

The Daily Bulletin: 2017-01-25

PUBLIC/HOUSE BILLS

H 2 (2017-2018) [PROVIDE CERTAIN PROPERTY TAX RELIEF](#). Filed Jan 25 2017, *AN ACT TO INCREASE THE DISABLED VETERAN PROPERTY TAX HOMESTEAD EXCLUSION AND TO PROVIDE A PROPERTY TAX HOMESTEAD EXCLUSION FOR THE SURVIVING SPOUSE OF QUALIFYING EMERGENCY PERSONNEL*.

Amends GS 105-277.1C, concerning the disabled veteran property tax homestead exclusion, to change the classification of excluded property from the first \$45,000 of the appraised value of the residence to the entire appraised value of the residence.

Enacts GS 105-277.1E to provide for a property tax homestead exclusion for the surviving spouse of an emergency personnel officer who was killed in the line of duty, who is a North Carolina resident and has not remarried. Provides classification language that tracks the language of the disabled veteran property tax homestead exclusion in GS 105-277.1C(a), to exclude the entire appraised value of the residence from taxation. Defines *emergency personnel officer* to mean firefighting, search and rescue, or emergency medical services personnel or any employee of any duly accredited State or local government agency possessing authority to enforce the criminal laws of the State who (1) is actively serving in a position with assigned primary duties and responsibilities for prevention and detection of crime or the general enforcement of the criminal laws of the State and (2) possesses the power of arrest by virtue of an oath administered under the authority of the State.

Establishes that an owner does not lose the benefit of exclusion because of a temporary absence from the permanent residence for reasons of health or while confined to a rest home or nursing home, as long as the residence is unoccupied, or occupied by a dependent of the owner, other than a spouse. Establishes provisions concerning situations where there are multiple owners who are not husband and wife which track the exact language in the existing disabled veteran property tax homestead exclusion in GS 105-277.1C(e).

Provides that an application for the exclusion allowed under new GS 105-277.1E should be filed during the regular listing period, but can be filed and is required to be accepted at any time until June 1 preceding the tax year for which the exclusion is claimed. Allows persons to apply for the property tax relief by entering the appropriate information on a form made available by the assessor under GS 105-282.1.

Makes conforming changes to GS 105-282.1 to include the exclusions for the special classes of property established in GS 105-277.1C and GS 105-277.1E from taxation after submitting a single application for the benefit, as specified.

Effective for taxes imposed for taxable years beginning on or after July 1, 2017.

Intro. by Dollar, Saine, Hardister, R. Turner.

GS 105

[View summary](#)

Development, Land Use and Housing, Property and Housing, Government, Public Safety, Tax, Military and Veteran's Affairs

H 3 (2017-2018) [EMINENT DOMAIN CONST. AMENDMENT](#). Filed Jan 25 2017, *AN ACT TO AMEND THE NORTH CAROLINA CONSTITUTION TO PROHIBIT CONDEMNATION OF PRIVATE PROPERTY EXCEPT FOR A PUBLIC USE AND TO PROVIDE FOR THE PAYMENT OF JUST COMPENSATION WITH THE RIGHT OF TRIAL BY JURY IN ALL CONDEMNATION CASES*.

Subject to approval by the voters at the November 6, 2018, statewide election, amends Article I of the North Carolina Constitution by adding a new Sec. 38 to prohibit the taking by eminent domain of private property except for a public use. Directs that just compensation be paid to the private property owner and provides that either party may request that the amount of just compensation be determined by a jury. Provides that if the majority of votes are in favor of the amendment, the State Board of

Elections is to certify the amendment to the Secretary of State and the amendment will become effective upon certification and apply to takings of private property by eminent domain after the certification date.

Intro. by McGrady, Lewis, Malone, Goodman.

CONST

[View summary](#)

Constitution, Courts/Judiciary, Civil, Civil Law, Development, Land Use and Housing, Property and Housing, Government, State Government

H 5 (2017-2018) **UNEMPLOYMENT INSURANCE TECHNICAL CHANGES**. Filed Jan 25 2017, *AN ACT TO MAKE TECHNICAL, ADMINISTRATIVE, AND CLARIFYING CHANGES TO THE UNEMPLOYMENT INSURANCE LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON UNEMPLOYMENT INSURANCE.*

Part I: Disaster Unemployment Insurance

Makes the following changes to GS Chapter 96, which sets out Employment Security Law. Effective October 1, 2016.

Amends GS 96-11.3(b), which provides for situations where unemployment benefits paid to an individual may not be charged to the individual's employer's account where the employer is a period base employer. Currently, the second situation where benefits paid to an individual may not be charged to the employer's account is where benefits were paid to an individual for unemployment due directly to a major natural disaster declared by the President under the Disaster Relief Act of 1970, and the individual receiving the benefits would have been eligible for disaster unemployment assistance under that federal act if the individual had not received benefits under GS Chapter 96. Updates and replaces the second situation to provide that benefits paid to an individual may not be charged to the employer's account where they were paid to an individual for unemployment due directly to a disaster covered by a federal disaster declaration. Amends GS 96-1 to define federal disaster declaration to mean a declaration of a major natural disaster by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, provided that the declaration allows disaster unemployment under the federal act.

Amends GS 96-14.1(b), which sets out provisions for a valid claim for unemployment benefits by an individual under GS Chapter 96. Provides an exception for a claim for unemployment due directly to a disaster covered by a federal disaster declaration to the standard one-week waiting period an individual must serve for each claim filed, so that no waiting period applies.

Amends GS 96-14.9, which sets out the provisions for the weekly certification of an individual's eligibility for unemployment benefits. Adds a new subsection (l) to provide that an individual who is unemployed due directly to a disaster covered by a federal disaster declaration has satisfied the work search requirements under subsection (b) for any given week in the benefit period unless the Department of Commerce, Division of Employment Security, requires the individual to conduct a work search.

Part II: Paid Time Off Excluded From Severance Pay

Amends GS 96-15.01, which sets out provisions for establishing a benefit year for the administration of unemployment benefits.

Amends subsection (c) by establishing that an individual is not unemployed during a calendar week if the individual receives or will receive remuneration in any form as a result of the individual's separation from work (previously, forms of remuneration were specified as wages in lieu of notice, accrued vacation pay, terminal leave pay, severance pay, separation pay, and dismissal payments or wages by whatever name). Additionally, establishes that any amount paid to an individual for paid time off that was available but unused before the individual's separation under a written policy in effect before the separation are not remuneration as a result of separation under the statute. Effective July 1, 2017, and applies to claims for benefits filed on or after that date.

Part III: Miscellaneous Changes

GS 96-9.7(a) imposes a surtax on an employer who is required to make a contribution to the Unemployment Insurance Fund equal to 20% of the contribution due under GS 96-9.2. Amends GS 96-9.7(b) to provide that the surtax under subsection (a) does not apply in a calendar year if, as of September 1 of the preceding calendar year (previously, as of the preceding August 1 computation date), the amount in the State's account in the Unemployment Trust Fund equals or exceeds \$1 billion.

Amends 96-15(b)(2), which provides for adjudication when (1) a protest is made by a claimant to the initial or monetary determination or (2) a question or issue is raised as to the claimant's eligibility, whether any disqualification should be imposed, or benefits denied or adjusted. Reduces the required time period for which any interested employer must be allowed to file its protest of the claim in order to have the claim referred to an adjudicator from 14 days from the mailing or delivery of the notice of the filing of the claim against the employer's account to 10 days. Makes conforming changes.

Effective July 1, 2017, and applies to claims for benefits filed on or after that date, and applies to tax calculations on or after that date.

Part IV: Federal Conforming Changes

Makes the following changes to GS 96-11.7, concerning the transfer of an employer's unemployment insurance account due to the acquisition of a business.

Changes the title of the statute and descriptors of the subsections of the statute.

Provides in subsection (a) (Acquisition of a Business, previously Mandatory Transfer) that when an employer acquires all of the business (was, organization, trade, or business) of another employer, the account of the predecessor must be transferred as of the date of the acquisition to the successor for use in the determination of the successor's contribution rate. Removes the provision that provided for the successor's contribution rate to be determined without regard to the predecessor's contribution rate when there is no common ownership between the predecessor and the successor and the successor acquired the assets in a sale in bankruptcy.

Provides in subsection (b) (Acquisition of a Portion of a Business, previously Consent) that when a distinct and severable portion of an employer's business (was, organization, trade, or business) is transferred to a successor employer and the successor employer continues to operate the acquired business, the portion of the account attributable to the transferred business, with the approval of the Department of Commerce, Division of Employment Security (Division), may be transferred by mutual consent to the successor employer as of the date of the transfer. Previously, subsection (b) did not provide that the transfer of the related account be as of the date of the transfer. Sets out that the successor employer requesting the transfer may make a request for transfer by filing an application for transfer with the Division of Employment Security within two years after the date the business was transferred (previously provided another option to file an application within two years of notification by the Division of the right to request an account transfer). Makes conforming changes to eliminate distinctions between applications approved and filed within 60 days of notification by the Division and the effective date of transfer of the account.

