY/USE DESIGN-BUILD METHODS.***House: Concurred In S/Com Sub**House: Ordered Enrolled***H 318: WINSTON-SALEM/SEISMIC CODES.***Senate: Rec From House**Senate: Passed 1st Reading**Senate: Ref To Com On State and Local Government***H 408: BEAUFORT/RIGHT-OF-WAY SAFETY.***House: Passed 2nd Reading**House: Passed 3rd Reading***H 409: SHELBY DEANNEXATION.***House: Passed 3rd Reading***H 427: MIDDLESEX/EXTEND MAYOR'S TERM TO FOUR YEARS.**

House: Reptd Fav Com Substitute

House: Cal Pursuant Rule 36(b)

House: Placed On Cal For 04/23/2013

H 441: ROBESON COUNTY DRAINAGE DISTRICT.

House: Reptd Fav Com Substitute

House: Cal Pursuant Rule 36(b)

House: Placed On Cal For 04/23/2013

H 517: ROCKINGHAM/NO RIGHT-OF-WAY SPOTLIGHTING.

Senate: Rec From House

Senate: Passed 1st Reading

Senate: Ref To Com On Agriculture/Environment/Natural Resources

H 538: APEX LAND USE CHANGES.

House: Reptd Fav Com Substitute

House: Cal Pursuant Rule 36(b)

House: Placed On Cal For 04/23/2013

H 1001: REPEAL STATESVILLE CIVIL SERVICE BOARD.

House: Passed 1st Reading

House: Ref To Com On Government

S 56: WALLACE/SATELLITE ANNEXATIONS.

House: Passed 2nd Reading

S 201: STANLY COMMUNITY COLLEGE CAPITAL PROJECT (NEW).

Senate: Withdrawn From Cal

Senate: Placed On Cal For 04/25/2013

Senate: Withdrawn From Cal

Senate: Placed On Cal For 04/25/2013

S 311: APEX/CARY/RALEIGH ROW USAGE IN CBD.

Senate: Passed 2nd Reading

Senate: Passed 3rd Reading

S 317: GUILFORD AND STANLY ELECTION SYSTEMS (NEW).

House: Rec From Senate

S 325: WAKE COUNTY SCHOOL BOARD DISTRICTS.

Senate: Passed 2nd Reading

Senate: Passed 3rd Reading

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