



## The Daily Bulletin: 2016-05-19

### PUBLIC/HOUSE BILLS

H 1030 (2015-2016) [2016 APPROPRIATIONS ACT](#). Filed May 3 2016, *AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 2015 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATIONS OF THE STATE.*

House amendments makes the following changes to the 3rd edition.

#### Sec. 7.4 IT Reporting Changes

Amendment 23 deletes the provision that repealed: (1) GS Chapter 116E, Education Longitudinal Data System; (2) GS 105-259(b)(43), allowing disclosure of tax information in order to furnish requested workforce data to the North Carolina Longitudinal Data System; (3) GS 120-123(81), which prohibits members of the General Assembly from serving on the North Carolina Longitudinal Data System Board; (4) GS 143B-1321(a)(31), making it the Department of Information Technology's duty to support the operation of the Longitudinal Data Systems Board; and (5) GS 143B-1322(c)(21), making it the State CIO's duty to support the operation of the Longitudinal Data Systems Board.

#### Sec. 7.14 LRC Study

Amendment 23 (as amended by Amendment 26) requires the Legislative Research Commission to study options to replace the Longitudinal Data Systems Board, including examining five specified issues. Requires a report to the 2017 General Assembly upon its convening.

#### Sec. 8.12 Report for Schools for Students with Visual and Hearing Impairments/Foreign Exchange Students

Amendment 25 replaces the content of proposed GS 115C-150.15 (local superintendent to report deaf and blind children) with the following. Requires local superintendents to require that the specified request for written consent concerning the release of contact information and regarding the child and his or her impairment be presented to parents, guardians, or custodians of any hearing impaired or visually impaired children by October 1 of each school year. Requires local superintendents to report by November 30 of each year the names and addresses of parents, guardians, or custodians of any hearing impaired or visually impaired children who have given written consent to the directors of the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf. Specifies items that must be included in the report and requires that the report also be made to the Department of Public Instruction. Treats any information reported to the schools by a local superintendent as confidential, with an exception allowing a director or the director's designee to contact the parents, guardians, or custodians of any hearing impaired or visually impaired children whose information was included in the report. Also amends proposed GS 115C-150.14(b) to add that a school seeking to enroll foreign exchange students under the statute must submit a plan to the State Board of Education for approval before enrolling any of those students.

#### Sec. 12C.1 Child Welfare System Changes

Amendment 24 adds the requirement that the Division of Social Services, when implementing the requirements of the federal Program Improvement Plan (Plan), to collaborate with county departments of social services to develop a model of oversight that supports program outcome and a county's ability to meet performance standards as outlined in the Plan. Specifies that oversight may include support for continuous quality improvement, staff training, and data analysis. Requires the Division, during the first two years of implementing the Plan, to ensure the three new positions funded by the act are used to carry out the activities detailed in the plan. Requires the positions to be used in child welfare services

to continually improve outcomes for children and families.

### Sec. 38.3.(c) Reduce Taxation of Mill Machinery

Amendment 27 amends GS 105-164.13 by adding a new subdivision (5n) adding an additional exemption to the general exemption from sales and use tax for mill machinery and mill machinery parts or accessories. New subdivision (5n) exempts from sales and use tax sales of mill machinery and mill machinery parts or accessories (excluding electricity) to large manufacturing and distribution facilities. A *large manufacturing and distribution facility* is defined as a facility used primarily for manufacturing or assembling products and distributing products certified by the Secretary of Commerce as investing at least \$80 million in the facility and employing at least 550 workers within five years and maintaining that level of employment throughout the facility's operation. Failure to achieve the required level of investment or employment results in forfeiture of the tax exemption and liability for avoided past sales and use tax plus interest. Payment of the tax liability is due within 30 days after the date of forfeiture. In the event of forfeiture, privilege taxes already paid shall be credited against the sales and use tax owed. The credit expires for sales occurring on or after July 1, 2018.

**Intro. by Dollar, L. Johnson, Lambeth, McGrady.**

[APPROP, STUDY, GS 7A, GS 17C, GS 18C, GS 19A, GS 20, GS 58, GS 66, GS 75A, GS 90, GS 105, GS 108A, GS 108C, GS 111, GS 113, GS 115C, GS 115D, GS 116, GS 116D, GS 116E, GS 120, GS 121, GS 128, GS 131D, GS 135, GS 136, GS 138A, GS 143, GS 143C, GS 146, GS 147](#)

[View summary](#)

**Government, Budget/Appropriations, State Government, State Personnel, Tax**

H 1134 (2015-2016) [ADMIN. CHANGES RETIREMENT SYSTEM/TREASURER](#). Filed May 18 2016, *AN ACT TO MAKE ADMINISTRATIVE CHANGES TO THE RETIREMENT SYSTEM AND TO MAKE OTHER CHANGES AFFECTING THE STATE TREASURER*.

#### Section 1

Amends GS 58-86-2, adding and defining the term *killed in the line of duty* to the definitions section for use in the NC Firefighters' and Rescue Squad Workers' Pension Fund (Fund). Enacts GS 58-86-55(d1) to establish provisions and protocols for the paying of benefits for when a member is killed in the line of duty, depending on if the member had already begun receiving a monthly pension fund benefit and the availability and number of the beneficiaries. Specifies payment amounts and duration for those payments according to the deceased's age and other statistics. Adds language specifying that a beneficiary of someone who has been killed in the line of duty does not have to make monthly payments of \$10 as otherwise required by law. Amends GS 58-86-60, concerning payments in lump sums from the Fund for those that have died, adding language that clarifies that for those that have died, but were not killed in the line of duty, whether or not they had begun to receive a monthly pension, payment must go first to the persons designated by the member; if no beneficiary has been chosen, then to the surviving spouse; if not to the spouse then to the deceased member's legal representative. Deletes language which previously directed payment to be made to the surviving spouse, then to surviving children, then to any heirs as can be determined. Effective July 1, 2018, applying to benefits paid when a member is killed in the line of duty on or after that date.

#### Section 2

Amends GS 58-86-90, Exemptions of pensions from attachment; rights nonassignable, adding language which provides that overpayment of benefits to a member in specified State-administered plans can be offset against retirement allowances, returns of contributions, or any other right that accrues under the Fund to the same person, their estate, or designated beneficiary. Effective January 1, 2017.

Amends GS 135-5(n) (concerning benefits under the Retirement System for Teachers and State Employees) and GS 128-27(i) (concerning Retirement System for Counties, Cities and Towns), adding a clarifying provision to each section stating that each respective Retirement System is not preempted from recouping overpaid benefits. Effective January 1, 2017.

### Section 3

Changes made to the benefits of the Retirement System for Teachers and State Employees:

Amends GS 135-1 adding and defining the term *normal retirement age*, which gives a member a retirement age depending on whether a member is or isn't law enforcement or former law enforcement and then according to age and creditable years of service. This term and the calculations are for use in this Article concerning the Retirement System for Teachers and State Employees, provided that it is only applicable to people who became members on or after January 1, 2017. Amends GS 135-5(a) concerning service retirement benefits, making technical changes to ensure language is gender neutral and adds new subdivisions detailing the process by which specified members can petition for retirement depending on when they became members. The process for petitioning retirement for those that are members and those that are members and also law enforcement officers is distinguished by whether or not the member became a member prior to or after January 1, 2017. Those that became a member prior to that date must follow established retirement age requirements, while those that became a member after must qualify for retirement taking into account the requirements found under the term "normal retirement age," as provided above.

Amends GS 135-5(b19), which previously set out available service retirement allowances for qualified members of the Retirement System for Teachers and State Employees that retired on or after July 1, 2002, now providing that they are for those members that retire on or after July 1, 2002, but became members prior to January 1, 2017. Makes additional technical corrections making language gender neutral. Enacts new GS 135-5(b21) setting out a new class of service retirement allowances for members that became members on or after January 1, 2017. Sets out and computes allowances depending on whether or not the member is a law enforcement officer or eligible former law enforcement officer and then according to the attainment of normal retirement age and the member's age.

Further amends GS 135-5, enacting subsection (m5), "Survivor's Alternate Benefit," which specifies benefits for beneficiaries of those that became members on or after January 1, 2017. Specifies different options a designated beneficiary can select if certain conditions apply and are met. Sets out procedures for determining dates of actual service. Also provides how any workers' compensation pay or terminal payouts could affect any owed benefit or allowance.

Changes made to the benefits of the Retirement System for Counties, Cities and Towns:

Amends GS 128-21, adding and defining the term *normal retirement age*, which gives a member a retirement age depending on whether a member is or isn't law enforcement or former law enforcement and then according to age and creditable years of service. This term and the calculations are for use in this Article concerning the Retirement System for Counties, Cities and Towns, provided that it is only applicable to people who became members on or after January 1, 2017. Amends GS 128-27(a), concerning service retirement benefits for members of the Retirement System for Counties, Cities and Towns, making technical changes to ensure language is gender neutral and adding new subdivisions detailing the process by which specified members can petition for service retirement benefits depending on when they became members. The process for petitioning for retirement for those that are members and those that are members and also law enforcement officers is distinguished by whether the member became a member prior to or after January 1, 2017. Those that became a member prior to that date must follow established retirement age requirements, while those that became a member after must qualify for retirement taking into account the requirements found under the term "normal retirement age," as provided above, notwithstanding if the member is law enforcement or not. Amends GS 128-27(b1), which sets out specific service retirement allowances for members that retired on or after July 1, 2003, now providing that the allowances are for those that became members before January 1, 2017, and retired on or after July 1, 2003. Makes additional technical corrections making language gender neutral.

Enacts new GS 128-27(b22), establishing a new class of service retirement allowances for members of the Retirement System for Counties, Cities and Towns that became members on or after January 1, 2017. Sets out and computes

allowances depending on whether or not the member is a law enforcement officer or eligible former law enforcement officer and then according to the attainment of normal retirement age, the member's age, and years of creditable service.

Further amends GS 128-27, enacting subsection (m4), "Survivor's Alternate Benefit," which specifies benefits for beneficiaries of those that became members of the Retirement System for Counties, Cities and Towns on or after January 1, 2017. Specifies different options a designated beneficiary can select if certain conditions apply and are met. Sets out procedures for determining dates of actual service. Also provides how things such as terminal payouts and so forth could affect any owed benefit or allowance or the calculation of creditable service.

Changes made to the benefits for the Consolidated Judicial Retirement System:

Amends GS 135-53, adding and defining the term *normal retirement age*, which gives a member a normal retirement age depending on their age and years of service. This term and calculations are for use in this Article concerning the Consolidated Judicial Retirement System, providing that it is only applicable to people who became members on or after January 1, 2017. Amends GS 135-58(a6) concerning service retirement benefits for those that have retired as specified, on or after July 1, 2008, now providing that this particular set of retirement benefits going forward will be for those members that retired as specified on or after July 1, 2008, and became a member prior to January 1, 2017. Also amends GS 135-58(b) to provide that the retirement allowances available under this subsection are for those that became members prior to January 1, 2017, that have retired as specified, but before having reached 65 years of age or 24 years of creditable service (previously did not include the cutoff date of January 1, 2017). Further amends the subsection making technical changes to ensure language is gender neutral.

Enacts new subsections GS 135-58(a7) and (b1), establishing new classes of service retirement allowances for members of the Consolidated Judicial Retirement System, one for those that became members of the system on or after January 1, 2017, that retire as specified after having attained normal retirement age (a7) and another class of service retirement benefits for those that became members of the system on or after January 1, 2017, retiring as specified, but before having attained normal retirement age. Both new sections set out the processes and procedures for calculating benefit amounts and total years of service.

Amends GS 135-74(c1) concerning Internal Revenue Code compliance for those members that have contributed into the Consolidated Judicial Retirement System, making technical corrections to ensure language is gender neutral and also adding a reference to new GS 135-58(a7), providing that those who are not eligible for retirement benefits pursuant to that subsection nor pursuant to already included GS 135-58(a6) must have their total contributions returned in a lump sum as specified.

Section 3 becomes effective January 1, 2017.

Section 4

Changes made to the administration of the Retirement System for Teachers and State Employees:

Recodifies GS 135-1(7b), the definition for *Consumer Price Index* for use in this Article about the Retirement System for Teachers and State Employees, as GS 135-7(c) and enacts new GS 135-1(7b), the term and definition for *compliance investigation*, meaning an independent review or examination by Retirement Systems Division staff or authorized personnel, of the records, activities, actions, or decisions made by entities that can have an impact on the affiliated retirement system with an eye towards ensuring compliance and accountability. Further amends GS 135-1(11b), the term and definition for *fraud investigation*, providing that the term also includes the independent review or examination of records, as well as activities, actions, or decisions by employers or other entities having an impact on the Retirement System for Teachers and State Employees. Amends GS 135-6 concerning the administration of the Retirement System for Teachers and State Employees, updating subsections (q) and (r) to indicate that compliance investigations along with fraud investigations are included in the administrative aspects of the retirement system. Sets out required access for such investigations and recordkeeping requirements, among other required aspects of the investigation process. Makes conforming changes.

