

## The Daily Bulletin: 2017-01-26

### PUBLIC/HOUSE BILLS

H 23 (2017-2018) [TEACHERS/ISOLATED K-12 SCHOOLS](#). Filed Jan 26 2017, *AN ACT TO PROVIDE FOR TEACHER ALLOTMENTS FOR GEOGRAPHICALLY ISOLATED K-12 SCHOOLS*.

Amends GS 115C-301 to direct the State Board of Education to allot additional teachers to K-12 schools that meet at least one of the following criteria for geographic isolation: (1) located in a school administrative unit (LEA) in which average daily membership is less than 1.5 per square mile or (2) located in an LEA for a county with more than 150,000 acres of federally owned National Forest managed by the US Forest Service under GS 104-5. Directs the SBE to allot teachers to geographically isolated schools on the basis of one classroom teacher per grade level and to allot teachers to the rest of the LEA using the regular teacher allotment formula.

Appropriates \$1,527,006 for 2017-18 and \$1,527,006 for 2018-19 from the General Fund to the Department of Public Instruction to implement the provisions of this act.

Effective July 1, 2017.

**Intro. by Corbin.**

[APPROP, GS 115C](#)

[View summary](#)

[Education, Elementary and Secondary Education,  
Government, Budget/Appropriations, State Agencies,  
Department of Public Instruction, State Board of Education](#)

H 24 (2017-2018) [STUDY UNFUNDED LIABILITY/RETIREE HEALTH FUND](#). Filed Jan 26 2017, *AN ACT TO ESTABLISH A JOINT COMMITTEE TO STUDY THE UNFUNDED LIABILITY OF THE RETIREE HEALTH BENEFIT FUND, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE*.

Creates the Joint Legislative Committee on the Unfunded Liability of the Retiree Health and Benefit Fund (the Committee). Sets out the membership of the Committee to be 13 total members, with five each appointed by the President Pro Tempore of the Senate and the Speaker of the House, with the State Treasurer and the Executive Administrator of the State Health Plan, or their designees, and a representative of the Board of Trustees of the State Health Plan for Teachers and State Employees selected by the Board, serving as ex officio nonvoting members. Provides that cochairs are to be appointed by the President Pro Tempore and the Speaker from the Committee's membership.

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

Directs the Committee to examine seven specified options for reducing the unfunded liability of the Retiree Health Benefit Fund (Fund), including increasing the Fund's assets through appropriation by the General Assembly, increasing the costs of retiree benefits borne by the federal government, transitioning the retiree benefit to a defined contribution model, reducing the number of those eligible for the benefit by increasing the service time requirements for the benefit or eliminating certain groups, requiring employees to contribute to the Fund, and increasing the amount that retirees pay for their health benefits by increasing premiums or out-of-pocket costs.

Requires the Committee to issue a final report of its findings and recommendations to the 2018 General Assembly. Requires the Commission to terminate upon the filing of its final report or upon the convening of the 2018 General Assembly, whichever occurs first.

**Intro. by Hurley, R. Turner.**

[STUDY](#)

[View summary](#)

**Employment and Retirement, Government, State  
Government, State Personnel, Health and Human Services,  
Health, Health Insurance**

H 26 (2017-2018) [WORKERS' COMP/APPROVAL OF DISPUTED LEGAL FEES](#). Filed Jan 26 2017, *AN ACT TO AMEND THE WORKERS' COMPENSATION ACT REGARDING THE APPROVAL OF DISPUTED LEGAL FEES BY THE INDUSTRIAL COMMISSION.*

Current law under the Workers' Compensation Act (Article 1, GS Chapter 97) requires attorneys seeking fees for services rendered to an employee pursuant to the Act to request prior approval of the attorneys' fees by the Industrial Commission (Commission) before collection. Under subsections (c) and (f) of GS 97-90, the Commission is authorized to determine the allowance for attorneys' fees and to determine disputes between an employee's current and past attorney(s) regarding division of the approved fee. This act requires the Commission to give notice, before ordering the division of a fee, to each of the employee's current and past attorneys of the total fee approved by the Commission for division between those attorneys. Additionally, clarifies that an attorney who is an interested party (previously, a party) to an action under subsection (f) has the same rights of appeal under subsection (c).

Applies to claims pending on or after the date the act becomes law.

**Intro. by Watford, Zachary.**

[GS 97](#)

[View summary](#)

**Employment and Retirement**

## **PUBLIC/SENATE BILLS**

S14 (2017-2018) [LRC/STRENGTHEN SAVINGS RESERVE](#). Filed Jan 26 2017, *AN ACT TO STRENGTHEN THE SAVINGS RESERVE, AS RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION.*

Identical to [H 7](#) filed on 1/25/17.