Provides in subsection (c) (Acquisition by Related Party, previously Continuity of Control) that if an employer transfers all or part of its business to another person and, at the time of the transfer, there is substantially common ownership, management, or control of the predecessor employer and the transferee, then it is mandatory that the portion of the account attributable to the transferred business be transferred to the transferee as of the date of the transfer. Previously, subsection (c) required the Division of Employment Security to assign any new employer with continuity of control to the employer account of the existing business enterprise. Makes conforming changes to replace "continuity of control" language throughout the subsection with "substantially common ownership, management or control." Sets out that substantially common ownership, management, or control exists if one or more persons, entities, or other organizations owning, managing, or controlling the business remain in ownership, management, or control of the transferee. Makes additional conforming changes.

Adds new subsection (c1) to bar the Division of Employment Security from transferring the account of the predecessor employer if the Division finds that a person acquired the business solely or primarily for the purpose of obtaining a lower contribution rate.

Replaces the existing language of subsection (d), which sets out the provisions for determining an employer's contribution rate relating to account transfers. Provides instead that, if the effective date of a transfer of an account under the statute is after the computation date in a calendar year, the Division of Employment Security must recalculate the contribution rate for the transferring employer and the transferee based on their account balances on the effective date of the account transfer.

Adds new subsection (g) to set out provisions similar to the existing language of subsection (c) that was replaced by the act above. Provides that any transferee with substantially common ownership, management, or control of an existing business cannot request or maintain an account with the Division other than the account of the existing business, and that the Division is required to recalculate the annual tax rates based on the combined annual account balances of the new employer and the existing business if the Division finds a transferee received a new account and the new employer has substantially common ownership, management, or control with an existing business.

Makes technical changes. Effective July 1, 2017.

Intro. by Howard.

GS 96

[View summary](#)

**Employment and Retirement, Health and Human Services,
Social Services, Public Assistance**

H 6 (2017-2018) **ED. FINANCE REFORM TASK FORCE/PED REPORT**. Filed Jan 25 2017, *AN ACT TO ESTABLISH THE JOINT LEGISLATIVE TASK FORCE ON EDUCATION FINANCE REFORM, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE.*

Creates the 18-member Joint Legislative Task Force on Education Finance Reform (Task Force). Sets out membership of the Task Force to be nine members each appointed by the Senate President Pro Tempore and Speaker of the House. Directs the President Pro Tempore and the Speaker to each appoint a cochair to the Task Force from among the membership. Requires the appointments to be made no later than September 1, 2017.

Directs the Task Force to consult with the State Board of Education and the Department of Public Instruction to study various weighted student formula funding models and develop a new funding model for the elementary and secondary public schools of the state based on a weighted student formula. Sets out the following six tasks the Task Force must complete: (1) review the state's current public school allotment system; (2) determine the base amount of funds that must be distributed per student to cover the cost of educating a student in the state; (3) identify and associate weights to student characteristics eligible for weighted funding; (4) resolve the extent to which the base amount of funds distributed would be adjusted based on the characteristics of each local school administrative unit; (5) decide which, if any, funding elements would remain outside the base of funds distributed under a weighted student formula; and (6) study any other issue the Task Force considers relevant.

Provides additional direction regarding the setting of meetings, staffing, and the general operation of the Task Force.

Requires meetings of the Task Force to begin no later than October 1, 2017, and for the Task Force to submit a final report on the results of its study and recommendations to the Joint Legislative Oversight Committee on or before July 1, 2018, as specified.

Requires the Task Force to terminate on July 1, 2018, or upon the filing of its final report, whichever occurs first.

Intro. by Horn, Lucas.

STUDY

[View summary](#)

Education, Elementary and Secondary Education

H 7 (2017-2018) **LRC/STRENGTHEN SAVINGS RESERVE**. Filed Jan 25 2017, *AN ACT TO STRENGTHEN THE SAVINGS RESERVE, AS RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION.*

Amends GS 143C-4-2 to rename the Savings Reserve Account to the Savings Reserve, and makes the following changes to its creation, source of funding, and use.

Currently, the State Controller is required to reserve one fourth of any unreserved fund balance from the General Fund at the end of each fiscal year. The act eliminates this requirement of the State Controller.

Currently, subsections (b) and (c) provide for use of the funds in the Savings Reserve only upon an act of appropriation by the General Assembly, and sets out that the goals for the Savings Reserve Account balance are to address unanticipated events and circumstances such as natural disasters; economic downturns; threats to public safety, health and welfare; and other emergencies. The act revises the use of funds prescribed in subsection (b) as follows, and eliminates the goals set out in subsection (c).

Revises subsection (b) to provide that, in each fiscal year, funds reserved to the Savings Reserve must be available for expenditure upon appropriation by a majority vote of the Senate and House of Representatives present and voting in an aggregate amount that cannot exceed 7.5% of the prior fiscal year's General Fund net appropriations operating budget. Limits the general use of the funds in the Savings Reserve under subsection (b) to the following four purposes: (1) to cover a decline in General

Fund revenue between fiscal years; (2) to cover the difference between that fiscal year's base budget needs and projected revenue; (3) to pay costs imposed by a court or administrative order; (4) to provide relief and assistance from the effects of an emergency.

Creates a new subsection (b1) to provide that, in each fiscal year, funds reserved in the Savings Reserve must be available for expenditure upon a two-thirds vote of the Senate and House of Representatives present and voting. Limits the extraordinary use of the funds in the Savings Reserve under subsection (b1) to any of the four uses specified in subsection (b) where the aggregate amount exceeds 7.5% of the prior year's General Fund net appropriations operating budget, or for another purpose in any amount.

Creates new subsection (d) to require each Appropriations Act to transfer 15% of each fiscal year's estimated growth in State tax revenues to the Savings Reserve, unless the transfer must be reduced because the transfer would cause the balance of the Reserve to exceed the recommended balance developed pursuant to subsection (e).

Creates subsection (e) to direct the Office of State Budget and Management and the Fiscal Research Division of the General Assembly to estimate the target balance for the Savings Reserve, expressed as a percentage of the prior year's General Fund net appropriations operating budget, to be reported to the chairs of the Senate and House Appropriations and Finance Committees no later than February 1 of each year.

Creates new subsection (f) to allow for additional appropriation of funds to be deposited into the Savings Reserve by the General Assembly.

Amends GS 143C-3-5, which sets out the provisions for the Governor's budget recommendations, to require that, in odd-numbered years, the Governor's Recommended State Budget must include a transfer to the Savings Reserve of 15% of the estimated growth in State tax revenues for each fiscal year of the upcoming biennium. Provides that this requirement only applies if the balance of the Savings Reserve remains below the recommended balance developed under GS 143C-4-25(e), as enacted by this act.

Makes conforming changes to GS 142-15.4 (requiring savings from the refinancing of general obligation bonds to be placed in the Savings Reserve) and GS 142-96 (requiring savings from refinancing of special indebtedness to be placed in the Savings Reserve), effective July 1, 2017, and GS 143C-5-4(b)(8) and GS 147-86.11(e)(7), effective October 1, 2017.

Sets out that, during the 2019 Regular Session, it is the intent of the General Assembly to study whether the changes to the Savings Reserve enacted by this act have accomplished the purpose of establishing and maintaining sufficient reserves to address unanticipated events and circumstances such as natural disasters; economic downturns; threats to public safety, health and welfare; and other emergencies.

Effective October 1, 2017.

Intro. by Dollar, McGrady, Arp, B. Richardson.

GS 142, GS 143C, GS 147

[View summary](#)

Government, Budget/Appropriations, General Assembly, State Government

H 9 (2017-2018) **ALLOW ELECTION DAY SERVICE - RETIRED LEOS**. Filed Jan 25 2017, *AN ACT TO ALLOW RETIRED LAW ENFORCEMENT OFFICERS TO BE EMPLOYED BY A COUNTY BOARD OF ELECTIONS FOR ELECTION DAY SERVICE WITHOUT CAUSING THE SUSPENSION OF THE RETIRED OFFICERS' SPECIAL SEPARATION ALLOWANCE*.

Amends GS 143-166.42, which provides for a special separation allowance for retired local law enforcement officers, by establishing that payments to a retired officer are not to cease when a local government employer employs a retired officer either (1) in a public safety position in a capacity not requiring participation in the Local Government Employees' Retirement System or (2) in service to a county board of elections on an election day. Previously, employment of a retired officer by a local government in service to a county board of elections on election day was not included as an instance where special allowances to officers were not to be ceased under the statute.

Intro. by Fraley.