Changes made to the administration of the Retirement System for Counties, Cities and Towns:

Recodifies GS 128-21(7b), the definition for *Consumer Price Index* for use in this Article about the Retirement System for Counties, Cities and Towns, as GS 128-21(7c) and enacts new GS 128-21(7b), the term and definition for *compliance investigation*, meaning an independent review or examination by Retirement Systems Division staff or authorized personnel, of the records, activities, actions, or decisions made by entities that can have an impact on the affiliated retirement system with an eye towards ensuring compliance and accountability. Further amends GS 128-21(11c), the term and definition for *fraud investigation*, providing that the term also includes the independent review or examination of records, as well as activities, actions, or decisions by employers or other entities having an impact on the Retirement System for Counties, Cities and Towns. Amends GS 128-28 concerning the administration of the Retirement System for Counties, Cities and Towns, updating subsections (r) and (s) to indicate that compliance investigations along with fraud investigations are included in the administrative aspects of the retirement system. Sets out required access for such investigations and recordkeeping requirements, among other required aspects of the investigation process. Makes conforming changes.

#### Section 5

Amends the Contribution-Based Benefit Cap Purchase Provisions for the Teacher and State Employees and Counties, Cities and Towns Retirement Systems as found in GS 135-4(jj) (teachers and state employees system) and GS 128-26(y) (counties, cities, and towns system), expanding the options by which employers of specified members can elect to have the required lump-sum benefit payment paid by way of an installment plan. Now providing for two options for installment plans: Option 1, a plan that begins no less than 90 days after the retirement of the member and ending no more than 15 months after the retirement of the member and Option 2, a plan that begins no less than 90 days after the retirement of the member, ending no more than 27 months after the retirement of the member, provided interest will be assessed on the principal amount of the contribution-based benefit owed and applied to any installment plan exceeding 12 months, at rates as specified and approved by the Board of Trustees. Makes conforming changes.

#### Section 6

Amends GS 135-5(a3), concerning the anti-pension-spiking contribution-based benefit cap in the Retirement System for Teachers and State Employees, to provide that notwithstanding GS Chapter 150B (Administrative Procedure Act) and any other provision of the statute (currently, does not refer to GS Chapter 150B specifically), every service retirement allowance provided under the statute for members who retire on or after January 1, 2015, is subject to adjustment pursuant to a contribution-based benefit cap under subsection (a3). The minimum average final compensation necessary for a retirement allowance to be subject to the contribution-based benefit cap is to be increased on January 1 each year by the percent change between the June (currently, December) Consumer Price Index in the year prior to retirement and the June (currently, December) Consumer Price Index in the fiscal year (currently, year) most recently ended, calculated to the nearest 0.1%, provided that this percent change is positive.

Amends GS 128-27(a3), concerning the anti-pension-spiking contribution-based benefit cap in the Retirement System for Counties, Cities and Towns, to provide identical changes to those made in GS 135-5(a3), as amended by this act.

Applies retroactively to January 1, 2015.

#### Section 7

Amends GS 135-5(f), concerning the return of accumulated contributions under the Retirement System for Teachers and State Employees, by making the language gender neutral. Provides that, upon receipt of proof satisfactory to the Board of Trustees of the death, prior to retirement, of a member or former member there is to be paid to such person or persons as the member or former member (was, he) had nominated by electronic submission (eliminates that the nomination by electronic submission be prior to completing 10 years of service) in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person or persons are living at the time of the member's death, otherwise to the member's legal representatives, the amount of the member's accumulated contributions at the time of the member's death, unless the beneficiary elects to receive the alternate benefit under the

provisions of 5(m) below.

Amends GS 135-5(l), concerning the death benefit plan under the Retirement System for Teachers and State Employees, by making the language gender neutral. Provides that, upon proof, satisfactory to the Board of Trustees in its capacity as trustees under the Group Life Insurance Plan, of the death, in service, of a member who had completed at least one full calendar year of membership in the Retirement System, there is to be paid a death benefit, as specified, to such person as the member had nominated by electronic submission (eliminates that the nomination by electronic submission be prior to completing 10 years of service) in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person is living at the time of the member's death, otherwise to the member's legal representatives.

Amends GS 135-63, concerning benefits on death before retirement under the Retirement System for Teachers and State Employees, to make the language gender neutral. Provides that, upon receipt of proof, satisfactory to the Board of Trustees, of the death of a member in service, there is to be paid in a lump sum to such person as the member had nominated by electronic submission (eliminates that the nomination by electronic submission be prior to completing 10 years of service) in a form approved by the Board of Trustees or written in designation duly acknowledged and filed with the Board of Trustees, if such person is living at the time of the member's death, otherwise to the member's legal representative, a death benefit calculated as specified. Provides that, upon receipt of proof, satisfactory to the Board of Trustees, of the death of a member not in service, there is to be paid, in a lump sum, a death benefit equal to the member's accumulated contributions to such person as the member had nominated by electronic submission (eliminates that the nomination by electronic submission be prior to completing 10 years of service) in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person is living at the time of the member's death, otherwise to the member's legal representatives.

Amends GS 128-27(f), concerning return of accumulated contributions under the Retirement System for Counties, Cities and Towns, by making the language gender neutral, and making the same changes as those made to GS 135-5(f), as amended by this act.

Amends GS 128-27(l), concerning the death benefit plan under the Retirement System for Counties, Cities and Towns, by making the language gender neutral, and making the same changes as those made to GS 135-5(l), as amended by this act.

Amends GS 120-4.25, concerning the return of accumulated contributions under the Legislative Retirement System, by making the language gender neutral, and making the same changes as those made to GS 135-5(f) and GS 128-27(f), as amended by this act.

Effective January 1, 2017.

## Section 8

Amends GS 135-6(b), concerning the membership of the Board of Trustees of the Retirement System for Teachers and State Employees. Adds the Director of the Office of the State Human Resources, ex officio, as a member and reduces the members to be appointed by the Governor and confirmed by the Senate, as specified, from nine to eight, by eliminating the member specified as a representative of higher education appointed by the Governor for a term of four years commencing July 1, 1969, and quadrennially thereafter. Makes technical changes.

Amends GS 135-6(g) to establish that the State Treasurer is to be ex officio chair of the Board of Trustees and must appoint a director. Eliminates the provision requiring the Board of Trustees to appoint a director, by a majority vote of all the members, who may be, but need not be, one of its members. Eliminates the provision making the salary of the director of the Retirement System subject to GS Chapter 126.

Amends GS 128-28(h), concerning the Board of Trustees of the Retirement System for Counties, Cities, and Towns, to establish that the State Treasurer is to be ex officio chair of the Board of Trustees and must appoint a director. Eliminates the provision requiring the Board of Trustees to elect from its membership a chairman and appoint a director by a

majority vote of all the members, who may be, but need not be, one of its members.

#### Section 9

Enacts GS 135-6(u), concerning the administration of the Retirement System for Teachers and State Employees, to authorize the State Treasurer to establish market-oriented compensation plans for employees in positions designated as key management roles who possess specialized skills or knowledge necessary for the effective administration of retirement benefits and who are to be exempt from the classification and compensation rules established by the Office of State Human Resources. Directs that the design and administration of those compensation plans are to be based on compensation studies conducted by a nationally recognized firm specializing in employee benefits. Directs that the costs of the compensation and other associated employee benefits are to be apportioned from administrative receipts of the Retirement System. Requires the Treasurer to report the salaries paid under this statute to the Joint Legislative Oversight Committee on General Government annually, on or before December 1 of each year.

Enacts GS 128-28(v), concerning the administration of the Retirement System for Counties, Cities, and Towns, to provide identical provisions as those enacted in new GS 135-6(u).

Enacts GS 126-5(c14) to establish that the provisions of GS Chapter 126 (the North Carolina Human Resources Act) do not apply to employees of the Department of State Treasurer possessing specialized skills or knowledge necessary for the proper administration of retirement benefits and are to be compensated pursuant to GS 135-6(u) and GS 128-28(v), as enacted by this act, except as provided in GS 126-13 (appropriate political activity of State employees defined), GS 126-14 (promise or threat to obtain political contribution or support), GS 126-14.1 (threat to obtain political contribution or support), and the provisions of Articles 6 (equal employment and compensation opportunity), 7 (privacy of state employee personnel records), 14 (protection for reporting improper governmental activities), 15 (communications with members of the General Assembly) and 16 (flexible compensation plan) of GS Chapter 126.

Effective January 1, 2017.

#### Section 10

Enacts GS 135-7(g) to establish the Legislative Enactment Implementation Arrangement (LEIA), effective October 1, 2016, placed under the management of the Board of Trustees of the Retirement System for Teachers and State Employees. Provides that the purpose of LEIA is to provide for timely administrative implementation of legislative provisions regarding the retirement of, or payment of retirement benefits to, public officers or public employees. Provides parameters for administration, funding, allocation of funds, and treatment of unused assets of LEIA.

Enacts GS 128-29(g) to establish the LEIA as it pertains to the Retirement System for Counties, Cities and Towns, effective October 1, 2016, with the same provisions as those enacted in GS 135-7(g).

Effective October 1, 2016.

#### Section 11

Provides a statement that the General Assembly finds that the interests of clarity require statutory language to provide guidance to the Retirement Systems Divisions in determining and maintaining consistency as to what information is to be made available about the retirement accounts of State and local employees, after the February 5, 2008, Attorney General's advisory opinion entitled "Advisory Opinion: Confidentiality of Retirement Benefit Information; Session Law 2007-508."

Enacts GS 135-6.1, concerning member retirement record files held by the Retirement System for Teachers and State Employees, to establish that member retirement files are not subject to inspection and examination as authorized by GS 132-6 (emergency response plans excluded from definition of public records) except as provided in GS 135-6(p); GS 128-28(q); and subsections (c), (d), and (e) of the statute.

Provides that the following information regarding members and individuals in receipt of a recurring monthly benefit, if held by the Retirement System, is public and subject to subsection (d) of the section: (1) name; (2) age; (3) date of

membership in the applicable retirement system, first service earned date, date of first enrollment, date of first employment, and date of retirement; (4) the terms of any contract by which the member is employed whether written or oral, past and current, to the extent that the Retirement System has the written contract or a record of the oral contract in its possession; (5) current or most recently held position or title; (6) compensation and other relevant remuneration history and benefits paid; (7) date, general description, and type of each change and the corresponding employing agency; (8) the office or station to which the member is currently assigned, if any; (9) the record of benefit payments made by one of the Retirement Systems or Disability Benefits Programs administered by the Department of State Treasurer to a member or to the survivor, beneficiary, or alternate payee of a member; and (10) purchases of educational leave.

Requires every person having custody of the retirement file information outlined in subsection (b) of the statute to permit the information to be inspected and examined and copies thereof made by any person during regular business hours, subject only to rules and policies for the safekeeping of member retirement files adopted by the Board of Trustees. Provides that any person who is denied access to any retirement file for the purpose of inspecting, examining, or copying the file has a right to compel compliance with the provisions of this statute by application to a court of competent jurisdiction for a writ of mandamus or other appropriate relief.

Allows the Retirement Systems Division of the Department of State Treasurer to disclose the name and mailing address of former State employees, former public school employees, or former community college employees to domiciled, nonprofit organizations representing 10,000 or more retired State government, local government, or public school employees.

Establishes that all information other than the information listed in subsection (c) of the statute contained in a retirement file is confidential and not open for inspection and examination except to three specified persons as follows. (1) The member, or the member's authorized agent, may examine his or her own retirement file, except for any information concerning a medical disability, mental or physical, that a prudent physician would not divulge to a patient, providing that a member's medical record may be disclosed to a licensed physician in writing by the member. (2) A member of the General Assembly who may inspect and examine records under the authority of GS 120-19. (3) A party by authority of a proper court order may inspect and examine a particular confidential portion of a member's retirement file.

Establishes that any public official or employee who knowingly and willfully permits any person to have access to or custody or possession of any portion of a retirement file designated as confidential by the statute, unless the person is one specifically authorized by this statute to have access thereto for inspection and examination, is guilty of a Class 3 misdemeanor and upon conviction must only be fined in the discretion of the court, not to exceed \$500.

Establishes that any person not specifically authorized by the statute to have access to a retirement file designated as confidential by the statute who knowingly and willfully examines, removes, or copies any portion of a confidential retirement file is guilty of a Class 3 misdemeanor and upon conviction is to be fined in the discretion of the court but not to exceed \$500.

Enacts GS 128-33.1, concerning public records held by the Retirement System for Counties, Cities and Towns, to establish that member retirement files are not subject to inspection and examination as authorized by GS 132-6 (emergency response plans excluded from definition of public records) except as provided in GS 135-6(p); GS 128-28(q); and subsections (c), (d), and (e) of the statute. Enacts identical subsections (a) through (h) as enacted in GS 135-6.1.