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 B. Jackson, Brown, Harrington.**

[GS 142, GS 143C, GS 147](#)

[View summary](#)

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

S 15 (2017-2018) [TEACHERS/ISOLATED K-12 SCHOOLS](#). Filed Jan 26 2017, *AN ACT TO PROVIDE FOR TEACHER ALLOTMENTS FOR GEOGRAPHICALLY ISOLATED K-12 SCHOOLS*.

Identical to [H 23](#), filed 1/26/17.

Amends GS 115C-301 to direct the State Board of Education to allot additional teachers to K-12 schools that meet at least one of the following criteria for geographic isolation: (1) located in a school administrative unit (LEA) in which average daily membership is less than 1.5 per square mile or (2) located in an LEA for a county with more than 150,000 acres of federally owned National Forest managed by the US Forest Service under GS 104-5. Directs the SBE to allot teachers to geographically isolated schools on the basis of one classroom teacher per grade level and to allot teachers to the rest of the LEA using the regular teacher allotment formula.

Appropriates \$1,527,006 for 2017-18 and \$1,527,006 for 2018-19 from the General Fund to the Department of Public Instruction to implement the provisions of this act.

Effective July 1, 2017.

**Intro. by J. Davis, Tillman.**

[APPROP, GS 115C](#)

**[Education, Elementary and Secondary Education,](#)**

S 16 (2017-2018) [AMEND ADMINISTRATIVE PROCEDURE LAWS](#). Filed Jan 26 2017, *AN ACT TO AUTHORIZE AGENCIES TO MAKE RULE TECHNICAL CORRECTIONS WITHOUT REVIEW BY THE RULES REVIEW COMMISSION AND TO AUTHORIZE THE CODIFIER OF RULES TO MAKE RULE TECHNICAL CORRECTIONS, TO CLARIFY THAT A PARTY MAY COMMENCE A CONTESTED CASE IN A DISPUTE WITH AN AGENCY WITHOUT PETITIONING THE AGENCY FOR RULE MAKING OR OBTAINING A DECLARATORY RULING, AND TO REVISE THE PROCESS FOR THE REVIEW AND READOPTION OF EXISTING RULES, AS RECOMMENDED BY THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE.*

Section 1.1 and 1.2

Changes the title of GS 150B-21.5 of the Administrative Procedure Act (APA) to Circumstances when notice and rule-making hearing not required; circumstances when submission to the Commission not required.

Amends subsection (a) to provide that an agency is not required to publish a notice of text in the North Carolina Register, hold a public hearing, or submit the amended rule to the Rules Review Commission (Commission) for review (previously, did not except submission of the amended rule to the Commission for review) when the agency proposes to amend a rule to do one of the specified purposes in subsection (a). Provides changes to a few of the specified purposes for which notice, a public hearing, and submission to the Commission for review are not required, which include (1) when the rule is amended to change information that is readily available to the public, such as an address, telephone number, or a web site (previously, did not include a web site) and (2) when the rule is amended to correct a typographical error (previously, correct a typographical error in the North Carolina Administrative Code). Further, moves the sixth purpose excepted in subsection (a) to new subsection (a1) to provide that an agency is not required to publish a notice of text in the Register or hold a public hearing when it proposes to change the rule in response to a request or an objection by the Commission, unless the Commission determines that the changes is substantial (note, not excepted from rule submission to the Commission in this circumstance).

Creates new subsection (e) to require any agency that adopts or amends a rule under subsection (a) or (c) of GS 150B-21.5 to notify the Codifier of Rules of its actions. Directs the Codifier of Rules to make the appropriate changes to the North Carolina Administrative Code when notified of such agency action.

Changes the title of GS 150B-21.20 of the APA to Codifier's authority to revise rules.

Amends the Codifier of Rules' authority to allow the Codifier, after consulting with the agency that adopted the rule, to revise a rule (previously, revise the form of a rule submitted for inclusion in the North Carolina Administrative Code) to do one or more of the specified objectives. Adds four objectives for which the Codifier may revise a rule: (1) to substitute one name for another when an organization or position is renamed; (2) to correct a citation in the rule to another rule or law when the citation has become inaccurate since the rule was adopted because of the repeal or renumbering of the cited rule or law; (3) to change information that is readily available to the public, such as an address, a telephone number, or a web site; or (4) to correct a typographical error.

Section 2.1 and 2.2

Divides existing GS 150B-22 (Settlement; contested case) into two subsections. Additionally, clarifies that a party or person aggrieved cannot be required to petition an agency for rule making or to seek or obtain a declaratory ruling before commencing a contested case under GS 150B-23 (provisions for commencement of a contested case). Makes conforming change to GS 150B-43 (Right to judicial review).