GS 143

H 10 (2017-2018) **EMINENT DOMAIN STATUTORY REVISIONS**. Filed Jan 25 2017, *AN ACT TO PROVIDE THAT CONDEMNATION OF PRIVATE PROPERTY SHALL ONLY BE FOR A PUBLIC USE AND TO EXPAND THE PURPOSES FOR WHICH CONDEMNORS MAY EXERCISE THEIR CONDEMNATION POWERS.*

Amends GS 40A-3(a), (b), and (b1) to restrict private condemners and local public condemners to exercising the power of eminent domain for a public use (was, for a public use or benefit). Amends the list of private condemners permitted to exercise the power of eminent domain to include corporations, bodies politic or persons exercising eminent domain for communication facilities (was, specified telegraphs and telephones), facilities related to the distribution of petroleum products, coal, natural gas, and pipelines or mains (no longer required to originate in North Carolina) for the transportation of petroleum products, coal, natural gas (was, gas), limestone or minerals.

Also amends subsection (c) to limit takings by political entities (other public condemners) to the exercise of eminent domain for the public use (was, public use or benefit).

Enacts a new subsection (d) to GS 40A-3 to provide that private condemners, local public condemners, and other public condemners in subsections (a), (b), (b1), and (c) of this statute, for the public use, possess the power of eminent domain and may acquire any property for the connection of any customer(s) via purchase, gift, or condemnation.

Effective when the act becomes law, applying to takings occurring on or after that date.

Intro. by McGrady, Lewis, Malone, Goodman.

GS 40A

[View summary](#)

Development, Land Use and Housing, Property and Housing, Government, State Government

H 11 (2017-2018) **HANDICAP PARKING PRIVILEGE CERTIFICATION**. Filed Jan 25 2017, *AN ACT TO PROVIDE THAT MEDICAL CERTIFICATION AND RECERTIFICATION REQUIREMENTS FOR HANDICAPPED PARKING PRIVILEGES MAY BE SATISFIED BY CERTIFICATION OF A LICENSED PHYSICIAN ASSISTANT, A LICENSED NURSE PRACTITIONER, OR A LICENSED CERTIFIED NURSE MIDWIFE THAT THE PERSON IS HANDICAPPED.*

Amends GS 20-37.6(c1) to provide that the initial medical certification requirements for obtaining handicapped parking privileges may also be satisfied by a licensed physician assistant, a licensed nurse practitioner, and a licensed certified nurse midwife (previously, allowed the certification to be completed only by a licensed physician, a licensed ophthalmologist, a licensed optometrist, or the Division of Services for the Blind).

Intro. by Adcock, Dobson, Hardister, Cunningham.

GS 20

[View summary](#)

Courts/Judiciary, Motor Vehicle, Health and Human Services, Health, Health Care Facilities and Providers

H 13 (2017-2018) **CLASS SIZE REQUIREMENT CHANGES**. Filed Jan 25 2017, *AN ACT TO MODIFY THE MAXIMUM AVERAGE CLASS SIZE REQUIREMENTS AND INDIVIDUAL CLASS SIZE REQUIREMENTS FOR KINDERGARTEN THROUGH THIRD GRADE.*

Amends GS 115C-301(c) to prohibit the average class size for kindergarten through third grade from exceeding the funded allotment ratio of teachers to students in kindergarten through third grade by no more than three students (was, must not exceed

the funded allotment ratio). Prohibits the size of an individual class in kindergarten through third grade, at the end of the second school month and for the remainder of the school year, from exceeding the allotment ratio by more than six (was, three) students.

Applies beginning with the 2017-18 school year.

Intro. by McGrady, Elmore, Malone.

GS 115C

[View summary](#)

[Education, Elementary and Secondary Education](#)

H 15 (2017-2018) [PUBLIC AUTHORITY/PERMANENT PLATES](#). Filed Jan 25 2017, *AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE PERMANENT REGISTRATION PLATES FOR MOTOR VEHICLES OWNED AND OPERATED BY CERTAIN PUBLIC AUTHORITIES*.

Amends GS 20-84(b) to provide that the Department of Motor Vehicles can issue permanent registration plates for a motor vehicle that is owned and operated by an authority created pursuant to GS Chapter 162A, Article 1 (Water and Sewer Authorities).

Effective July 1, 2017.

Intro. by Davis, Iler, Shepard, Torbett.

GS 20

[View summary](#)

[Courts/Judiciary, Motor Vehicle](#)

H 16 (2017-2018) [ENHANCE OVERSIGHT OF SERVICE CONTRACTS/PED](#). Filed Jan 25 2017, *AN ACT TO ENHANCE OVERSIGHT OF STATE SERVICE CONTRACTS, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE*.

Section 1

Enacts new GS 143-50.2, Oversight of certain service contracts, requiring the Secretary of the Department of Administration, in conjunction with the Office of State Budget and Management, to create a business case justification template for use by State agencies to document the business case for selecting providers of agency services. Sets out 11 required components of the template, including a detailed description of the manner in which the agency service is currently provided, costs as specified for the delivery of the service during the most recently completed fiscal year, and a description of the transition process for a selection of providers. New subsection (b) sets out the following three requirements that must be completed before a provider may be selected: (1) the business case for such a selection has been documented on the business case justification template, (2) specified written approvals have been obtained in accordance with specified financial requirements, and (3) a consultation with the Joint Legislative Commission on Governmental Operations in regards to the provider selection has taken place. Subsection (c) sets out three exceptions to the requirements in subsection (b) when certain conditions are satisfied, including that the total cost of providing the agency service does not exceed \$1 million. Subsection (d) sets out definitions for use in the section for (1) *agency service*, (2) *service contract*, (3) *private provider*, and (4) *total cost*.

Enacts new GS 143-50.3 to require the Department of Administration (Department) to establish a schedule for each State agency to review the business case justification for each agency service to verify that the current provider is the most cost-effective provider. Requires each agency to document the results of its review on the business case justification template. Requires that the schedule provide for the review of agency services no less than every five years, but gives the Department authority to change the schedule and extend the time for review when appropriate.

Effective October 1, 2017.

Section 2

Directs the Office of State Budget and Management to develop and submit a plan by which they can determine if agency services can be more effectively and appropriately provided by private providers. A report on the plan is due to the Joint Legislative

Commission on Governmental Operations and to the Fiscal Research Division no later than December 1, 2017. Sets out requirements of the plan and requires State agencies to fully cooperate in its development.

Section 3

Effective when the act becomes law, enacts new GS 143-50.4, Contract management system. Requires the State Purchasing Officer to operate a contract management system that will be required to be used by all State agencies for the management of any service contracts entered into by that agency. Sets out specified capacities the system must have, including the ability to ensure that payments are made in accordance with applicable contract terms and conditions. Requires the State Purchasing Officer to report annually, no later than December 1 of each year, to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division detailing service contracts entered into by state agencies as specified.

Provides that the use of the contract management system is not required until notice has been received from the Division of Purchase and Control in regards to its operational status; such notice is required within 30 days of when the system becomes operational.

Sections 4 and 5

Amends GS 143-48.3 and GS 143-50.1(e), concerning purchasing and contracting of State agencies, making conforming changes.

Intro. by Davis, Horn, Lucas, R. Turner.

[GS 143](#)

[View summary](#)

[Government, State Agencies](#)

H 17 (2017-2018) [OFFICE OF STATE AUDITOR/CORRECTIVE ACTION/PED](#). Filed Jan 25 2017, *AN ACT TO REQUIRE THE OFFICE OF THE STATE AUDITOR TO CONDUCT A FOLLOW-UP AUDIT ON AN UNDERPERFORMING STATE AGENCY, TO REPORT TO THE GENERAL ASSEMBLY A STATE AGENCY'S FAILURE TO TAKE CORRECTIVE ACTION, AND TO REPORT ANNUALLY ON ALL FINDINGS OF DEFICIENCIES, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE.*

Enacts GS 147-64.6E directing the State Auditor to include recommendations for the State agency in the audit report if a deficiency in meeting required practices, as specified in GS 147-64.6(b), is found. Further requires the State Auditor to conduct a follow-up audit six months after submitting the recommendations, with the purpose of determining if the State agency has made significant progress in correcting the identified deficiencies. If significant progress has not been made, then the State Auditor must submit a report to the Chairs of the Senate Appropriations/Base Budget Committee and to the Chairs of the House Appropriations Committee. Report must include the results of both the initial and follow-up audit with recommendations for legislative action. Specifies examples of legislative action that could be recommended in the report, including inviting the State agency to appear before a legislative committee to provide information about the cited deficiencies or adjusting the amount of State funds appropriated to the agency to implement the process or program that is the source of the deficiency.