Amends GS 126-22, concerning personnel files not subject to inspection under GS 132-6, by amending the definition of personnel file to remove any employment-related or personal information gathered by the Retirement Systems Division of the Department of State Treasurer from the definition. Amends subsection (c) to remove personnel files maintained by the Retirement Systems Division of the Department of State Treasurer from the exception to the law that personnel files of former State employees who have been separated for 10 or more years may be open to inspection and examination. Instead, provides that retirement files maintained by the Retirement Systems Division of the Department of State Treasurer are to be made public pursuant to GS 128-33.1 and GS 135-6.1, as enacted by this act. Eliminates subsection



(d), providing that, notwithstanding any provision of the statute to the contrary, the Retirement Systems Division of the Department of State Treasurer may disclose the name and mailing address of former State employees to domiciled, nonprofit organizations representing 10,000 or more retired State government, local government, or public school employees.

Repeals GS 115C-321(b1), which provided that, notwithstanding any provision of the statute to the contrary, the Retirement Systems Division of the Department of State Treasurer may disclose the name and mailing address of former public school employees to domiciled, nonprofit organizations representing 10,000 or more retired State government, local government, or public school employees.

Repeals GS 115D-29(c), which provided that, notwithstanding any provision of the statute to the contrary, the Retirement Systems Division of the Department of State Treasurer may disclose the name and mailing address of former community college employees to domiciled, nonprofit organizations representing 2,000 or more active or retired State government, local government, or public school employees.

Repeals GS 153A-98(c3), which provided that, notwithstanding any provision of the statute to the contrary, the Retirement Systems Division of the Department of State Treasurer may disclose the name and mailing address of former local governmental employees to domiciled, nonprofit organizations representing 2,000 or more active or retired State government, local government, or public school employees.

Repeals GS 160A-168(c3), which provided that, notwithstanding any provision of the statute to the contrary, the Retirement Systems Division of the Department of State Treasurer may disclose the name and mailing address of former local governmental employees to domiciled, nonprofit organizations representing 2,000 or more active or retired State government, local government, or public school employees.

## Section 12

Amends GS 135-10.1 of the Retirement System for Teachers and State Employees to provide that, if a member fails to respond within 120 days after preliminary option figures and the Form 6-E or Form 7-E are transmitted to a member (was, mailed), or if a member fails to respond within 120 days after the effective date of retirement, whichever is later, the Form 6 and the Form 7 are null and void, the retirement system is not liable for any benefits due on account of the voided application, and a new application must be filed establishing a subsequent effective date of retirement.

Amends GS 128-32.1, concerning failure to respond under the Retirement System for Counties, Cities and Towns, by making the same change as that made to GS 135-10.1, as amended by this act.

## Section 13

Amends GS 135-18.8(a), concerning deductions for payments allowed under the Retirement System for Teachers and State Employees, to provide that any beneficiary who is a member of a domiciled employees' or retirees' association that has at least 10,000 members (was, 2,000 members), the majority of whom are active or retired employees of the State or public school employees, may authorize, in writing, the periodic deduction from the beneficiary's retirement benefits a designated lump sum to be paid to the employees' or retirees' association. Provides that the authorization is to remain in effect until revoked by the beneficiary, and proof of the authorization must be available upon request to the Department of the State Treasurer (currently, there is no requirement for proof of authorization to be available upon request to the State Treasurer). Also, amends subsection (b), allowing any beneficiary to authorize deductions to be paid to the State Health Plan or for supplemental voluntary insurance benefits, to establish that any such authorization is to remain in effect until revoked by the beneficiary, and proof of the authorization must be available on request by the Department of State Treasurer (currently, there is no requirement for proof of authorization to be available upon request to the State Treasurer).

Amends GS 135-75(a) and (b), concerning deductions for payments allowed under the Consolidated Judicial Retirement Act, by making identical changes to those made to the Retirement System for Teachers and State Employees under GS 135-18.8, as amended by this act.

Amends GS 128-38.3(a) and (b), concerning deductions for payments allowed under the Retirement System for Counties, Cities and Towns, by making identical changes to those made to GS 135-18.8 and GS 135-75, as amended by this act. In addition, enacts new subsection (c) to establish that for local employers who made arrangements with the Retirement System prior to January 1, 2016, any beneficiary who is a retiree from an employer in the Retirement System under Article 3 of GS Chapter 128 (Retirement System for Counties, Cities and Towns) may authorize the periodic deduction from the beneficiary's retirement benefits as a designated lump sum to be paid to the beneficiary's former employer for the purpose of providing health benefits. Provides that authorization is to remain in effect until revoked by the beneficiary, and proof of the authorization must be available on request of the Department of the State Treasurer.

Amends GS 120-4.32(a) and (b), concerning deductions for payments allowed under the Legislative Retirement System, by making identical changes to those made to GS 135-18.8 and GS 135-75, as amended by this act.

Repeals the following statutes, as previously amended by this act, effective July 1, 2017: GS 135-18.8(a); GS 135-75(a); GS 128-38.3(a); GS 128-38.3(c); and GS 120-4.32(a).

#### Section 14

Amends GS 135-106(b), setting out the long-term disability benefits under the Disability Income Plan of North Carolina, to provide that, at such time as the beneficiary receiving long-term disability benefits becomes eligible for an unreduced service retirement, the long-term disability benefit of the beneficiary is to be recalculated according to the formula set forth in GS 135-5(b21), calculated as specified in existing language. Eliminates the existing provision specifying that the long-term disability benefit is payable so long as the beneficiary is disabled and is in receipt of a primary Social Security benefit until the earliest date at which the beneficiary is eligible for an unreduced service retirement allowance from the Retirement System, at which time the beneficiary would receive a retirement allowance, calculated as specified. Provides that, in lieu of the recalculated long-term benefit described in subsection (b), the beneficiary has the right to elect to convert to an unreduced service retirement benefit and thereby cease to receive further long-term benefits, provided all other requirements are met pursuant to the provisions of GS 135-5 (benefits under the retirement system for teachers and state employees).

Effective January 1, 2017.

#### Section 15

Amends GS 143B-426.40G(b) to establish that the State Treasurer may impose on an agency with non-State funds a fee of \$15 (currently, no specification that the funds are to be non-State funds) for each check to be drawn against the agency's disbursing account that causes the balance in the account to be in overdraft or while the account is in overdraft. Further provides that the financial officer must pay the fee from the agency's non-State funds (currently, from non-State or personal funds) to the General Fund to the credit of the miscellaneous nontax revenue account by the agency.

Effective October 1, 2016.

#### Section 16

Enacts new GS 147-68.2 providing that information about outstanding, unpaid warrants issued by the State are not open to public inspection to the extent the Treasurer determines the information would be sufficient to counterfeit a warrant.

#### Section 17

Amends GS 147-79(a) to authorize letters of credit issued by a Federal Home Loan Bank to be used as an acceptable means for securing state funds deposited by the Treasurer in an official depository.

#### Section 18

Amends GS 115C-341.2 to require that a vendor selected to administer the North Carolina Public School Teachers' and Professional Educators' Investment Plan (403(b) plan) must be selected pursuant to the procurement procedures used by

the Supplemental Retirement Board of Trustees under Article 5 of GS Chapter 135. Also clarifies that administration of the 403(b) plan shall be performed under Article 5 of GS Chapter 135. Makes other technical and conforming changes. Makes identical change to GS 115D-25.4(b), which authorizes community college employees to participate in the 403(b) plan.

#### Section 19

Amends GS 115C-436 by adding a new subsection (c) requiring a school finance officer to transmit to the local board of education and board of county commissioners any report received from the North Carolina Teachers' and State Employees' Retirement System that contains a list of employees for whom the local board of education made a contribution to the retirement system that is likely to require an additional employer contribution if the employee elects to retire in the next 12 months.

#### Section 20

Amends GS 135-1(7a) to differentiate the definition of *compensation* between members of the Teachers' and State Employees' Retirement System based on the date of membership in the system. For employees who became members prior to January 1, 2017, there is no change to what constitutes compensation for purposes of retirement benefits calculations. For employees who become members on or after January 1, 2017, the definition of compensation no longer includes the conversion of additional salary benefits such as health, life, or disability plans, but otherwise mirrors the definition of compensation which applies to members whose membership predates January 1, 2017. Makes identical change to the definition of compensation in GS 128-21(7a) for the North Carolina Local Governmental Employees' Retirement System.

Effective January 1, 2017.

#### Section 21

Provides for severability if any provision of the act is held invalid.

#### Section 22

Except as otherwise provided, the act is effective when it becomes law.

**Intro. by McNeill, Ross, Hurley.**

[GS 58, GS 115C, GS 115D, GS 120, GS 128, GS 135, GS 143B, GS 147, GS 153A, GS 160A](#)

[View summary](#)

**[Courts/Judiciary, Court System, Criminal Justice, Criminal Law and Procedure, Employment and Retirement, Government, State Agencies, Department of State Treasurer, State Government, State Personnel, Local Government](#)**

H 1135 (2015-2016) [RETIREMENT CREDITS FOR PEACE CORPS SERVICE](#). Filed May 19 2016, *AN ACT TO ALLOW FOR THE PURCHASE OF CREDITABLE SERVICE IN THE STATE RETIREMENT SYSTEMS AT FULL COST FOR PEACE CORPS VOLUNTEER SERVICE*.

Amends GS 135-4 by adding a new subsection (k1) to authorize members of the Teachers' and State Employees' Retirement System (TSERS) who have been members of the system for at least five years to purchase creditable service (time in the system) for periods of service as a Peace Corps volunteer or volunteer leader. To purchase the creditable service, a member must make a lump sum payment in an amount determined by the TSERS Board of Trustees based on actuarial calculations, plus an administrative fee. The amount of creditable service which may be purchased is limited to five years.

Amends GS 128-26 by adding a new subsection (z) providing an identical Peace Corps creditable service purchase opportunity for members of the North Carolina Local Governmental Employees' Retirement System.

Effective July 1, 2016.

**Intro. by Meyer, Horn, G. Martin, Hardister.**

**GS 128, GS 135**

[View summary](#)

**Employment and Retirement, Government, State  
Government, State Personnel**

H 1137 (2015-2016) **TREASURER'S 2016 INVESTMENT ADMIN. CHANGES.-AB** Filed May 19 2016, *AN ACT TO ENACT THE TREASURER'S 2016 INVESTMENT AND ADMINISTRATIVE CHANGES ACT.*

#### Section 1.1

Amends GS 147-66 to clarify that the mandated office hours of the Treasurer shall also not include Saturdays and periods of travel. Amends language to make it gender neutral.

#### Section 1.2

Amends GS 147-69.1(c) to make changes to the Treasurer's authority to invest General Fund, Highway Fund, and Highway Trust Fund funds. Amends subdivision (c)(2) to delete Federal Financing Bank, Federal Housing Administration, Farmers Home Administration, US Postal Service, Export Import Bank, and Student Loan Marketing Association bonds from the list of authorized investment options. Amends subdivision (7) to require that prime quality commercial paper investments must be made with those that bear the highest rating of a nationally recognized rating service designated by the US Securities and Exchange Commission and not below the highest rating of any nationally recognized rating service. Amends subdivisions (8), (9), and (10) making identical changes to those made in subdivision (7) for bills or exchange or time drafts drawn on and accepted by commercial banks, asset-backed securities, and corporate bonds and notes.

#### Section 1.3

Amends GS 147-69.2 to make changes to the Treasurer's authority to invest funds held in various retirement systems and other special funds. Amends subsection (a) to make technical changes to the names of various retirement systems and funds under the control of the Treasurer and to delete reference to obsolete funds. Amends subsection (b) to require that investments in bonds and asset-backed securities must be made with those that bear the highest rating of a nationally recognized rating service designated by the US Securities and Exchange Commission; authorize investment of retirement system assets within or outside the United States excluding asset-backed financing in real property or timberland; add the Registers of Deeds' Supplemental Pension to the list of retirement funds under the Treasurer's investment authority; and limit retirement system investments in securities to no more than 65% of the market value of all invested assets of the retirement systems and investments through investment companies to no more than 8.5%, and investments in tangible and intangible real assets within and outside of the United States to no more than 7.5%. Allows fees assessed by the Treasurer to be used to defray fund administration costs and authorized expenditures. Establishes new subsection (e) setting out conditions for internally managed and third-party investment management arrangements as follows: (1) requiring that internally managed portfolios must be managed under industry standard portfolio guidelines; (2) setting out factors to be considered by the Treasurer when determining whether to manage funds internally or through third-party arrangements; (3) setting a minimum asset threshold of \$100 million for any third-party arrangement; (4) identifying the categories of third-party investment management arrangements the Treasurer may enter into for management of state funds and retirement system assets; (5) requiring investment companies to provide annual audited financial statements; and (6) authorizing the Treasurer to enter into indemnification agreements for any investments. Makes other technical and conforming changes.

#### Section 1.4

Amends GS 147-69.2A to clarify that this section relates to the Special Fund created within the Escheats Fund pursuant to GS 147-69.2(12)(c), and that the Treasurer's fiduciary duties for this fund are set forth in GS 147-69.7. Changes the requirement for conducting a valuation of the Escheats Fund to conducting a financial status assessment which includes current and projected legislative appropriations and authorized expenses.

#### Section 1.5

Makes technical changes to a deputy treasurer's signature authority under GS 147-75.

#### Section 1.6

Makes technical changes to the Treasurer's general authority to select a master trustee bank under GS 147-78.1.

#### Section 2.1

Amends GS 147-69.3(a) to authorize the Treasurer to invest retirement system funds and other state funds collectively or separately consistent with the Treasurer's fiduciary duties under GS 147-69.7. Deletes subsections (h) and (i) requiring various reports by the Treasurer to the Senate and House finance committees (reporting requirements are included in a new GS 147-69.9 established in Section 3 of the bill).

#### Section 2.2

Amends GS 147-69.7 expanding the Treasurer's general fiduciary duties to include all special funds and investment programs enumerated in GS 147-69.2; requiring that the Treasurer exercise the care, skill, and caution of a prudent investor after considering the purposes, distribution requirements, and other circumstances relating to the funds; clarifying that the circumstances the Treasurer must consider in investing retirement system assets includes all other state pension funds and the purposes of those funds; limiting investment diversification to applicable restrictions; and restricting investment options to only those authorized by law. Also establishes new subsection (e) providing that the Treasurer has no duty to assist or advise other units of government, agencies, institutions, or boards in those entities' decisions relating to deposit, withdrawal, allocation, or other matters relating to an entity's funds held on deposit with the Treasurer.

#### Section 3

Amends Article 6 of Chapter 147 to add new sections codifying certain Department of State Treasurer policies.

Establishes new GS 147-69.9 requiring the Treasurer to prepare a set of independently audited consolidated financial statements on investments of state funds and special funds (retirement and pension systems and other special funds) beginning with the 2015-16 fiscal year. The financial statements must include a discussion of the investment programs' risks and returns compared to benchmarks, total management fees and incentives paid, and comparison to peer cost benchmarks. The Treasurer must provide both the financial statements and audit to the Joint Legislative Commission on Governmental Operations, the House and Senate appropriations committees, and the Fiscal Research Division within six months after the reporting period closes.

Establishes new GS 147-69.10 requiring the Treasurer to submit an investment policy statement to the Investment Advisory Committee at least biennially. The statement must include descriptions of investment strategies and objectives, permissible asset classes, allocation targets and ranges, risk management and compliance guidelines, and investment performance measurement criteria. At least every four years the Treasurer, in consultation with the Investment Advisory Committee, is required to contract with an independent firm to evaluate governance, operations, and investment practices of the Treasurer's office. The firm's report must be submitted to the Joint Legislative Commission on Governmental Operations, the House and Senate appropriations committees, and the Fiscal Research Division within 30 days of receipt.

Establishes new GS 147-69.11 requiring the Treasurer, after consultation with the Investment Advisory Committee, to adopt a code of ethics for the Investment Management Division, provide training on their fiduciary obligations to all

Department employees with investment-related duties, adopt policies governing gifts to Department employees with investment-related duties, place limits on external investment managers' use of placement agents, and require an independent assessment of undue personal interest regarding potential investment arrangements.

#### Section 4.1

Amends Article 6 of Chapter 147 establishing a new GS 147-69.12 requiring detailed, quarterly reports on all investments for which the Treasurer is responsible. The quarterly reports must include fees incurred by the State in managing retirement system funds and additional information if the fees increase beyond 3% of the market value of all invested assets; all investments made with certified green managers and companies; bank balances; assets, duration and rate of return on the Treasurer's cash management programs; total assets, rate of return, and asset class allocation of retirement system investments; the financial condition, investments, revenues, fees, external investment managers, and location on the Treasurer's website where information is publically available for all investment programs managed by the Treasurer; and similar information relating to all other investments with or on behalf of the State. Also requires the Treasurer to report annually a detailed list of information on fees and performance of all externally and internally managed investments for all retirement systems. The Treasurer must submit all reports to the Joint Legislative Commission on Governmental Operations, the House and Senate appropriations committees, House and Senate finance committees, Fiscal Research Division, Governor, Council of State, and Auditor and post them on the Treasurer's website. Requires the Treasurer to adopt rules to implement these reporting requirements by December 31, 2016. Makes other technical and conforming changes.

Recodifies GS 147-68(d) as GS 147-69.12(c). Makes conforming repeals of GS 147-69.1(e) and GS 147-68(d1), concerning quarterly reports by the Treasurer.

Effective July 1, 2016.

#### Section 4.2

Amends GS 147-69.8 allowing the Treasurer to combine or cross-reference the reports required under this section with those of the new GS 147-69.12.

Effective July 1, 2016.

#### Section 4.3

Makes technical and conforming changes to GS 147-69.2A(b).

Effective July 1, 2016.

#### Section 5

Unless otherwise indicated, effective January 31, 2017.

**Intro. by Ross, Lambeth, Adcock, Hamilton.**

**GS 147**

[View summary](#)

**Employment and Retirement, Government, State Agencies, Department of State Treasurer**

H 1140 (2015-2016) **2016 GOVERNOR'S BUDGET**. Filed May 19 2016, *AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES.*

Due to the fact that Governor McCrory's proposed budget was released on April 27, 2016, and has been available to the public well in advance of the filing of H 1140, we will not be including a summary of the bill version of his budget. For

the content of the bill, please follow the link to the bill on the General Assembly's site above. Further information on the Governor's proposed budget can also be found on the Office of State Budget and Management's website at [https://ncosbm.s3.amazonaws.com/s3fs-public/documents/files/BudgetBook\\_2016-17\\_2.pdf](https://ncosbm.s3.amazonaws.com/s3fs-public/documents/files/BudgetBook_2016-17_2.pdf).

**Intro. by Lewis.**

[APPROP](#), [GS 7B](#), [GS 20](#), [GS 62](#), [GS 66](#), [GS 85B](#), [GS 86A](#), [GS 88A](#), [GS 88B](#), [GS 90](#), [GS 90A](#), [GS 108A](#), [GS 108C](#), [GS 111](#), [GS 113](#), [GS 115C](#), [GS 115D](#), [GS 116](#), [GS 121](#), [GS 126](#), [GS 130A](#), [GS 136](#), [GS 139](#), [GS 143](#), [GS 143B](#), [GS 143C](#), [GS 146](#), [GS 147](#), [GS 148](#), [GS 153A](#)

[View summary](#)

[Government](#), [Budget/Appropriations](#), [State Government](#), [Executive](#)

H 1141 (2015-2016) [OBSERVANCE OF MEMORIAL DAY](#). Filed May 19 2016, *A JOINT RESOLUTION HONORING OUR SERVICE MEMBERS DURING THE OBSERVANCE OF MEMORIAL DAY*.

As title indicates.

**Intro. by Blust, G. Martin, Cleveland, L. Hall.**

[JOINT RES](#)

[View summary](#)

[Government](#), [Cultural Resources and Museums](#), [State Agencies](#), [Department of Military & Veterans Affairs](#), [Military and Veteran's Affairs](#)

## **PUBLIC/SENATE BILLS**

S 884 (2015-2016) [DISAPPROVE WILDLIFE RESOURCES COMM. RULES](#). Filed May 19 2016, *AN ACT TO DISAPPROVE THE RULES ADOPTED BY THE NORTH CAROLINA WILDLIFE RESOURCES COMMISSION*.

Pursuant to GS 150B-21.3(b1), this act disapproves four rules adopted by the North Carolina Wildlife Resource Commission on March 18, 2015, and approved by the Rules Review Commission on April 16, 2015 (GS 150B-21.3(b1) provides for delayed effective dates of rules promulgated under the Administrative Procedure Act in the event of the General Assembly putting forth a bill specifically disapproving a rule).

The four rules specifically disapproved are 15A NCAC 10B. 0106 (Wildlife Taken for Depredations), 15A NCAC 10B. 0219 (Coyote), 15A NCAC 10I. 0102 (Protection of Endangered/Threatened/Special Concern), and 15A NCAC 10I. 0104 (Threatened Species).

**Intro. by Cook.**

[UNCODIFIED](#)

[View summary](#)

[Animals](#), [Environment](#), [Environment/Natural Resources](#)

S 885 (2015-2016) [2016 GOVERNOR'S BUDGET](#). Filed May 19 2016, *AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR*

*OTHER PURPOSES.*

Identical to [H 1140](#) filed on 5/19/16.

Due to the fact that Governor McCrory's proposed budget was released on April 27, 2016, and has been available to the public well in advance of the filing of H 1140, we will not be including a summary of the bill version of his budget. For the content of the bill, please follow the link to the bill on the General Assembly's site above. Further information on the Governor's proposed budget can also be found on the Office of State Budget and Management's website at [https://ncosbm.s3.amazonaws.com/s3fs-public/documents/files/BudgetBook\\_2016-17\\_2.pdf](https://ncosbm.s3.amazonaws.com/s3fs-public/documents/files/BudgetBook_2016-17_2.pdf)(link is external).

**Intro. by Brown, Harrington, B. Jackson.**

[APPROP](#), [GS 7B](#), [GS 20](#), [GS 62](#), [GS 66](#), [GS 85B](#), [GS 86A](#), [GS 88A](#), [GS 88B](#), [GS 90](#), [GS 90A](#), [GS 108A](#), [GS 108C](#), [GS 111](#), [GS 113](#), [GS 115](#), [GS 115D](#), [GS 116](#), [GS 121](#), [GS 126](#), [GS 130A](#), [GS 136](#), [GS 139](#), [GS 143](#), [GS 143B](#), [GS 143C](#), [GS 146](#), [GS 147](#), [GS 148](#), [GS 153A](#)

[View summary](#)

**[Government](#), [Budget/Appropriations](#), [State Government](#), [Executive](#)**

S 886 (2015-2016) [RETIREMENT TECHNICAL CORRECTIONS ACT OF 2016.-AB](#) Filed May 19 2016, *AN ACT TO ENACT THE RETIREMENT TECHNICAL CORRECTIONS ACT OF 2016.*

Identical to [H 1011](#) filed on 4/28/15.

Amends GS 58-86-45 concerning additional retroactive membership in the North Carolina Firefighters' and Rescue Squad Workers' Pension Fund (Pension Fund) by establishing that any firefighter or rescue squad worker who is 35 years of age (currently, no minimum age language) and who is a current or former member of a fire department or rescue squad chartered by the state can purchase credit for any periods of service to any chartered fire department or rescue squad not otherwise creditable by making a lump sum payment to the Annuity Savings Fund in the amount calculated pursuant to GS 58-86-45(a1). Amends subsection (c) to provide that a member of the Pension Fund who is not yet 35 years old can receive credit for prior service by making a lump sum payment of \$10 for each month since the worker first became eligible, plus interest at an annual rate set by the board. Also establishes that the provision for the payment of a lump sum for service not otherwise creditable is to apply to all purchases of service credits for months in which timely payments were not previously made pursuant to GS 58-86-35 or GS 58-86-40 for any firefighter or rescue squad worker who is not yet 35 years of age or older and who is a current or former member of a fire department or rescue squad chartered by the state of North Carolina.

Repeals GS 128-25 concerning provisions for members of local pension systems to elect to become members of the North Carolina Governmental Employees' Retirement System.

Amends GS 128-26(a1) to establish that, with respect to a member retiring on or after July 1, 1967, the governing board of a participating city, town, or county in the Retirement System (System), established pursuant to Article 3 of GS Chapter 128, can allow credit for any period of military service in the Armed Forces of the United States if the person returned to the service of the person's employer within two years after having been not dishonorably discharged (was, after having been honorably discharged) or becoming entitled to be discharged, released, or separated from such the Armed Forces of the United States. Also establishes that, pursuant to 38 USC § 4318(b)(1), when a member who has been on military leave returns to work consistent with the provisions concerning return to service within two years after the member's earliest eligibility for separation or release from military service, then the member's employer must remit to the System all the employer and employee contributions (was, only the employer contributions) for the full period of that member's military service. Effective January 1, 2017.

Amends GS 135-5(g), concerning the option of a member of the Retirement System for Teachers and State Employees



to receive the member's retirement benefits in a retirement allowance, and GS 128-27(g), concerning the option of a member of the Retirement System for a county, city, or town to receive the member's retirement benefits in a retirement allowance. Establishes that, upon the death of a member of either retirement system after the effective date of a retirement for which the member has been approved but prior to the receipt by the Board of Trustees (of the applicable retirement system) of an election of benefits, the member's designated beneficiary, if there is only one eligible beneficiary to receive the return of accumulated contributions, may elect to receive the benefit, but if more than one beneficiary is eligible to receive the return of accumulated contributions, or if no beneficiary has been designated (currently, no language to provide for when no beneficiary has been designated), the administrator or executor of the member's estate will select an option and name the beneficiary or beneficiaries.