Enacts GS 147-64.6F requiring the State Auditor, beginning January 1, 2018, and annually thereafter, to publish a report identifying all deficiencies found during the prior calendar year. Specifies that the report must (1) distinguish the deficiencies as far as they have resulted in financial loss to the State and involve a failure to comply with State law regarding the expenditure of public funds and (2) include all other findings.

Intro. by Davis, R. Turner.

[GS 147](#)

[View summary](#)

[Government, State Agencies, Office of State Auditor](#)

H 18 (2017-2018) [STATE AGENCIES MUST USE EPROCUREMENT/PED](#). Filed Jan 25 2017, *AN ACT TO REQUIRE STATE AGENCIES TO USE ELECTRONIC PROCUREMENT AND CONTRACT MANAGEMENT SYSTEMS DEVELOPED BY THE*

Amends GS 143-48.3 to require the Department of Administration (DOA) to develop and maintain electronic or digital standards and systems for the procurement of goods and services, as well as contract management (previously did not address area of contract management). Amends the catchline of the section to be Electronic procurement and contract management (was, Electronic Procurement). Makes organizational and conforming changes to clarify that the DOA must follow specified processes and procedures in developing and deploying the developed standards and systems, and expands upon these requirements to include utilizing the Department of Information Technology as an Application Service Provider to operate these electronic standards and systems. Also requires the DOA to ensure that any contract management system be capable of performing various functions, including making payments in accordance with the applicable contract terms and conditions and that key documents can be stored, searched, and retrieved from the system by appropriate personnel. Also requires the DOA to provide State agencies with advance notice of newly developed standards or systems for the purpose of a smooth transition to using them.

Deletes language and makes organizational changes, adding new provisions that clarify what State agencies are subject to this Article. Further clarifies that the University of North Carolina, a constituent institution, a community college, or a unit of local government are not subject to these provisions but allows universities and community colleges to opt in as specified. Prohibits state agencies from entering into any contract, or renewing an existing contract, for the performance of an electronic contract procurement or contract management service if the DOA has given notice that the new system has been deployed.

Provides that nothing in this act can be construed to require the breach of any contract that exists on the effective date of this act.

Makes numerous conforming changes to: GS 18C-150 (Procurements); GS 53-320(d); GS 53-326(d); GS 53-391 (Employment of counsel, accountants, and other experts; compensation); GS 53-401 (Provisions for conservator; duties and powers); GS 58-10-285(d); GS 58-10-315(e); GS 58-10-350(3); GS 58-33-30 (License requirements); GS 58-33-125(e); GS 58-33-130(a); GS 58-56A-10(f); GS 58-58-50(r); GS 58-65-131(e); GS 58-71-40(d); GS 58-82A-2.1(c); GS 63A-24(a)(1); GS 108A-55(b); GS 114-9.4(b); GS 115D-67.4 (Fees collected by the Center; purchases using Center funds); GS 115D-89.4(b); GS 116-37(h); GS 116-40.6(c); GS 135-48.34 (Contracts not subject to Article 3 of Chapter 143 of the General Statutes); GS 136-89.194(g)(1); GS 143B-139.4B(b); GS 143B-431.01(b); GS 147-86.72(c)(2) and GS 148-134 (Preference for Division of Adult Correction of the Department of Public Safety products).

Effective October 1, 2017.

Intro. by Davis, Lucas.

[GS 18C](#), [GS 53](#), [GS 58](#), [GS 63A](#), [GS 108A](#), [GS 114](#), [GS 115D](#), [GS 116](#), [GS 135](#), [GS 136](#), [GS 143](#), [GS 143B](#), [GS 147](#), [GS 148](#)

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[Government, State Agencies](#)

H 19 (2017-2018) [SELECTION OF CHAIR & VICE-CHAIR/COUNTY BOCS](#). Filed Jan 25 2017, *AN ACT AMENDING THE LAWS REGARDING WHEN A COUNTY BOARD OF COMMISSIONERS IS REQUIRED TO SELECT A CHAIR AND VICE-CHAIR OF THE BOARD TO ACCOUNT FOR A SELECTION DELAY DUE TO THE FILING OF AN ELECTION PROTEST.*

Currently, GS 153A-39 requires a county board of commissioners to select a chairman and vice-chairman on the first Monday in December of even-numbered years, or in its first regular meeting in December of each odd-numbered year. Adds that, when an election protest has been filed pursuant to GS 163-182.9, the county board of commissioners must select a chairman and vice-chairman upon certification of the election and the member's swearing into office.

Intro. by Davis.

[GS 153A](#)

[View summary](#)

[Government, Elections, Local Government](#)

H 21 (2017-2018) [DRIVER INSTRUCTION/LAW ENFORCEMENT STOPS](#). Filed Jan 25 2017, *AN ACT TO REQUIRE DRIVER INSTRUCTION ON LAW ENFORCEMENT PROCEDURES DURING TRAFFIC STOPS*.

Current law, GS 20-88.1(d), requires the Division of Motor Vehicles (Division) of the Department of Transportation to prepare and periodically revise a driver license handbook that explains the traffic laws of the State. Requires that the Division's driver license handbook include a description of law enforcement procedures during traffic stops and the actions that a motorist should take during a traffic stop, including appropriate interactions with law enforcement officers. Requires the Division to consult with the State Highway Patrol, the North Carolina Sheriff's Association, and the North Carolina Association of Chiefs of Police in producing the description of traffic stops for the handbook. Effective January 1, 2018.

Current law, GS 115C-215(b), sets out the curriculum that must be included in driver education. Adds instruction on law enforcement procedures for traffic stops, developed in consultation with State Highway Patrol, the North Carolina Sheriff's Association, and the North Carolina Association of Chiefs of Police, to the driver education curriculum. Requires instruction on law enforcement procedures to provide a description of the actions that a motorist should take during a traffic stop, including appropriate interactions with law enforcement officers. Applies beginning with the 2017-18 school year.

Intro. by Goodman, Faircloth, McNeill, Earle.

[GS 20, GS 115C](#)

[View summary](#)

[Courts/Judiciary, Motor Vehicle, Criminal Justice, Criminal Law and Procedure, Education, Elementary and Secondary Education, Government, Public Safety](#)

H 22 (2017-2018) [BOR/INDEPENDENT STAFF/DATA TRACKING](#). Filed Jan 25 2017, *AN ACT TO ENHANCE THE INDEPENDENCE AND EFFICIENCY OF THE BOARD OF REVIEW, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE*.

Amends GS 96-15.3 to specify that the purpose of the Board of Review (BOR) also includes developing, documenting, and adopting the policies, procedures, and standards necessary to ensure consistency and continuity of higher-level appeals operations. Requires that the BOR be supported by adequate legal and support staff and requires staff to report to the Chair of the BOR. BOR staff is required to perform its duties and responsibilities independent of the Governor, General Assembly, Department of Commerce (Department), and the Division of Employment Security (DES) and in accordance with any written guidance from the US Department of Labor. Requires DES to assist BOR in collecting and tracking data needed to support appeals operations and to make improvements to those operations. Specifies minimum data that is to be tracked.

Effective July 1, 2017, requires DES to transfer at least two attorney and four administrative staff positions within DES to the control of BOR. Requires DES to transfer \$415,000 for the 2017-18 fiscal year from the funds appropriated to DES for the administration of the Unemployment Insurance program to pay the BOR staff costs. Requires the Department to report on the transfer by October 1, 2017, to the chairs of the Joint Legislative Oversight Committee on Unemployment Insurance and the chairs of the Joint Natural and Economic Resources Committee of the Senate and House Appropriations Committees.

Requires the BOR, by October 1, 2017, to adopt policies, procedures, and standards for higher level appeals in accordance with GS 96-15.3.

Requires the BOR, by November 1, 2017, to track data in accordance with GS 96-15.3.

Intro. by Lucas, Hurley.

[GS 96](#)

[View summary](#)

[Employment and Retirement, Government, State Agencies, Department of Commerce](#)

Part I: DOT Changes

Adds a new subsection to GS 136-19, which includes provisions concerning the acquisition of land and deposits of materials, condemnation proceedings, and federal parkways, to provide for the disposal of remainder property acquired in connection with acquisition of right-of-way by the Department of Transportation (DOT). Provides 11 parameters that govern the disposal of remainder properties acquired in connection with acquisition of right-of-way, including that the sale of all residues will be by public sale, except as otherwise specified in the new subsection. Sets out provisions dictating the form of sale, advertising requirements, and situations warranting sale by negotiation rather than by public sale. States that all sales of surplus lands require the approval of the Board of Transportation. Grants authority to the DOT to adopt, amend, or repeal rules to implement the new subsection.

GS 136-28.4 makes it state policy to encourage and promote the use of disadvantaged minority-owned and women-owned businesses in transportation contracts led by the DOT for the planning, design, preconstruction, alteration, or maintenance of state transportation infrastructure and in the procurement of materials for these projects. Currently, the sunset provision for GS 136-28.4 is August 31, 2017. The act extends the sunset provision for the program to August 31, 2019.

Repeals GS 143-215.107C(d), which required the DOT to annually report to the Joint Legislative Transportation Oversight Committee and the Environmental Review Commission on the development and implementation of a plan to reduce vehicle miles traveled by state employees and vehicle emissions resulting from job-related travel by State employees. Repeals GS 143-215.107C(e), which required the DOT to annually report to the Joint Legislative Transportation Oversight Committee and the Environmental Review Commission the plan to reduce vehicle miles traveled by private-sector employees and vehicle emissions from job-related travel.

Part II: DMV Changes

Amends GS 20-4.01, which holds the definitions for terms used throughout GS Chapter 20 (Motor Vehicles), to clarify the definitions of *fuel cell electric vehicle* and *plug-in electric vehicle*, as the terms are used in the Chapter, to provide that they are four-wheeled motor vehicles that do not have the ability to be propelled by a gasoline engine, and meet the existing specified requirements. Previously, the definitions for a fuel cell electric vehicle and plug-in vehicle did not clarify that the vehicle must lack the ability to be propelled by a gasoline engine.

Amends GS 20-17.1, concerning the revocation of driver's licenses for those who are mentally incompetent, alcoholics, and habitual users of narcotic drugs. Provides that, upon receipt of notice that any person has been legally adjudicated incompetent or has been involuntarily committed to an institution for the treatment of an alcohol abuse or substance disorder (previously, for the treatment of alcoholism or drug addiction), the Commissioner of Motor Vehicles (Commissioner) must conduct a factual inquiry to determine whether the person is competent to operate a motor vehicle. Current law provides that the Commissioner must consider the clerk of court's recommendation regarding whether the incompetent person should be allowed to retain his or her driving privilege if the person has been adjudicated incompetent under GS Chapter 35A (Incompetency and Guardianship). This act replaces that language, and instead requires the Division of Motor Vehicles (DMV) to immediately revoke a person's driving privilege when a clerk of court recommends that any person's driving privilege be revoked in any incompetency adjudication order under GS Chapter 35A. Additionally, if the clerk of court recommends that the person retain their driving privilege or makes no recommendation in any incompetency adjudication order under GS Chapter 35A, the DMV must determine whether the person can retain their driving privilege, based upon a factual inquiry. Current law allows a person who has had their license revoked under this provision to request a hearing in writing, retain their license until after the hearing, and, if the revocation is sustained, pursue a right to review by the review board upon written request filed with the DMV under GS 20-9(g)(4) within 10 days of the notice of revocation. This act removes the right to request a hearing after revocation, and instead allows any person whose driving privilege is revoked under the provision to have a right to a review by the review board upon written request filed with the DMV under GS 20-9(g)(4) within 10 days of the notice of revocation. Makes language gender-neutral. Effective February 1, 2018, and applies to adjudications on or after that date.

Amends GS 20-16.5 (Immediate civil license revocation for certain persons charged with implied-consent offenses), GS 20-49 (Police authority of Division), GS 20-49.1 (Supplemental police authority of Division officers and agents), GS 20-53 (Application for specially constructed, reconstructed, or foreign vehicle), and GS 20-108 (Vehicles or component parts of

vehicles without manufacturer's numbers) to replace all references to DMV license and theft inspectors to instead refer to them as DMV license and theft agents. Additionally, makes language gender-neutral. Amends GS 20-49.1 to expand the existing supplemental police authority granted to DMV officers to DMV agents. Amends GS 20-108 to expand the existing authority granted to DMV officers to DMV agents to take into custody a motor vehicle or a component part if its engine number, vehicle identification number, or manufacturer's serial number has been altered, changed, or obliterated if the officer has probable cause to believe the person has violated subsection (a) (concerning buying, selling or possessing stolen vehicles or parts without manufacturer's numbers for concealing or misrepresenting its identity).

Amends GS 20-50(b), which authorizes the DMV to issue a temporary license plate for a vehicle, to bar the DMV from issuing more than two 10-day temporary license plates to a person for a particular vehicle during an annual registration period, except for a vehicle that is model year 1980 or older and is being transported directly to or from a vehicle show or exhibition. Effective January 1, 2018, and applies to applications received on or after that date.

Amends GS 20-57(b), which sets out the requirements of a vehicle registration card, by removing the requirement that there be a space for the owner's signature on the registration card.

Currently, GS 20-288(a1) requires used motor vehicle dealers to submit proof of completion of a course approved by the DMV with their application for a license, which requires a 12-hour licensing course, or renewal of their license, which requires a six-hour course. Current law excepts from this course requirement persons age 62 or older as of July 1, 2002, who are seeking a renewal license. This act eliminates this exception, and instead excepts from the course requirement any person who is seeking a renewal license who is age 60 or older, and who has been licensed for at least 10 consecutive years beginning on or after the person's 50th birthday. Effective January 1, 2018, and applies to renewals on or after that date.

Amends GS 20-7(f)(1) by extending the duration of a provisional license issued to a person under age 18, to the sixtieth day following the person's 21st birthday (was, expires on the person's 21st birthday). Amends GS 20-7(f)(6), which authorizes remote renewal of a driver's license issued by the DMV. Expands the existing requirements and waiver of requirements in GS 20-7(f)(6) to include the remote conversion of a full provisional license. Defines *remote renewal or conversion* as the renewal or conversion of a driver's license or full provisional license by mail, telephone, electronic device, or other secure means approved by the Commissioner. Makes the following changes to the requirements to be eligible for remote renewal and conversion. Requires the license holder to (1) possess a valid Class C drivers license or (2) possess a valid full provisional license and be at least 18 years old at the time of the remote conversion request (previously, required the license holder to possess a valid, unexpired Class C driver's license that was issued when the person was at least 18 years old). Allows the license holder to comply with the address verification requirement by providing the address where the license holder resides at the time of the remote renewal or conversion request (previously, required to verify holder is a state resident and currently resides at the address on the license, with no option to provide a new current address to comply with the requirement). Limits the requirement that the most recent renewal was an in-person renewal and not a remote renewal to only remote renewals, not remote conversions. Effective March 1, 2018.

Amends GS 20-79.1(d)(3), concerning temporary registration plates or markers by purchasers of motor vehicles, to expand the time limit under which a dealer must deliver the application and fees for a temporary registration plate or marker to the DMV or local license agency for processing from 10 working days to 20 working days. Applies to sales made on or after when the act becomes effective.

Amends GS 20-37.7, which contains the provisions for special identification cards. Deletes the provisions in subsection (d) relating to the expiration of special identification cards and instead provides that a special identification card must be issued and renewed pursuant to the new provisions of subsection (d), which provide: (1) for persons under age 18, a special identification card expires on the birthday of the holder in the fifth year after issuance; (2) for persons age 18 or older, a special identification card expires on the birthday of the holder in the eighth year after issuance; (3) for persons holding valid documentation issued by or under authority of the United States that demonstrates the person's legal presence of limited duration, a special identification card expires no later than the expiration of the authorization of the person's legal presence in the United States; and (4) for renewal, a person must apply to the DMV to renew a special identification card during the 180-day period before the card expires. Moves the existing fee language with its seven exceptions in current subsection (d) to subsection (d1), and makes the fee applicable to new or renewed special identification cards. Creates a new subsection (d2), effective December 1, 2017, to provide for remote renewal of special identification cards issued by the DMV, which tracks the provisions relating to the requirements of the remote renewal of a drivers license in GS 20-7(f)(6), as amended by this act. Moves existing language in subsection (d1) to new subsection (d3) relating to the requirement of the DMV to adopt rules allowing for application for or renewal of special

identification cards by means other than personal appearance for a person who has a severe disability causing the person to be homebound. Creates new subsection (d4) that requires the DMV to issue a temporary identification certificate valid for 60 days that is only valid for identification purposes for conducting business with the DMV and not prohibited by federal law. Requires the DMV to send the special identification card by first-class mail or post office box, as specified. Effective December 1, 2017, and applies to initial applications and renewals on or after that date. Makes conforming changes to statutory references to GS 20-37.7 and its specific subsections in GS 20-9.2 and GS 163-275, effective December 1, 2017.

Amends GS 20-49.1 to expand the list of situations where the Commissioner and the officers and inspectors of the DMV whom the Commissioner designates have the authority to enforce criminal laws. Adds that, when the Commissioner, its officers, or inspectors are responding to an emergency situation that is occurring in their immediate vicinity and that would likely result in bodily harm or loss of property without immediate intervention, the Commissioner, the officers, and the inspectors of the DMV have the authority to enforce criminal laws.

Repeals GS 20-37.01 and GS 20-37.02(e), which established the Drivers License Technology Fund and authorized sources of funding for the Fund.