Amends GS 135-5(m2), concerning the special retirement allowance option for a member of the Retirement System for Teachers and State Employees, and GS 128-27(m2), concerning the special retirement allowance for a member of the Retirement System for a county, city, or town. Establishes that at any time coincident with or following retirement, a member of either retirement system may make a one-time, irrevocable election (currently, a one-time election) to transfer any portion of the member's eligible accumulated contributions, not including any Roth after-tax contributions and the earnings thereon, from the Supplemental Retirement Income Plan of North Carolina or the North Carolina Public Employee Deferred Compensation Plan to this Retirement System and receive, in addition to the member's basic service, early, or disability retirement allowance, a special retirement allowance based upon the member's transferred balance. Also establishes that a member of either retirement system who became a member of the Supplemental Retirement Income Plan prior to retirement and who remains a member of the Supplemental Retirement Income Plan may make a one-time, irrevocable election (currently, a one-time election) to transfer eligible balances, not including any Roth after-tax contributions and the earnings thereon, from any of the specified plans to the Supplemental Retirement Income Plan, subject to the applicable requirements of the Supplemental Retirement Income Plan, and then through the Supplemental Retirement Income Plan to this Retirement System.

Amends GS 135-8(b)(5) to clarify that the Board of Trustees of the Retirement System for Teachers and State Employees can approve the purchase of creditable service by any member for leaves of absence or for interrupted service to an employer only for the purpose of (currently, the sole purpose of) acquiring knowledge, talents, or abilities and to increase the efficiency of service to the employer, subject to the provisions of GS 135-8(b) concerning the Annuity Savings Fund. Amends GS 128-30(b)(4) to clarify that the Board of Trustees of the retirement system of a county, city, or town can approve the purchase of creditable service by any member for leaves of absence or for interrupted service to an employer only for the purpose of (currently, for the sole purpose of) acquiring knowledge, talents, or abilities and to increase the efficiency of service to the employer, subject to the provisions of GS 128-30(b). Establishes that a leave of absence or interrupted service may be approved for purchase under this subdivision for a period of employment as a teacher in a charter school. Establishes that, similar to the provisions set out in GS 135-8(b)(5) concerning the Retirement System for Teachers and State Employees, any other leave of absence or interrupted service must qualify for purchase under this subdivision only if (1) during the time of the leave or interrupted service the member is enrolled and participates in a full-time degree program at an accredited institution of higher education; (2) the member is not paid for the activity in which he or she is acquiring knowledge, talents, or abilities; and (3) the service is not purchased for any month in which the member performed any services for any of the organizations listed in GS 135-27(a) or GS 135-27(f), or a successor to any of those organizations. Approval by the Board of Trustees of the Retirement System for the county, city, or town under this subdivision must be made prior to the purchase of the creditable service is limited to a career total of four years for each member and may be obtained in the manner laid out by GS 128-30(b)(4). Effective January 1, 2017.

Amends GS 135-8(f)(2) concerning the collection of employers' contributions under the Retirement System for Teachers and State Employees to provide that each employer must transmit to the Retirement System on account of each member who retires on or after January 1, 2015, having earned his or her last month of membership service as an employee of that employer the lump sum payment, as calculated under GS 135-4(jj) for inclusion in the Pension Accumulation Fund [currently, under GS 135-4(jj)], that would have been necessary in order for the retirement system to restore the member's retirement allowance to the pre-cap amount. Amends GS 135-8(f)(3) to provide that, in the event the employee or employer contributions required under this section are not received by the date set by the Board of Trustees,

the Board must assess the employer with a penalty, in lieu of interest, and a one-time exception has not been agreed upon in advance due to exigent circumstances (currently, no provision for a situation where a one-time exception has been agreed upon in advance due to exigent circumstances), of 1% per month with a minimum penalty of \$25.

Amends GS 128-30(g)(2) concerning the collection of employers' contributions under the Retirement System of a county, city, or town to provide that each employer must transmit to the Retirement System on account of each member who retires on or after January 1, 2015, having earned his or her last month of membership service as an employee of that employer the lump sum payment, as calculated under GS 128-26(y) for inclusion in the Pension Accumulation Fund [currently, under GS 128-26(y)], that would have been necessary in order for the retirement system to restore the member's retirement allowance to the pre-cap amount. Amends GS 128-30(g)(3) to provide that, in the event the employee or employer contributions required under this section are not received by the date set by the Board of Trustees, the Board must assess the employer with a penalty, in lieu of interest, and a one-time exception has not been agreed upon in advance due to exigent circumstances (currently, no provision for a situation where a one-time exception has been agreed upon in advance due to exigent circumstances), of 1% per month with a minimum penalty of \$25.

Amends GS 147-86.71(b)(3) by providing that contributions to an Achieving a Better Life Experience (ABLE) account, under Article 6F of GS Chapter 147, must be made only in US Dollars (was, cash).

Amends GS 147-86.72(c)(3) by adding a provision that provides that notwithstanding the provisions of Article 3 of GS Chapter 143 concerning the Governor, the Board of Trustees of the Achieving a Better Life Experience Program has a duty to retain the services of auditors, attorneys, investment counseling firms, custodians, or other persons or firms possessing specialized skills or knowledge necessary for the proper administration of investment programs that the Board administers pursuant to Article 6F of GS Chapter 143.

Repeals GS 147-86.71(d)(4), requiring that an ABLE account may only be established for a designated beneficiary who is a resident of North Carolina or a resident of a contracting state, and GS 147-86.70(b)(4), defining a contracting state.

Amends GS 135-48.40(d)(13) concerning the categories of eligibility for the State Health Plan for Teachers and State Employees to include persons receiving a pension from the North Carolina Firefighters' (currently, Firemen) and Rescue Squad Workers' Pension Fund.

Amends GS 135-5(g), GS 128-27(g), and GS 128-30(g) by making the language gender neutral.

Includes a severability clause.

**Intro. by Wells, Apodaca.**

[GS 58, GS 128, GS 135, GS 147](#)

[View summary](#)

[Employment and Retirement](#)

S 887 (2015-2016) [ADMIN CHANGES/MODERNIZE RETIREMENT SYSTEM](#). Filed May 19 2016, *AN ACT TO MAKE ADMINISTRATIVE AND BENEFIT CHANGES TO THE RETIREMENT SYSTEM AND TO MAKE OTHER CHANGES AFFECTING THE STATE TREASURER.*

Section 1

Amends GS 58-86-2, adding and defining the term killed in the line of duty to the definitions section for use in the NC Firefighters' and Rescue Squad Workers' Pension Fund (Fund). Enacts GS 58-86-55(d1) to establish provisions and protocols for the paying of benefits for when a member is killed in the line of duty, depending on if the member had already begun receiving a monthly pension fund benefit and the availability and number of the beneficiaries. Specifies payment amounts and duration for those payments according to the deceased's age and other statistics. Adds language specifying that a beneficiary of someone who has been killed in the line of duty does not have to make monthly

payments of \$10 as otherwise required by law. Amends GS 58-86-60, concerning payments in lump sums from the Fund for those that have died, adding language that clarifies that for those that have died, but were not killed in the line of duty, whether or not they had begun to receive a monthly pension, payment must go first to the persons designated by the member; if no beneficiary has been chosen, then to the surviving spouse; if not to the spouse then to the deceased member's legal representative. Deletes language which previously directed payment to be made to the surviving spouse, then to surviving children, then to any heirs as can be determined. Effective July 1, 2018, applying to benefits paid when a member is killed in the line of duty on or after that date.

## Section 2

Amends GS 58-86-90, Exemptions of pensions from attachment; rights nonassignable, adding language which provides that overpayment of benefits to a member in specified State-administered plans can be offset against retirement allowances, returns of contributions, or any other right that accrues under the Fund to the same person, their estate, or designated beneficiary. Effective January 1, 2017.

Amends GS 135-5(n) (concerning benefits under the Retirement System for Teachers and State Employees) and GS 128-27(i) (concerning Retirement System for Counties, Cities and Towns), adding a clarifying provision to each section stating that each respective Retirement System is not preempted from recouping overpaid benefits. Effective January 1, 2017.

## Section 3

Changes made to the administration of the Retirement System for Teachers and State Employees:

Recodifies GS 135-1(7b), the definition for Consumer Price Index for use in this Article about the Retirement System for Teachers and State Employees, as GS 135-7(c) and enacts new GS 135-1(7b), the term and definition for compliance investigation, meaning an independent review or examination by Retirement Systems Division staff or authorized personnel, of the records, activities, actions, or decisions made by entities that can have an impact on the affiliated retirement system with an eye towards ensuring compliance and accountability. Further amends GS 135-1(11b), the term and definition for fraud investigation, providing that the term also includes the independent review or examination of records, as well as activities, actions, or decisions by employers or other entities having an impact on the Retirement System for Teachers and State Employees. Amends GS 135-6 concerning the administration of the Retirement System for Teachers and State Employees, updating subsections (q) and (r) to indicate that compliance investigations along with fraud investigations are included in the administrative aspects of the retirement system. Sets out required access for such investigations and recordkeeping requirements, among other required aspects of the investigation process. Makes conforming changes.

Changes made to the administration of the Retirement System for Counties, Cities and Towns:

Recodifies GS 128-21(7b), the definition for Consumer Price Index for use in this Article about the Retirement System for Counties, Cities and Towns, as GS 128-21(7c) and enacts new GS 128-21(7b), the term and definition for compliance investigation, meaning an independent review or examination by Retirement Systems Division staff or authorized personnel, of the records, activities, actions, or decisions made by entities that can have an impact on the affiliated retirement system with an eye towards ensuring compliance and accountability. Further amends GS 128-21(11c), the term and definition for fraud investigation, providing that the term also includes the independent review or examination of records, as well as activities, actions, or decisions by employers or other entities having an impact on the Retirement System for Counties, Cities and Towns. Amends GS 128-28 concerning the administration of the Retirement System for Counties, Cities and Towns, updating subsections (r) and (s) to indicate that compliance investigations along with fraud investigations are included in the administrative aspects of the retirement system. Sets out required access for such investigations and recordkeeping requirements, among other required aspects of the investigation process. Makes conforming changes.

## Section 4

Amends the Contribution-Based Benefit Cap Purchase Provisions for the Teacher and State Employees and Counties, Cities and Towns Retirement Systems as found in GS 135-4(jj) (teachers and state employees system) and GS 128-26(y) (counties, cities, and towns system), expanding the options by which employers of specified members can elect to have the required lump-sum benefit payment paid by way of an installment plan. Now providing for two options for installment plans: Option 1, a plan that begins no less than 90 days after the retirement of the member and ending no more than 15 months after the retirement of the member and Option 2, a plan that begins no less than 90 days after the retirement of the member, ending no more than 27 months after the retirement of the member, provided interest will be assessed on the principal amount of the contribution-based benefit owed and applied to any installment plan exceeding 12 months, at rates as specified and approved by the Board of Trustees. Makes conforming changes.

#### Section 5

Amends GS 135-5(a3), concerning the anti-pension-spiking contribution-based benefit cap in the Retirement System for Teachers and State Employees, to provide that notwithstanding GS Chapter 150B (Administrative Procedure Act) and any other provision of the statute (currently, does not refer to GS Chapter 150B specifically), every service retirement allowance provided under the statute for members who retire on or after January 1, 2015, is subject to adjustment pursuant to a contribution-based benefit cap under subsection (a3). The minimum average final compensation necessary for a retirement allowance to be subject to the contribution-based benefit cap is to be increased on January 1 each year by the percent change between the June (currently, December) Consumer Price Index in the year prior to retirement and the June (currently, December) Consumer Price Index in the fiscal year (currently, year) most recently ended, calculated to the nearest 0.1%, provided that this percent change is positive.

Amends GS 128-27(a3), concerning the anti-pension-spiking contribution-based benefit cap in the Retirement System for Counties, Cities and Towns, to provide identical changes to those made in GS 135-5(a3), as amended by this act.

Applies retroactively to January 1, 2015.

#### Section 6

Amends GS 135-5(f), concerning the return of accumulated contributions under the Retirement System for Teachers and State Employees, by making the language gender neutral. Provides that, upon receipt of proof satisfactory to the Board of Trustees of the death, prior to retirement, of a member or former member there is to be paid to such person or persons as the member or former member (was, he) had nominated by electronic submission (eliminates that the nomination by electronic submission be prior to completing 10 years of service) in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person or persons are living at the time of the member's death, otherwise to the member's legal representatives, the amount of the member's accumulated contributions at the time of the member's death, unless the beneficiary elects to receive the alternate benefit under the provisions of 5(m) below.

Amends GS 135-5(l), concerning the death benefit plan under the Retirement System for Teachers and State Employees, by making the language gender neutral. Provides that, upon proof, satisfactory to the Board of Trustees in its capacity as trustees under the Group Life Insurance Plan, of the death, in service, of a member who had completed at least one full calendar year of membership in the Retirement System, there is to be paid a death benefit, as specified, to such person as the member had nominated by electronic submission (eliminates that the nomination by electronic submission be prior to completing 10 years of service) in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person is living at the time of the member's death, otherwise to the member's legal representatives.

Amends GS 135-63, concerning benefits on death before retirement under the Retirement System for Teachers and State Employees, to make the language gender neutral. Provides that, upon receipt of proof, satisfactory to the Board of Trustees, of the death of a member in service, there is to be paid in a lump sum to such person as the member had nominated by electronic submission (eliminates that the nomination by electronic submission be prior to completing 10 years of service) in a form approved by the Board of Trustees or written in designation duly acknowledged and filed with the Board of Trustees, if such person is living at the time of the member's death, otherwise to the member's legal

representative, a death benefit calculated as specified. Provides that, upon receipt of proof, satisfactory to the Board of Trustees, of the death of a member not in service, there is to be paid, in a lump sum, a death benefit equal to the member's accumulated contributions to such person as the member had nominated by electronic submission (eliminates that the nomination by electronic submission be prior to completing 10 years of service) in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person is living at the time of the member's death, otherwise to the member's legal representatives.

Amends GS 128-27(f), concerning return of accumulated contributions under the Retirement System for Counties, Cities and Towns, by making the language gender neutral, and making the same changes as those made to GS 135-5(f), as amended by this act.

Amends GS 128-27(l), concerning the death benefit plan under the Retirement System for Counties, Cities and Towns, by making the language gender neutral, and making the same changes as those made to GS 135-5(l), as amended by this act.

Amends GS 120-4.25, concerning the return of accumulated contributions under the Legislative Retirement System, by making the language gender neutral, and making the same changes as those made to GS 135-5(f) and GS 128-27(f), as amended by this act.

Effective January 1, 2017.

#### Section 7

Amends GS 135-6(b), concerning the membership of the Board of Trustees of the Retirement System for Teachers and State Employees. Adds the Director of the Office of the State Human Resources, ex officio, as a member and reduces the members to be appointed by the Governor and confirmed by the Senate, as specified, from nine to eight, by eliminating the member specified as a representative of higher education appointed by the Governor for a term of four years commencing July 1, 1969, and quadrennially thereafter. Makes technical changes.

Amends GS 135-6(g) to establish that the State Treasurer is to be ex officio chair of the Board of Trustees and must appoint a director. Eliminates the provision requiring the Board of Trustees to appoint a director, by a majority vote of all the members, who may be, but need not be, one of its members. Eliminates the provision making the salary of the director of the Retirement System subject to GS Chapter 126.

Amends GS 128-28(h), concerning the Board of Trustees of the Retirement System for Counties, Cities, and Towns, to establish that the State Treasurer is to be ex officio chair of the Board of Trustees and must appoint a director. Eliminates the provision requiring the Board of Trustees to elect from its membership a chairman and appoint a director by a majority vote of all the members, who may be, but need not be, one of its members.

#### Section 8

Enacts GS 135-6(u), concerning the administration of the Retirement System for Teachers and State Employees, to authorize the State Treasurer to establish market-oriented compensation plans for employees in positions designated as key management roles who possess specialized skills or knowledge necessary for the effective administration of retirement benefits and who are to be exempt from the classification and compensation rules established by the Office of State Human Resources. Directs that the design and administration of those compensation plans are to be based on compensation studies conducted by a nationally recognized firm specializing in employee benefits. Directs that the costs of the compensation and other associated employee benefits are to be apportioned from administrative receipts of the Retirement System. Requires the Treasurer to report the salaries paid under this statute to the Joint Legislative Oversight Committee on General Government annually, on or before December 1 of each year.

Enacts GS 128-28(v), concerning the administration of the Retirement System for Counties, Cities, and Towns, to provide identical provisions as those enacted in new GS 135-6(u).

Enacts GS 126-5(c14) to establish that the provisions of GS Chapter 126 (the North Carolina Human Resources Act) do

not apply to employees of the Department of State Treasurer possessing specialized skills or knowledge necessary for the proper administration of retirement benefits and are to be compensated pursuant to GS 135-6(u) and GS 128-28(v), as enacted by this act, except as provided in GS 126-13 (appropriate political activity of State employees defined), GS 126-14 (promise or threat to obtain political contribution or support), GS 126-14.1 (threat to obtain political contribution or support), and the provisions of Articles 6 (equal employment and compensation opportunity), 7 (privacy of state employee personnel records), 14 (protection for reporting improper governmental activities), 15 (communications with members of the General Assembly) and 16 (flexible compensation plan) of GS Chapter 126.

Effective January 1, 2017.

#### Section 9

Enacts GS 135-7(g) to establish the Legislative Enactment Implementation Arrangement (LEIA), effective October 1, 2016, placed under the management of the Board of Trustees of the Retirement System for Teachers and State Employees. Provides that the purpose of LEIA is to provide for timely administrative implementation of legislative provisions regarding the retirement of, or payment of retirement benefits to, public officers or public employees. Provides parameters for administration, funding, allocation of funds, and treatment of unused assets of LEIA.

Enacts GS 128-29(g) to establish the LEIA as it pertains to the Retirement System for Counties, Cities and Towns, effective October 1, 2016, with the same provisions as those enacted in GS 135-7(g).

Effective October 1, 2016.

#### Section 10

Provides a statement that the General Assembly finds that the interests of clarity require statutory language to provide guidance to the Retirement Systems Divisions in determining and maintaining consistency as to what information is to be made available about the retirement accounts of State and local employees, after the February 5, 2008, Attorney General's advisory opinion entitled "Advisory Opinion: Confidentiality of Retirement Benefit Information; Session Law 2007-508."

Enacts GS 135-6.1, concerning member retirement record files held by the Retirement System for Teachers and State Employees, to establish that member retirement files are not subject to inspection and examination as authorized by GS 132-6 (emergency response plans excluded from definition of public records) except as provided in GS 135-6(p); GS 128-28(q); and subsections (c), (d), and (e) of the statute.

Provides that the following information regarding members and individuals in receipt of a recurring monthly benefit, if held by the Retirement System, is public and subject to subsection (d) of the section: (1) name; (2) age; (3) date of membership in the applicable retirement system, first service earned date, date of first enrollment, date of first employment, and date of retirement; (4) the terms of any contract by which the member is employed whether written or oral, past and current, to the extent that the Retirement System has the written contract or a record of the oral contract in its possession; (5) current or most recently held position or title; (6) compensation and other relevant remuneration history and benefits paid; (7) date, general description, and type of each change and the corresponding employing agency; (8) the office or station to which the member is currently assigned, if any; (9) the record of benefit payments made by one of the Retirement Systems or Disability Benefits Programs administered by the Department of State Treasurer to a member or to the survivor, beneficiary, or alternate payee of a member; and (10) purchases of educational leave.

Requires every person having custody of the retirement file information outlined in subsection (b) of the statute to permit the information to be inspected and examined and copies thereof made by any person during regular business hours, subject only to rules and policies for the safekeeping of member retirement files adopted by the Board of Trustees. Provides that any person who is denied access to any retirement file for the purpose of inspecting, examining, or copying the file has a right to compel compliance with the provisions of this statute by application to a court of competent jurisdiction for a writ of mandamus or other appropriate relief.

Allows the Retirement Systems Division of the Department of State Treasurer to disclose the name and mailing address of former State employees, former public school employees, or former community college employees to domiciled, nonprofit organizations representing 10,000 or more retired State government, local government, or public school employees.

Establishes that all information other than the information listed in subsection (c) of the statute contained in a retirement file is confidential and not open for inspection and examination except to three specified persons as follows. (1) The member, or the member's authorized agent, may examine his or her own retirement file, except for any information concerning a medical disability, mental or physical, that a prudent physician would not divulge to a patient, providing that a member's medical record may be disclosed to a licensed physician in writing by the member. (2) A member of the General Assembly who may inspect and examine records under the authority of GS 120-19. (3) A party by authority of a proper court order may inspect and examine a particular confidential portion of a member's retirement file.

Establishes that any public official or employee who knowingly and willfully permits any person to have access to or custody or possession of any portion of a retirement file designated as confidential by the statute, unless the person is one specifically authorized by this statute to have access thereto for inspection and examination, is guilty of a Class 3 misdemeanor and upon conviction must only be fined in the discretion of the court, not to exceed \$500.

Establishes that any person not specifically authorized by the statute to have access to a retirement file designated as confidential by the statute who knowingly and willfully examines, removes, or copies any portion of a confidential retirement file is guilty of a Class 3 misdemeanor and upon conviction is to be fined in the discretion of the court but not to exceed \$500.

Enacts GS 128-33.1, concerning public records held by the Retirement System for Counties, Cities and Towns, to establish that member retirement files are not subject to inspection and examination as authorized by GS 132-6 (emergency response plans excluded from definition of public records) except as provided in GS 135-6(p); GS 128-28(q); and subsections (c), (d), and (e) of the statute. Enacts identical subsections (a) through (h) as enacted in GS 135-6.1.

Amends GS 126-22, concerning personnel files not subject to inspection under GS 132-6, by amending the definition of personnel file to remove any employment-related or personal information gathered by the Retirement Systems Division of the Department of State Treasurer from the definition. Amends subsection (c) to remove personnel files maintained by the Retirement Systems Division of the Department of State Treasurer from the exception to the law that personnel files of former State employees who have been separated for 10 or more years may be open to inspection and examination. Instead, provides that retirement files maintained by the Retirement Systems Division of the Department of State Treasurer are to be made public pursuant to GS 128-33.1 and GS 135-6.1, as enacted by this act. Eliminates subsection (d), providing that, notwithstanding any provision of the statute to the contrary, the Retirement Systems Division of the Department of State Treasurer may disclose the name and mailing address of former State employees to domiciled, nonprofit organizations representing 10,000 or more retired State government, local government, or public school employees.

Repeals GS 115C-321(b1), which provided that, notwithstanding any provision of the statute to the contrary, the Retirement Systems Division of the Department of State Treasurer may disclose the name and mailing address of former public school employees to domiciled, nonprofit organizations representing 10,000 or more retired State government, local government, or public school employees.

Repeals GS 115D-29(c), which provided that, notwithstanding any provision of the statute to the contrary, the Retirement Systems Division of the Department of State Treasurer may disclose the name and mailing address of former community college employees to domiciled, nonprofit organizations representing 2,000 or more active or retired State government, local government, or public school employees.

Repeals GS 153A-98(c3), which provided that, notwithstanding any provision of the statute to the contrary, the Retirement Systems Division of the Department of State Treasurer may disclose the name and mailing address of former local governmental employees to domiciled, nonprofit organizations representing 2,000 or more active or retired State

government, local government, or public school employees.

Repeals GS 160A-168(c3), which provided that, notwithstanding any provision of the statute to the contrary, the Retirement Systems Division of the Department of State Treasurer may disclose the name and mailing address of former local governmental employees to domiciled, nonprofit organizations representing 2,000 or more active or retired State government, local government, or public school employees.

#### Section 11

Amends GS 135-10.1 of the Retirement System for Teachers and State Employees to provide that, if a member fails to respond within 120 days after preliminary option figures and the Form 6-E or Form 7-E are transmitted to a member (was, mailed), or if a member fails to respond within 120 days after the effective date of retirement, whichever is later, the Form 6 and the Form 7 are null and void, the retirement system is not liable for any benefits due on account of the voided application, and a new application must be filed establishing a subsequent effective date of retirement.

Amends GS 128-32.1, concerning failure to respond under the Retirement System for Counties, Cities and Towns, by making the same change as that made to GS 135-10.1, as amended by this act.

#### Section 12

Amends GS 135-18.8(a), concerning deductions for payments allowed under the Retirement System for Teachers and State Employees, to provide that any beneficiary who is a member of a domiciled employees' or retirees' association that has at least 10,000 members (was, 2,000 members), the majority of whom are active or retired employees of the State or public school employees, may authorize, in writing, the periodic deduction from the beneficiary's retirement benefits a designated lump sum to be paid to the employees' or retirees' association. Provides that the authorization is to remain in effect until revoked by the beneficiary, and proof of the authorization must be available upon request to the Department of the State Treasurer (currently, there is no requirement for proof of authorization to be available upon request to the State Treasurer). Also, amends subsection (b), allowing any beneficiary to authorize deductions to be paid to the State Health Plan or for supplemental voluntary insurance benefits, to establish that any such authorization is to remain in effect until revoked by the beneficiary, and proof of the authorization must be available on request by the Department of State Treasurer (currently, there is no requirement for proof of authorization to be available upon request to the State Treasurer).

Amends GS 135-75(a) and (b), concerning deductions for payments allowed under the Consolidated Judicial Retirement Act, by making identical changes to those made to the Retirement System for Teachers and State Employees under GS 135-18.8, as amended by this act.

Amends GS 128-38.3(a) and (b), concerning deductions for payments allowed under the Retirement System for Counties, Cities and Towns, by making identical changes to those made to GS 135-18.8 and GS 135-75, as amended by this act. In addition, enacts new subsection (c) to establish that for local employers who made arrangements with the Retirement System prior to January 1, 2016, any beneficiary who is a retiree from an employer in the Retirement System under Article 3 of GS Chapter 128 (Retirement System for Counties, Cities and Towns) may authorize the periodic deduction from the beneficiary's retirement benefits as a designated lump sum to be paid to the beneficiary's former employer for the purpose of providing health benefits. Provides that authorization is to remain in effect until revoked by the beneficiary, and proof of the authorization must be available on request of the Department of the State Treasurer.

Amends GS 120-4.32(a) and (b), concerning deductions for payments allowed under the Legislative Retirement System, by making identical changes to those made to GS 135-18.8 and GS 135-75, as amended by this act.