Makes a technical correction to GS 58-37-1(6), which defines *motor vehicle* as it is used in Article 37 (North Carolina Motor Vehicle Reinsurance Facility) of GS Chapter 58.

Part III: Effective Date

Except as otherwise provided, this act is effective July 1, 2017.

Intro. by Rabon, Harrington.

GS 20, GS 136, GS 143

[View summary](#)

Business and Commerce, Courts/Judiciary, Motor Vehicle, Development, Land Use and Housing, Property and Housing, Government, Public Safety, State Agencies, Department of Transportation, State Government, State Personnel, Health and Human Services, Health, Mental Health, Transportation

S 7 (2017-2018) **UNEMPLOYMENT INSURANCE TECHNICAL CHANGES**. Filed Jan 25 2017, *AN ACT TO MAKE TECHNICAL, ADMINISTRATIVE, AND CLARIFYING CHANGES TO THE UNEMPLOYMENT INSURANCE LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON UNEMPLOYMENT INSURANCE*.

Identical to [H 5](#), filed 1/25/17.

Part I: Disaster Unemployment Insurance

Makes the following changes to GS Chapter 96, which sets out Employment Security Law. Effective October 1, 2016.

Amends GS 96-11.3(b), which provides for situations where unemployment benefits paid to an individual may not be charged to the individual's employer's account where the employer is a period base employer. Currently, the second situation where benefits paid to an individual may not be charged to the employer's account is where benefits were paid to an individual for unemployment due directly to a major natural disaster declared by the President under the Disaster Relief Act of 1970, and the individual receiving the benefits would have been eligible for disaster unemployment assistance under that federal act if the individual had not received benefits under GS Chapter 96. Updates and replaces the second situation to provide that benefits paid to an individual may not be charged to the employer's account where they were paid to an individual for unemployment due directly to a disaster covered by a federal disaster declaration. Amends GS 96-1 to define federal disaster declaration to mean a declaration of a major natural disaster by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, provided that the declaration allows disaster unemployment under the federal act.

Amends GS 96-14.1(b), which sets out provisions for a valid claim for unemployment benefits by an individual under GS Chapter 96. Provides an exception for a claim for unemployment due directly to a disaster covered by a federal disaster declaration to the standard one-week waiting period an individual must serve for each claim filed, so that no waiting period applies.

Amends GS 96-14.9, which sets out the provisions for the weekly certification of an individual's eligibility for unemployment benefits. Adds a new subsection (l) to provide that an individual who is unemployed due directly to a disaster covered by a federal disaster declaration has satisfied the work search requirements under subsection (b) for any given week in the benefit period unless the Department of Commerce, Division of Employment Security requires the individual to conduct a work search.

Part II: Paid Time Off Excluded From Severance Pay

Amends GS 96-15.01, which sets out provisions for establishing a benefit year for the administration of unemployment benefits.

Amends subsection (c) by establishing that an individual is not unemployed during a calendar week if the individual receives or will receive remuneration in any form as a result of the individual's separation from work (previously, forms of remuneration were specified as wages in lieu of notice, accrued vacation pay, terminal leave pay, severance pay, separation pay, and dismissal payments or wages by whatever name). Additionally, establishes that any amount paid to an individual for paid time off that was available but unused before the individual's separation under a written policy in effect before the separation are not remuneration as a result of separation under the statute. Effective July 1, 2017, and applies to claims for benefits filed on or after that date.

Part III: Miscellaneous Changes

GS 96-9.7(a) imposes a surtax on an employer who is required to make a contribution to the Unemployment Insurance Fund equal to 20% of the contribution due under GS 96-9.2. Amends GS 96-9.7(b) to provide that the surtax under subsection (a) does not apply in a calendar year if, as of September 1 of the preceding calendar year (previously, as of the preceding August 1 computation date), the amount in the State's account in the Unemployment Trust Fund equals or exceeds \$1 billion.

Amends 96-15(b)(2), which provides for adjudication when (1) a protest is made by a claimant to the initial or monetary determination, or (2) a question or issue is raised as to the claimant's eligibility, whether any disqualification should be imposed, or benefits denied or adjusted. Reduces the required time period for which any interested employer must be allowed to file its protest of the claim in order to have the claim referred to an adjudicator from 14 days from the mailing or delivery of the notice of the filing of the claim against the employer's account to 10 days. Makes conforming changes.

Effective July 1, 2017, and applies to claims for benefits filed on or after that date, and applies to tax calculations on or after that date.

Part IV: Federal Conforming Changes

Makes the following changes to GS 96-11.7, concerning the transfer of an employer's unemployment insurance account due to the acquisition of a business.

Changes the title of the statute and descriptors of the subsections of the statute.

Provides in subsection (a) (Acquisition of a Business, previously Mandatory Transfer) that when an employer acquires all of the business (was, organization, trade, or business) of another employer, the account of the predecessor must be transferred as of the date of the acquisition to the successor for use in the determination of the successor's contribution rate. Removes the provision that provided for the successor's contribution rate to be determined without regard to the predecessor's contribution rate when there is no common ownership between the predecessor and the successor and the successor acquired the assets in a sale in bankruptcy.

Provides in subsection (b) (Acquisition of a Portion of a Business, previously Consent) that when a distinct and severable portion of an employer's business (was, organization, trade, or business) is transferred to a successor employer and the successor employer continues to operate the acquired business, the portion of the account attributable to the transferred business, with the approval of the Department of Commerce, Division of Employment Security (Division), may be transferred by mutual consent to the successor employer as of the date of the transfer. Previously, subsection (b) did not provide that the transfer of the related account be as of the date of the transfer. Sets out that the successor employer requesting the transfer may make a request for transfer by filing an application for transfer with the Division of Employment Security within two years after the date the business was transferred (previously provided another option to file an application within two years of notification by the Division of the right to request an account transfer). Makes conforming changes to eliminate distinctions between applications approved and filed within 60 days of notification by the Division and the effective date of transfer of the account.

Provides in subsection (c) (Acquisition by Related Party, previously Continuity of Control) that if an employer transfers all or part of its business to another person and, at the time of the transfer, there is substantially common ownership, management or control

of the predecessor employer and the transferee, then it is mandatory that the portion of the account attributable to the transferred business be transferred to the transferee as of the date of the transfer. Previously, subsection (c) required the Division of Employment Security to assign any new employer with continuity of control to the employer account of the existing business enterprise. Makes conforming changes to replace 'continuity of control' language throughout the subsection with 'substantially common ownership, management or control.' Sets out that substantially common ownership, management or control exists if one or more persons, entities, or other organizations owning, managing, or controlling the business remain in ownership, management or control of the transferee. Makes additional conforming changes.

Adds new subsection (c1) to bar the Division of Employment Security from transferring the account of the predecessor employer if the Division finds that a person acquired the business solely or primarily for the purpose of obtaining a lower contribution rate.

Replaces the existing language of subsection (d), which sets out the provisions for determining an employer's contribution rate relating to account transfers. Provides instead that, if the effective date of a transfer of an account under the statute is after the computation date in a calendar year, the Division of Employment Security must recalculate the contribution rate for the transferring employer and the transferee based on their account balances on the effective date of the account transfer.

Adds new subsection (g) to set out provisions similar to the existing language of subsection (c) that was replaced by the act above. Provides that any transferee with substantially common ownership, management or control of an existing business cannot request or maintain an account with the Division other than the account of the existing business, and that the Division is required to recalculate the annual tax rates based on the combined annual account balances of the new employer and the existing business if the Division finds a transferee received a new account and the new employer has substantially common ownership, management or control with an existing business.

Makes technical changes. Effective July 1, 2017.

Intro. by Wells, Alexander.

[GS 96](#)

[View summary](#)

[Employment and Retirement, Health and Human Services, Social Services, Public Assistance](#)

S 8 (2017-2018) [EASE OCC. LIC. BURDENS ON MILITARY FAMILIES](#). Filed Jan 25 2017, *AN ACT TO EASE OCCUPATIONAL LICENSING BURDENS ON MILITARY FAMILIES BY ALLOWING MILITARY MEMBERS AND THEIR SPOUSES TO PRACTICE THEIR PROFESSIONS UNDER LICENSURE FROM ANOTHER STATE WHILE TRANSITIONING TO THE REQUIREMENTS OF THE LICENSING BOARDS OF NORTH CAROLINA.*

Amends GS 93B-15.1, concerning the occupational licensure of individuals with military training and experience, and to military spouses, to require that a license, certification, registration, or temporary practice permit issued under the statute must be provided free of cost to the applicant. Makes conforming changes. Clarifies that nothing in the statute is to be construed to prohibit an occupational licensing board from charging its ordinary fee for applications for renewal.