Repeals the following statutes, as previously amended by this act, effective July 1, 2017: GS 135-18.8(a); GS 135-75(a); GS 128-38.3(a); GS 128-38.3(c); and GS 120-4.32(a).

#### Section 13



Amends GS 135-106(b), setting out the long-term disability benefits under the Disability Income Plan of North Carolina, to provide that, at such time as the beneficiary receiving long-term disability benefits becomes eligible for an unreduced service retirement, the long-term disability benefit of the beneficiary is to be recalculated according to the formula set forth in GS 135-5(b21), calculated as specified in existing language. Eliminates the existing provision specifying that the long-term disability benefit is payable so long as the beneficiary is disabled and is in receipt of a primary Social Security benefit until the earliest date at which the beneficiary is eligible for an unreduced service retirement allowance from the Retirement System, at which time the beneficiary would receive a retirement allowance, calculated as specified. Provides that, in lieu of the recalculated long-term benefit described in subsection (b), the beneficiary has the right to elect to convert to an unreduced service retirement benefit and thereby cease to receive further long-term benefits, provided all other requirements are met pursuant to the provisions of GS 135-5 (benefits under the retirement system for teachers and state employees).

Effective January 1, 2017.

#### Section 14

Amends GS 143B-426.40G(b) to establish that the State Treasurer may impose on an agency with non-State funds a fee of \$15 (currently, no specification that the funds are to be non-State funds) for each check to be drawn against the agency's disbursing account that causes the balance in the account to be in overdraft or while the account is in overdraft. Further provides that the financial officer must pay the fee from the agency's non-State funds (currently, from non-State or personal funds) to the General Fund to the credit of the miscellaneous nontax revenue account by the agency.

Effective October 1, 2016.

#### Section 15

Enacts new GS 147-68.2 providing that information about outstanding, unpaid warrants issued by the State are not open to public inspection to the extent the Treasurer determines the information would be sufficient to counterfeit a warrant.

#### Section 16

Amends GS 147-79(a) to authorize letters of credit issued by a Federal Home Loan Bank to be used as an acceptable means for securing state funds deposited by the Treasurer in an official depository.

#### Section 17

Amends GS 115C-341.2 to require that a vendor selected to administer the North Carolina Public School Teachers' and Professional Educators' Investment Plan (403(b) plan) must be selected pursuant to the procurement procedures used by the Supplemental Retirement Board of Trustees under Article 5 of GS Chapter 135. Also clarifies that administration of the 403(b) plan shall be performed under Article 5 of GS Chapter 135. Makes other technical and conforming changes. Makes identical change to GS 115D-25.4(b), which authorizes community college employees to participate in the 403(b) plan.

#### Section 18

Amends GS 115C-436 by adding a new subsection (c) requiring a school finance officer to transmit to the local board of education and board of county commissioners any report received from the North Carolina Teachers' and State Employees' Retirement System that contains a list of employees for whom the local board of education made a contribution to the retirement system that is likely to require an additional employer contribution if the employee elects to retire in the next 12 months.

#### Section 19

Amends GS 135-1(7a) to differentiate the definition of compensation between members of the Teachers' and State Employees' Retirement System based on the date of membership in the system. For employees who became members prior to January 1, 2017, there is no change to what constitutes compensation for purposes of retirement benefits

calculations. For employees who become members on or after January 1, 2017, the definition of compensation no longer includes the conversion of additional salary benefits such as health, life, or disability plans, but otherwise mirrors the definition of compensation which applies to members whose membership predates January 1, 2017. Makes identical change to the definition of compensation in GS 128-21(7a) for the North Carolina Local Governmental Employees' Retirement System.

Effective January 1, 2017.

#### Section 20

Amends GS 135-4(e), concerning creditable service at retirement for the Teachers and State Employees Retirement System (TSERS) and GS 128-26(e), concerning creditable service at retirement for the Retirement System for Counties, Cities and Towns, updating language to ensure gender neutrality. Adds additional language which provides that the member can use sick leave credit towards calculating creditable service as specified, generally calculated as one month of creditable service for each 20 days of sick leave, if the member is retiring on or after July 1, 1971, and became a member prior to January 1, 2017. Adds clarifying language providing that creditable sick leave must be reported to the retirement system as days granted, as if the policy awarded sick leave with a day equaling eight hours, within a 40-hour workweek. Effective January 1, 2017.

#### Section 21

Changes made to the benefits of the Retirement System for Teachers and State Employees:

Amends GS 135-1 adding and defining the term "normal retirement age" which gives a member a retirement age depending on whether a member is or isn't law enforcement or former law enforcement and then according to age and creditable years of service. This term and calculations are for use in this Article concerning the Retirement System for Teachers and State Employees, provided that it is only applicable to people who became members on or after January 1, 2017. Amends GS 135-5(a) concerning service retirement benefits making technical changes to ensure language is gender neutral and adds new subdivisions detailing the process by which specified members can petition for retirement depending on when they became members. The process for petitioning retirement for those that are members and those that are members and also law enforcement officers is distinguished by whether or not the member became a member prior to or after January 1, 2017. Those that became a member prior to that date must follow established retirement age requirements, while those that became a member after must qualify for retirement taking into account the requirements found under the term "normal retirement age," as provided above. Also, adds language to current provisions to clarify which process is to be used for those that became members before January 1, 2017.

Amends GS 135-5(b19), which previously set out available service retirement allowances for qualified members of the Retirement System for Teachers and State Employees that retired on or after July 1, 2002, now providing that they are for those members that retire on or after July 1, 2002, but became members prior to January 1, 2017. Makes additional technical corrections making language gender neutral. Enacts new GS 135-5(b21) setting out a new class of service retirement allowances for members that became members on or after January 1, 2017. Sets out and computes allowances depending on whether or not the member is a law enforcement officer or eligible former law enforcement officer and then according to the attainment of normal retirement age and the member's age.

Further amends GS 135-5, enacting subsection (m5), "Survivor's Alternate Benefit", which specifies benefits for beneficiaries of those that became members on or after January 1, 2017. Specifies different options a designated beneficiary can select if certain conditions apply and are met. Sets out procedures for determining dates of actual service. Also provides how any workers compensation pay or terminal payouts could affect any owed benefit or allowance.

Changes made to the benefits of the Retirement System for Counties, Cities and Towns:

Amends GS 128-21 adding and defining the term "normal retirement age" which gives a member a retirement age depending on whether a member is or isn't law enforcement or former law enforcement and then according to age and creditable years of service. This term and calculations are for use in this Article concerning the Retirement System for

Counties, Cities and Towns, provided that it is only applicable to people who became members on or after January 1, 2017. Amends GS 128-27(a) concerning service retirement benefits for members of the Retirement System for Counties, Cities and Towns making technical changes to ensure language is gender neutral and adding new subdivisions detailing the process by which specified members can petition for service retirement benefits depending on when they became members. The process for petitioning for retirement for those that are members and those that are members and also law enforcement officers is distinguished by whether or not the member became a member prior to or after January 1, 2017. Those that became a member prior to that date must follow established retirement age requirements, while those that became a member after must qualify for retirement taking into account the requirements found under the term "normal retirement age", as provided above, notwithstanding if the member is law enforcement or not. Amends GS 128-27(b21) which sets out specific service retirement allowances for members that retired on or after July 1, 2003, now providing that the allowances are for those that became members before January 1, 2017, and retired on or after July 1, 2003. Makes additional technical corrections making language gender neutral.

Enacts new GS 128-27(b22) establishing a new class of service retirement allowances for members of the Retirement System for Counties, Cities and Towns that became members on or after January 1, 2017. Sets out and computes allowances depending on whether or not the member is a law enforcement officer or eligible former law enforcement officer and then according to the attainment of normal retirement age, the member's age, and years of creditable service.

Further amends GS 128-27, enacting subsection (m4), "Survivor's Alternate Benefit", which specifies benefits for beneficiaries of those that were members of the Retirement System for Counties, Cities and Towns. Specifies different options a designated beneficiary can select if certain conditions apply and are met. Sets out procedures for determining dates of actual service. Also provides how things such as terminal payouts, etc., could affect any owed benefit or allowance or the calculation of creditable service.

Changes made to the benefits for the Consolidated Judicial Retirement System:

Amends GS 135-53 adding and defining the term "normal retirement age" which gives a member a normal retirement age depending on their age and years of service. This term and calculations are for use in this Article concerning the Consolidated Judicial Retirement System, providing that it is only applicable to people who became members on or after January 1, 2017. Amends GS 135-58(a6) concerning service retirement benefits for those that have retired as specified, on or after July 1, 2008, now providing that this particular set of retirement benefits going forward will be for those members that retired as specified on or after July 1, 2008, and became a member prior to January 1, 2017. Also amends GS 135-58(b) to provide that the retirement allowances available under this subsection are for those that became members prior to January 1, 2017, that have retired as specified, but before having reached 65 years of age or 24 years of creditable service (previously did not include the cutoff date of January 1, 2017). Further amends the subsection making technical changes to ensure language is gender neutral

Enacts new subsections GS 135-58(a7) and (b1), establishing new classes of service retirement allowances for members of the Consolidated Judicial Retirement System, one for those that became members of the system on or after January 1, 2017, that retires as specified after having attained normal retirement age (a7) and another class of service retirement benefits for those that became members of the system on or after January 1, 2017, retiring as specified, but before having attained normal retirement age. Both new sections set out the processes and procedures for calculating benefit amount and total years of service.

Amends GS 135-74(c1) concerning Internal Revenue Code compliance for those members that have contributed into the Consolidated Judicial Retirement System, making technical corrections to ensure language is gender neutral and also adding a reference to new GS 135-58(a7), providing that those who are not eligible for retirement benefits pursuant to that subsection nor pursuant to already included GS 135-58(a6), must have their total contributions returned in a lump sum as specified.

Effective January 1, 2017.

Provides for severability if any provision of the act is held invalid.

## Section 23

Except as otherwise provided, the act is effective when it becomes law.

**Intro. by Wells, Apodaca.**

GS 58, GS 115C, GS 115D, GS 120, GS 126, GS 128, GS 135, GS 143B, GS 147, GS 153A, GS 160A

[View summary](#)

**Courts/Judiciary, Criminal Justice, Criminal Law and Procedure, Employment and Retirement, Government, State Agencies, Department of State Treasurer, State Government, State Personnel, Local Government**

## LOCAL/HOUSE BILLS

H 1136 (2015-2016) [MORRISVILLE/DEVELOPM'T FEES FOR ROAD PROJECTS](#). Filed May 19 2016, *AN ACT AMENDING THE CHARTER OF THE TOWN OF MORRISVILLE TO AUTHORIZE THE TOWN TO IMPOSE AND COLLECT A ROAD PROJECT FEE ON ALL NEW CONSTRUCTION WITHIN THE TOWN'S CORPORATE LIMITS AND EXTRATERRITORIAL JURISDICTION.*

Amends SL 1947-776, as amended by SL 1949-640 and SL 1975-802, by enacting new Section 11A of the Charter of the Town of Morrisville. Establishes that the Town of Morrisville has the right, power, and authority to impose and collect a regulatory or development fee defined as a road project fee on all new construction within the Town limits and extraterritorial jurisdiction.

Provides that it is the purpose and intent of the new Section 11A to provide the Town with the legal mechanism granting it the right, power, and authority to impose and collect fees to finance additional improvements within the Town limits and extraterritorial jurisdiction. Further provides statement that these additional road improvements are being caused by rapid and continued growth within the Morrisville area.

Establishes that Section 11A grants approval to the Town to actually develop and implement such a fee system but does not in any way describe or detail the actual fee structure and rate classification, and that an extensive study will subsequently be performed to establish the basis and framework for the fee system should the system be deemed necessary in order to maintain the high level of service delivery presently available to Morrisville residents.

**Intro. by Adcock, Avila.**

Wake

[View summary](#)

**Transportation**

H 1138 (2015-2016) [WAKE/DURHAM CO. TRUCK ROUTES/SECONDARY ROADS](#). Filed May 19 2016, *AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION TO PROHIBIT TRUCK TRAFFIC TRAVELING TO A SPECIFIC DESTINATION FROM USING VICTORY CHURCH ROAD IN WAKE COUNTY AND REQUIRE THOSE TRUCKS TO INSTEAD USE AN ALTERNATE TRUCK ROUTE IN WAKE OR DURHAM COUNTY DESIGNATED BY THE DEPARTMENT, IF SPECIFIED CONDITIONS ARE MET, AND IF REQUESTED BY ALL AFFECTED LOCAL GOVERNMENTS IN WAKE AND DURHAM COUNTIES.*

Amends GS 20-116, concerning the size of vehicles and vehicle loads under the Motor Vehicle Act of 1937, by enacting new subsection (h1), which authorizes the Department of Transportation (Department) to prohibit truck traffic traveling

to a specific destination from using specified secondary State roads and require those trucks to instead use an alternate truck route designated by the Department.