Requires an occupational licensing board to issue a temporary permit (previously, discretionary) to a military trained applicant or spouse that is licensed, certified, or registered in another jurisdiction while the applicant or spouse is satisfying the requirements for licensure under the statute. Removes qualifications that the license, certification, or registration from another jurisdiction have substantially equivalent standards of an occupational licensing board in the State. Establishes that the temporary permit is valid for the later of one year or the required renewal date for the occupation the temporary permit was issued for, or until a license, certification, or registration is granted by the occupational licensing board (previously, only valid until license granted or notice to deny license issued).

Effective July 1, 2017, and applies to applications submitted on or after that date.

Intro. by Wells, Brown, Pate.

[GS 93B](#)

[View summary](#)

[Business and Commerce, Occupational Licensing, Military and Veteran's Affairs](#)

S 9 (2017-2018) [ED. FINANCE REFORM TASK FORCE/PED REPORT](#). Filed Jan 25 2017, *AN ACT TO ESTABLISH THE JOINT LEGISLATIVE TASK FORCE ON EDUCATION FINANCE REFORM, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE.*

Identical to [H 6](#), filed 1/25/17.

Creates the 18-member Joint Legislative Task Force on Education Finance Reform (Task Force). Sets out membership of the Task Force to be nine members each appointed by the Senate President Pro Tempore and Speaker of the House. Directs the President Pro Tempore and the Speaker to each appoint a cochair to the Task Force from among the membership. Requires the appointments to be made no later than September 1, 2017.

Directs the Task Force to consult with the State Board of Education and the Department of Public Instruction to study various weighted student formula finding models and develop a new funding model for the elementary and secondary public schools of the state based on a weighted student formula. Sets out the following six tasks the Task Force must complete: (1) review the state's current public school allotment system; (2) determine the base amount of funds that must be distributed per student to cover the cost of educating a student in the state; (3) identify and associate weights to student characteristics eligible for weighted funding; (4) resolve the extent to which the base amount of funds distributed would be adjusted based on the characteristics of each local school administrative unit; (5) decide which, if any, funding elements would remain outside the base of funds distributed under a weighted student formula; and (6) study any other issue the Task Force considers relevant.

Provides additional direction regarding the setting of meetings, staffing, and the general operation of the Task Force.

Requires meetings of the Task Force to begin no later than October 1, 2017, and for the Task Force to submit a final report on the results of its study and recommendations to the Joint Legislative Oversight Committee on or before July 1, 2018, as specified.

Requires the Task Force to terminate on July 1, 2018, or upon the filing of its final report, whichever occurs first.

Intro. by Foushee, McInnis, Krawiec.

[STUDY](#)

[View summary](#)

[Education, Elementary and Secondary Education](#)

S 11 (2017-2018) [REGULATE PESTICIDE APPLICATION IN RESTAURANTS](#). Filed Jan 25 2017, *AN ACT REQUIRING THE COMMISSION FOR PUBLIC HEALTH TO AMEND THE RULES GOVERNING THE FOOD PROTECTION AND SANITATION OF FOOD ESTABLISHMENTS TO ENSURE THAT POISONOUS OR TOXIC MATERIALS FOR CONTROLLING ANIMAL AND VERMIN ARE APPLIED WHEN ESTABLISHMENTS ARE CLOSED TO THE PUBLIC AND IN A MANNER THAT PROTECTS AGAINST THE CONTAMINATION OF FOOD OR FOOD PREPARATION AREAS.*

Amends GS 130A-248(a3) concerning the Commission for Public Health (Commission), directing the Commission to adopt rules for food protection and the sanitation of food establishments that ensure poisonous or toxic materials used for controlling animals and vermin are applied during hours when the food establishment is closed to the public and used in a manner that does not contaminate food or food preparation areas.

Allows the Commission to adopt temporary rules to implement the provisions of GS 130A-248(a3), as amended by this act.

Intro. by Dunn, Lowe.

[GS 130A](#)

[View summary](#)

[Business and Commerce, Health and Human Services, Health, Public Health](#)

S 12 (2017-2018) [VETERANS MEMORIAL/FUNDS](#). Filed Jan 25 2017, *AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF MILITARY AND VETERANS AFFAIRS.*

Appropriates \$250,000 in nonrecurring funds from the General Fund to the Department of Military and Veterans Affairs for the 2017-18 fiscal year to be allocated to the North Carolina Veterans Memorial, Inc. for construction of public facilities at the North Carolina Veterans Memorial Pavilion in Broadway, North Carolina.

Effective July 1, 2017.

Intro. by Rabin.

[APPROP](#)

[View summary](#)

[Government, Budget/Appropriations, State Agencies,
Department of Military & Veterans Affairs](#)

LOCAL/HOUSE BILLS

H 4 (2017-2018) [FAIRMONT/VOLUNTARY ANNEXATION](#). Filed Jan 25 2017, *AN ACT ADDING CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FAIRMONT.*

As title indicates, adds described property to Fairmont's corporate limits. Effective June 30, 2017.

Intro. by Pierce.

[Robeson](#)

[View summary](#)

H 8 (2017-2018) [EVEN YR MUNICIPAL ELECTION/TOWNS OF TROY/STAR](#). Filed Jan 25 2017, *AN ACT TO PROVIDE THAT REGULAR MUNICIPAL ELECTIONS IN BOTH THE TOWN OF TROY AND THE TOWN OF STAR SHALL BE HELD IN EVEN-NUMBERED YEARS.*

Amends Section 1 of SL 1957-125 to provide that, beginning in 2018, Town Council municipal elections for the Town of Troy must be held in even-numbered years. Provides that the mayor whose term expires in 2017 must continue to serve until 2018, and thereafter, the mayor is to be elected for a term of two years. Replaces the existing provisions concerning the election of commissioners, and instead provides that in 2017, three commissioners are to be elected for five-year terms, and the two commissioners whose terms expire in 2019 are to continue to serve until 2020. Provides that in 2020 and quadrennially thereafter, two commissioners are to be elected to serve four-year terms, and in 2022 and quadrennially thereafter, three commissioners are to be elected to serve four-year terms. Makes technical changes.

Amends Section 1 of SL 1957-448 to provide that, beginning in 2018, Town Council municipal elections for the Town of Star must be held in even-numbered years. Makes changes identical to the changes made to Section 1 of SL 1957-125, relating to the election and terms of the mayor and commissioners. Makes technical changes.

Intro. by Burr.

[Montgomery](#)

[View summary](#)

H 12 (2017-2018) [STANLY CC/BD. OF TRUSTEES](#). Filed Jan 25 2017, *AN ACT TO MODIFY THE APPOINTMENT METHOD OF THE STANLY COMMUNITY COLLEGE BOARD OF TRUSTEES.*

Amends GS 115D-12, as amended by SL 2011-175, to modify the appointment method for trustees of Stanly Community College, providing that the four trustees appointed under Group Two by the Governor must now be appointed by the General Assembly. The Speaker of the House of Representatives and the President Pro Tempore of the Senate must each recommend two individuals for appointment. The Speaker of the House will make recommendations for the terms expiring in 2017 and 2019, with the President Pro Tempore recommending individuals for terms expiring in 2018 and 2020.

Makes conforming and technical changes.

Amends the process for filling any vacancies that have occurred, requiring vacancies in Group One to be filled by the agencies authorized to select trustees for that group. Provides that if a vacancy is not filled within 60 days in Group One, then the Governor can fill the vacancy by appointment. Adds language requiring vacancies in Group Two to be filled pursuant to GS 120-122 (Vacancies in legislative appointments) (previously, all vacancies were to be filled by the agency or agencies authorized to select the trustees of that group).

Provides that the current members of the Stanly Community College Board of Trustees will serve the remainder of their terms. As terms expire or a vacancy occurs trustee members will be appointed in accordance with GS 115D-12, as amended by this act. If a vacancy occurs in a Group Two seat that was appointed by the Governor, that seat will be filled by joint recommendation of the Speaker of the House and President Pro Tempore of the Senate. Once that term expires, the new trustee will be appointed in accordance with GS 115D-12, as amended by this act.

This act applies only to Stanly Community College.

Intro. by Burr.

[Stanly](#)

[View summary](#)

[Education, Higher Education](#)

H 14 (2017-2018) [MONTGOMERY CC/BD. OF TRUSTEES](#). Filed Jan 25 2017, *AN ACT TO MODIFY THE APPOINTMENT METHOD OF THE MONTGOMERY COMMUNITY COLLEGE BOARD OF TRUSTEES*.

Amends GS 115D-12, to modify the appointment method for trustees of Montgomery Community College, providing that the four trustees appointed under Group Three by the Governor must now be appointed by the General Assembly. The Speaker of the House of Representatives and the President Pro Tempore of the Senate must each recommend two individuals for appointment. The Speaker of the House will make recommendations for the terms expiring in 2018 and 2020, with the President Pro Tempore recommending individuals for terms expiring in 2017 and 2019.

Amends process for filling any vacancies that have occurred, requiring vacancies in Groups One and Two to be filled by the agencies authorized to select trustees for those groups. Provides that if a vacancy is not filled within 60 days in Group One or Two, then the Governor can fill the vacancy by appointment. Adds language requiring vacancies in Group Three to be filled pursuant to GS 120-122 (Vacancies in legislative appointments) (previously, all vacancies were to be filled by the agency or agencies authorized to select the trustees of that group).

Provides that the current members of the Montgomery Community College board of trustees will serve the remainder of their terms. As terms expire or a vacancy occurs, trustee members will be appointed in accordance with GS 115D-12, as amended by this act. If a vacancy occurs in a Group Three seat that was appointed by the Governor, that seat will be filled by joint recommendation of the Speaker of the House and President Pro Tempore of the Senate. Once that term expires, the new trustee will be appointed in accordance with GS 115D-12, as amended by this act.

This act only applies to Montgomery Community College.

Intro. by Burr.

[Montgomery](#)

[View summary](#)

[Education, Higher Education](#)

H 20 (2017-2018) [SCHOOL CALENDAR FLEXIBILITY/ALAMANCE COUNTY](#). Filed Jan 25 2017, *AN ACT TO PROVIDE ADDITIONAL FLEXIBILITY TO ALAMANCE-BURLINGTON SCHOOLS IN ADOPTING THE SCHOOL CALENDAR*.

Under current law, GS 115C-84.2(d) sets the parameters within which local boards of education must determine the opening and closing dates of public schools under subdivision (a)(1) of this statute. Amends GS 115C-84.2(d) to provide the local board of

education for the Alamance-Burlington Schools with additional flexibility in adopting its school calendar. Limits application of this provision to the Alamance-Burlington School System.

Applies beginning with the 2017-18 school year.

Intro. by Riddell, Ross.

[Alamance](#)

[View summary](#)

[Education, Elementary and Secondary Education](#)

LOCAL/SENATE BILLS

S 4 (2017-2018) [42ND SENATORIAL DISTRICT LOCAL ACT-1](#). Filed Jan 25 2017, *AN ACT RELATING TO THE 42ND SENATORIAL DISTRICT*.

Blank bill.

Intro. by Wells.

[Alexander, Catawba](#)

[View summary](#)

S 5 (2017-2018) [MECKLENBURG/POLICE COUNTYWIDE JURISDICTION](#). Filed Jan 25 2017, *AN ACT GRANTING COUNTYWIDE JURISDICTION TO THE POLICE DEPARTMENTS OF THE TOWNS OF CORNELIUS, DAVIDSON, HUNTERSVILLE, MATTHEWS, MINT HILL, AND PINEVILLE*.

Amends Section 1 of SL 1969-1170 to allow the Mecklenburg County Board of Commissioners (BOC) to authorize the police departments of the towns of Cornelius, Davidson, Huntersville, Matthews, Mint Hill, and Pineville, in addition to the existing authorization for the City of Charlotte police, to exercise general policing power throughout the unincorporated areas of Mecklenburg County, as designated by the Board of Commissioners. However, removes service of civil process from the grant of jurisdiction, authority, powers, and rights. Provides that officers will have the same privileges and immunities in this extended jurisdiction as in their respective municipality, as long as the municipality and Mecklenburg County enter into an agreement setting forth guidelines and procedures for implementation of this act. Provides that the BOC cannot approve this extended exercise of power and authority to unincorporated areas of the county that fall within the sphere of influence or extraterritorial jurisdiction of another municipality, unless such a municipality consents in writing. Clarifies that nothing in this section restricts or prohibits the authority already granted to the police officers of the City of Charlotte over unincorporated areas of the county as it stands on or before the date this act becomes effective. Further, clarifies that nothing in this section restricts or prohibits the Sheriff of Mecklenburg County from exercising the powers and authority of the Sheriff's Office. Makes conforming and clarifying changes.

Intro. by Tarte, Bishop, J. Jackson.

[Mecklenburg](#)

[View summary](#)

[Government, Public Safety](#)

S 6 (2017-2018) [CORNELIUS ANNEXATION](#). Filed Jan 25 2017, *AN ACT ADDING CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF CORNELIUS*.

As title indicates. Effective June 30, 2017.

Intro. by Tarte.

[Mecklenburg](#)

[View summary](#)

S 10 (2017-2018) [18TH SENATORIAL DISTRICT LOCAL ACT-1](#). Filed Jan 25 2017, *AN ACT RELATING TO THE 18TH SENATORIAL DISTRICT*.

Blank bill.

Intro. by Barefoot.

[Franklin, Wake](#)

[View summary](#)

S 13 (2017-2018) [SANFORD OCCUPANCY TAX](#). Filed Jan 25 2017, *AN ACT TO AUTHORIZE THE CITY OF SANFORD TO LEVY AN OCCUPANCY TAX*.

Authorizes the Sanford City Council to levy a room occupancy tax of up to 3%. Provides that the tax must be levied, administered, collected, and repealed as provided in GS 160A-215 (uniform provisions for room occupancy taxes). Requires the Sanford Tourism Development Authority (TDA) to use at least two-thirds of the occupancy tax proceeds to promote travel and tourism in the city and the remainder for the operation, maintenance, promotion, and renovation of the Dennis A. Wicker Civic Center. Provides for the appointment, membership, and duties of the TDA. Mandates that at least one-third of the members of the TDA must be affiliated with businesses that collect the tax in the city and at least one-half must be currently active in the city's travel and tourism promotion. Requires the TDA to make reports quarterly and at the close of the fiscal year to the Sanford City Council on its receipts and expenditures for the preceding quarter and for the year. Makes conforming changes.

Makes conforming changes to GS 160A-215(g).

Intro. by Rabin.

[Lee](#)

[View summary](#)

[Government, Tax](#)

ACTIONS ON BILLS

PUBLIC BILLS

H 2: PROVIDE CERTAIN PROPERTY TAX RELIEF.

House: Filed

H 3: EMINENT DOMAIN CONST. AMENDMENT.

House: Filed

H 5: UNEMPLOYMENT INSURANCE TECHNICAL CHANGES.

House: Filed

H 6: ED. FINANCE REFORM TASK FORCE/PED REPORT.

House: Filed

H 7: LRC/STRENGTHEN SAVINGS RESERVE.

House: Filed

H 9: ALLOW ELECTION DAY SERVICE - RETIRED LEOS.

House: Filed

H 10: EMINENT DOMAIN STATUTORY REVISIONS.

House: Filed

H 11: HANDICAP PARKING PRIVILEGE CERTIFICATION.

House: Filed

H 13: CLASS SIZE REQUIREMENT CHANGES.

House: Filed

H 15: PUBLIC AUTHORITY/PERMANENT PLATES.

House: Filed

H 16: ENHANCE OVERSIGHT OF SERVICE CONTRACTS/PED.

House: Filed

H 17: OFFICE OF STATE AUDITOR/CORRECTIVE ACTION/PED.

House: Filed

H 18: STATE AGENCIES MUST USE EPROCUREMENT/PED.

House: Filed

H 19: SELECTION OF CHAIR & VICE-CHAIR/COUNTY BOCS.

House: Filed

H 21: DRIVER INSTRUCTION/LAW ENFORCEMENT STOPS.

House: Filed

H 22: BOR/INDEPENDENT STAFF/DATA TRACKING.

House: Filed

S 3: DOT/DMV CHANGES.

Senate: Filed

S 7: UNEMPLOYMENT INSURANCE TECHNICAL CHANGES.

Senate: Filed

S 8: EASE OCC. LIC. BURDENS ON MILITARY FAMILIES.

Senate: Filed

S 9: ED. FINANCE REFORM TASK FORCE/PED REPORT.

Senate: Filed

S 11: REGULATE PESTICIDE APPLICATION IN RESTAURANTS.

Senate: Filed

S 12: VETERANS MEMORIAL/FUNDS.

Senate: Filed

LOCAL BILLS

H 4: FAIRMONT/VOLUNTARY ANNEXATION.

House: Filed

H 8: EVEN YR MUNICIPAL ELECTION/TOWNS OF TROY/STAR.

House: Filed

H 12: STANLY CC/BD. OF TRUSTEES.

House: Filed

H 14: MONTGOMERY CC/BD. OF TRUSTEES.

House: Filed

H 20: SCHOOL CALENDAR FLEXIBILITY/ALAMANCE COUNTY.

House: Filed

S 4: 42ND SENATORIAL DISTRICT LOCAL ACT-1.

Senate: Filed

S 5: MECKLENBURG/POLICE COUNTYWIDE JURISDICTION.

Senate: Filed

S 6: CORNELIUS ANNEXATION.

Senate: Filed

S 10: 18TH SENATORIAL DISTRICT LOCAL ACT-1.

Senate: Filed

S 13: SANFORD OCCUPANCY TAX.

Senate: Filed

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