Provides eight conditions that must be met in order for the Department to exercise the authority granted in subsection (h1), as follows: (1) the road subject to restriction is a State secondary road located in a primarily residential area; (2) the road subject to restriction is not a primary State highway; (3) the road subject to restriction has a disproportionately large number of trucks traversing the route in order to travel to a specific nearby destination, and the truck traffic is inconsistent with the primarily residential land use along the road; (4) the road subject to restriction has an average daily traffic count of 10,000 or fewer vehicles per day; (5) the alternate truck route designated by the Department adds no more than 15 miles to a truck trip to the specified destination, measured from the initial point of restriction; (6) the Department, based on its investigation, finds that safety will be promoted and the public interest served by the designations; (7) the Department determines whether there are alternate routes significantly different in land use and density that provide access to the specified destination, and if the specified truck destination was in operation prior to the establishment of the residential land use along the route to be restricted, and notifies all affected local government governing bodies of its determination prior to their taking any action under subdivision (8) of subsection (h1); (8) all local governments in which the proposed restricted and alternate truck routes are located request the designations by resolution of their governing boards.

Effective October 1, 2016, and applies to Wake and Durham counties only.

**Intro. by Avila.**

Durham, Wake

[View summary](#)

**Government, State Agencies, Department of Transportation, Transportation**

H 1139 (2015-2016) **CHADBOURN CHARTER/TOWN APPOINTMENTS**. Filed May 19 2016, *AN ACT AMENDING THE CHARTER OF THE TOWN OF CHADBOURN TO AUTHORIZE THE TOWN COUNCIL TO APPOINT THE TOWN CLERK AND FINANCE OFFICER.*

Identical to [S 883](#), filed 05/19/16.

Amends Article IV, providing for organization and administration of the Town of Chadbourn, of the Charter of the Town of Chadbourn (Charter) (SL 1989-895, as amended by SL 2007-271), to amend Section 4.3 to provide that the Town Council of Chadbourn (Council) (currently, the Town Manager) is authorized to appoint a Town Clerk to keep a journal of the proceedings of the Council, maintain official records and documents, give notice of meetings, and perform other duties as required by law or as the Council may direct.

Enacts new Section 4.6A to Article IV of the Charter authorizing the Council to appoint a Finance Officer to serve the Council. Establishes that the Finance Officer is to perform the duties prescribed in GS Chapter 159, the Charter of the Town of Chadbourn, and any other duties as directed by the Town Council.

**Intro. by Waddell.**

Columbus

[View summary](#)

H 1142 (2015-2016) **INCLEMENT WEATHER/AVERY CO. SCHOOLS**. Filed May 19 2016, *AN ACT TO ALLOW THE STATE BOARD OF EDUCATION TO GRANT A WAIVER TO THE AVERY COUNTY BOARD OF EDUCATION TO ACCOMMODATE ADDITIONAL MAKEUP DAYS DUE TO SCHOOL CLOSINGS.*

Amends GS 115C-84.2(d) authorizing the State Board of Education to grant a waiver to Avery County schools allowing the opening of the 2016-17 school year to begin no earlier than the Monday closest to August 10 (was August 26) to accommodate the need for additional makeup days due to school closings.

**Intro. by Dobson.**

[Avery](#)

[View summary](#)

[Education, Elementary and Secondary Education](#)

H 1143 (2015-2016) [SPENCER MOUNTAIN CHARTER](#). Filed May 19 2016, *AN ACT TO TEMPORARILY SUSPEND THE CHARTER OF THE TOWN OF SPENCER MOUNTAIN.*

Repeals the Charter of the Town of Spencer Mountain (SL 1963-473, as amended by SL 1967-567).

Directs that all monies and assets held by the Town of Spencer Mountain (Town) are to be placed under the control of the State Treasurer, to be held for the Town. Provides that Article 3 of GS Chapter 159, The Local Government Budget and Fiscal Control Act, will not apply during the suspension period. Establishes that any monies due to the Town from the State are to be delivered to the Gaston County Board of Commissioners for use by the County and all other monies due and payable to the Town are to be collected by the State Treasurer to be held for the Town.

Directs the State Treasurer to determine how the monies and assets placed under the control of the State Treasurer are to be held. Allows the State Treasurer to require an annual report or accounting on those monies and assets.

Prohibits the Gaston County Board of Elections from conducting any elections for mayor or commissioner of the Town during the suspension.

Provides that the individuals holding elected office in the Town on the effective date of this act may continue to hold themselves out as elected officials of the Town until an election is next certified for the Town.

Effective July 1, 2016, and expires June 30, 2019. Provides that no audit is to be required for any fiscal year, or portion thereof, during the period of repeal.

**Intro. by Torbett.**

[Gaston](#)

[View summary](#)

## LOCAL/SENATE BILLS

S 882 (2015-2016) [GLEN ALPINE DEANNEXATION](#). Filed May 19 2016, *AN ACT TO REMOVE CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE TOWN OF GLEN ALPINE.*

Identical to [H 1132](#), filed 5/18/16.

Removes one parcel, as described, from the Town of Glen Alpine's corporate limits.

Provides that this act has no effect upon the validity of any liens of the Town of Glen Alpine for ad valorem taxes or special assessments outstanding before the effective date of this act, and that such liens may be collected or foreclosed upon after the effective date of this act as though the property were still within the corporate limits of the Town of Glen Alpine.

Effective June 30, 2016.

**Intro. by Daniel.**

Burke

[View summary](#)

S 883 (2015-2016) [CHADBOURN CHARTER/TOWN APPOINTMENTS](#). Filed May 19 2016, *AN ACT AMENDING THE CHARTER OF THE TOWN OF CHADBOURN TO AUTHORIZE THE TOWN COUNCIL TO APPOINT THE TOWN CLERK AND FINANCE OFFICER.*

Amends Article IV, providing for organization and administration of the Town of Chadbourn, of the Charter of the Town of Chadbourn (Charter) (SL 1989-895, as amended by SL 2007-271), to amend Section 4.3 to provide that the Town Council of Chadbourn (Council) (currently, the Town Manager) is authorized to appoint a Town Clerk to keep a journal of the proceedings of the Council, maintain official records and documents, give notice of meetings, and perform other duties as required by law or as the Council may direct.

Enacts new Section 4.6A to Article IV of the Charter authorizing the Council to appoint a Finance Officer to serve the Council. Establishes that the Finance Officer is to perform the duties prescribed in GS Chapter 159, the Charter of the Town of Chadbourn, and any other duties as directed by the Town Council.

**Intro. by Smith.**

Columbus

[View summary](#)

S 888 (2015-2016) [BUNCOMBE SCHOOL CAPITAL FUND COMMISSION](#). Filed May 19 2016, *AN ACT TO REESTABLISH THE BUNCOMBE SCHOOL CAPITAL FUND COMMISSION.*

Repeals SL 1983-134, which established the Buncombe School Capital Fund Commission. Effective January 1, 2017.

Creates the School Capital Fund Commission (Commission) for Buncombe County. Establishes that the Commission is a corporation with perpetual succession and the associated rights of a corporation.

Provides that the Commission is to consist of five appointed members, as specified, to serve staggered four-year terms. Bars an individual from serving more than two terms.

Requires the first meeting of the Commission to be held within 90 days after the ratification of the act, where officers are to be appointed and bylaws adopted.

Sets out provisions for the appointment by the Commission of a chairman, vice-chairman, secretary, finance officer, and attorney.

Creates a capital reserve fund, consisting of the funds specified. Requires all funds in the capital reserve fund to be used to finance public school capital construction and public school improvement and renovation projects in Buncombe County or to retire the indebtedness incurred by the county or a local school board for those purposes. Sets out provisions for the appropriation and disbursement of the moneys in the capital reserve fund.

Sets out provisions for the costs of the Commission.

Provides that the capital reserve fund created under SL 1983-134, Section 9, will constitute the capital reserve fund created by this act. Dissolves the two accounts in the previous fund, and directs that the moneys in the accounts are to remain in the capital reserve fund to be expended as provided in this act. Sets out provisions for dealing with any outstanding debt incurred prior to the effective date of the act.

Sets out provisions creating staggered terms for Commission members.

Requires the local governing board and the school boards to make their initial appointments to the Commission no later than September 30, 2016, and the four initial appointees to the Commission must make their initial appointment no later than December 31, 2016.

**Intro. by Apodaca.**

Buncombe

[View summary](#)

**Education**

## **ACTIONS ON BILLS**

### **PUBLIC BILLS**

#### **H 474: EXCLUDE YR. ROUND TRACK-OUT PROGRAM/CHILD CARE.**

*House: Cal Pursuant 36(b)*

#### **H 970: STATE CONTROLLER/CRIMINAL RECORD CHECKS.**

*House: Passed 2nd Reading*

*House: Passed 3rd Reading*

*House: Special Message Sent To Senate*

#### **H 1023: MUNICIPAL SERVICE DISTRICTS/STATUTORY CHANGES.**

*House: Regular Message Sent To Senate*

#### **H 1030: 2016 APPROPRIATIONS ACT.**

*House: Amend Adopted A23*

*House: Amend Adopted A24*

*House: Amend Adopted A25*

*House: Amend Adopted A26*

*House: Amend Adopted A27*

*House: Passed 3rd Reading*

*House: Ordered Engrossed*

*House: Special Message Sent To Senate*

#### **H 1130: PLEDGE TO UPHOLD THE BILL OF RIGHTS.**

*House: Passed 1st Reading*

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

#### **H 1135: RETIREMENT CREDITS FOR PEACE CORPS SERVICE.**

*House: Filed*

#### **H 1137: TREASURER'S 2016 INVESTMENT ADMIN. CHANGES.-AB**

*House: Filed*

#### **H 1140: 2016 GOVERNOR'S BUDGET.**

*House: Filed*

#### **H 1141: OBSERVANCE OF MEMORIAL DAY.**



*House: Filed*

**S 734: STATEWIDE STANDING ORDER/OPIOID ANTAGONIST.**

*House: Passed 1st Reading*

*House: Ref to the Com on Health, if favorable, Judiciary I*

**S 807: CONFORM FULL-PAYMENT CHECK LAW TO UCC.**

*House: Passed 1st Reading*

*House: Ref To Com On Judiciary IV*

**S 832: EXPAND 1%/\$80 EXCISE TAX FOR PORTS EQUIP.**

*Senate: Passed 2nd Reading*

*Senate: Passed 3rd Reading*

**S 838: MEDICAID TRANSFORMATION MODIFICATIONS.**

*Senate: Regular Message Sent To House*

*House: Regular Message Received From Senate*

**S 884: DISAPPROVE WILDLIFE RESOURCES COMM. RULES.**

*Senate: Filed*

**S 885: 2016 GOVERNOR'S BUDGET.**

*Senate: Filed*

**S 886: RETIREMENT TECHNICAL CORRECTIONS ACT OF 2016.-AB**

*Senate: Filed*

**S 887: ADMIN CHANGES/MODERNIZE RETIREMENT SYSTEM.**

*Senate: Filed*

**LOCAL BILLS**

**H 952: HONOR OUR SERVICE ANIMALS/SHERIFF CONTRACTS.**

*House: Regular Message Sent To Senate*

**H 989: RED CROSS CHARTER AMENDMENTS.**

*House: Regular Message Sent To Senate*

**H 1056: YADKIN OCCUPANCY TAX MODIFICATION.**

*House: Withdrawn From Com*

*House: Re-ref Com On Finance*

**H 1058: TOBACCOVILLE RECALL ELECTIONS.**

*House: Passed 3rd Reading*

*House: Special Message Sent To Senate*

*Senate: Special Message Received From House*

*Senate: Passed 1st Reading*

*Senate: Ref To Com On State and Local Government*

**H 1083: WILMINGTON/ORDINANCE INITIATIVE & REFERENDUM.**

*House: Regular Message Sent To Senate*

**H 1131: TOWN OF ANDREWS/ETJ AUTHORITY.**

*House: Passed 1st Reading*

*House: Ref To Com On Local Government*

**H 1132: GLEN ALPINE DEANNEXATION.**

*House: Passed 1st Reading*

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

**H 1133: PARTISAN ELECTION/TRANSYLVANIA BD. OF ED.**

*House: Passed 1st Reading*

*House: Ref To Com On Elections*

**H 1136: MORRISVILLE/DEVELOPM'T FEES FOR ROAD PROJECTS.**

*House: Filed*

**H 1138: WAKE/DURHAM CO. TRUCK ROUTES/SECONDARY ROADS.**

*House: Filed*

**H 1139: CHADBOURN CHARTER/TOWN APPOINTMENTS.**

*House: Filed*

**H 1142: INCLEMENT WEATHER/AVERY CO. SCHOOLS.**

*House: Filed*

**H 1143: SPENCER MOUNTAIN CHARTER.**

*House: Filed*

**S 881: UNION COUNTY SCHOOL FUNDING.**

*Senate: Passed 1st Reading*

*Senate: Ref To Com On Education/Higher Education*

**S 882: GLEN ALPINE DEANNEXATION.**

*Senate: Filed*

**S 883: CHADBOURN CHARTER/TOWN APPOINTMENTS.**

*Senate: Filed*

**S 888: BUNCOMBE SCHOOL CAPITAL FUND COMMISSION.**

*Senate: Filed*