Section 3

Makes the following changes to the Administrative Procedure Act concerning the periodic review and expiration of existing rules. Eliminates the distinction between rules that are necessary with substantive public interest or necessary without substantive public interest under the provisions of GS 150B-21.3A. Eliminates those defined terms in subsection (a), and instead defines *necessary rule* to mean any rule other than an unnecessary rule. Makes conforming changes throughout GS 150B-21.3A to remove any language distinguishing necessary rules with or without substantive public interest.

Amends subsection (c) of GS 150B-21.3A, which sets out the review process an agency must conduct of its existing rules at least once every 10 years. Step 1 now requires the agency to evaluate all of its existing rules and submit a report to the Rules Review Commission that includes the agency's initial determination of whether an existing rule is necessary or unnecessary, all public comments the agency received during the comment period to the agency's initial determination, and the agency's response to the public comment. Step 2 of the rule review process requires the Rule Review Commission (Commission) to review the agency reports that are required in Step 1. In its review, the Commission must determine whether a public comment to a rule that the agency determined to be unnecessary in Step 1 has merit, and if the Commission determines that the public comment has merit, then the Commission must designate the rule as necessary. Currently, a public comment only has merit if it addresses the specific substance of a rule and relates to any of the standards for review of a rule by the Commission under GS 150B-21.9(a) (the four standards for review are whether the rule is within the agency's authority, whether the rule is clear and unambiguous, whether the rule is reasonably necessary, and whether the rule was adopted in accordance with Part 2 of Article 2A of GS Chapter 150B, Adoption of Rules). This act removes the requirement that the public comment has to relate to any of the standards for review by the Commission under GS 150B-21.9(a) to have merit for purposes of Step 2 of the rule review process under GS 150B-21.3A(c)(2). Makes conforming changes.

Section 3 applies to agency rule reports submitted to the Officer of Administrative Hearings pursuant to GS 150B-21.3A(c)(1) (Step 1 of the rule review process) on or after May 1, 2017.

**Intro. by Wells, Barringer, Daniel.**

[GS 150B](#)

[View summary](#)

[Government, APA/Rule Making, State Agencies](#)

## LOCAL/HOUSE BILLS

H 25 (2017-2018) [RANDOLPH COUNTY ZONING PROCEDURE CHANGES](#). Filed Jan 26 2017, *AN ACT TO ALLOW FOR PLANNING BOARDS TO HOLD HEARINGS AND MAKE FINAL DECISIONS FOR ZONING AMENDMENT REQUESTS IN RANDOLPH COUNTY AND MUNICIPALITIES LOCATED ENTIRELY OR PARTIALLY WITHIN RANDOLPH COUNTY.*

Amends GS 153A-343 (concerning zoning procedures as they relate to counties) and GS 160A-384 (concerning zoning procedures as they relate to cities and towns) in the following ways, applicable only to Randolph County and the municipalities located entirely or partially within Randolph County.

Allows the county board of commissioners or city council to delegate to the planning board, by ordinance, the authority to conduct the required public hearing for and to make the final decision on proposed zoning map amendments. Authorizes the county/city to set out procedures for the public hearing. Requires a final decision by the planning board by majority vote of its members.

Provides for an appeal to the board of commissioners or city council of the final decision by the planning board by writing the county/city manager within 15 days of the final decision. Requires the board of commissioners or city council to review the decision of the planning board de novo.

Allows the county/city to rescind or modify any authority delegated to the planning board under these statutes.

**Intro. by McNeill, Hurley.**

[Randolph](#)

[View summary](#)

[Development, Land Use and Housing, Land Use, Planning and Zoning](#)

## LOCAL/SENATE BILLS

Blank bill.

**Intro. by Tarte.**

Mecklenburg

[View summary](#)

## ACTIONS ON BILLS

### PUBLIC BILLS

#### **H 2: PROVIDE CERTAIN PROPERTY TAX RELIEF.**

*House: Passed 1st Reading*

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

#### **H 3: EMINENT DOMAIN CONST. AMENDMENT.**

*House: Passed 1st Reading*

*House: Ref To Com On Judiciary I*

#### **H 5: UNEMPLOYMENT INSURANCE TECHNICAL CHANGES.**

*House: Passed 1st Reading*

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

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

*House: Passed 1st Reading*

*House: Ref To Com On Education - K-12*

#### **H 7: LRC/STRENGTHEN SAVINGS RESERVE.**

*House: Passed 1st Reading*

*House: Ref To Com On Appropriations*

#### **H 9: ALLOW ELECTION DAY SERVICE - RETIRED LEOS.**

*House: Passed 1st Reading*

*House: Ref To Com On State Personnel*

#### **H 10: EMINENT DOMAIN STATUTORY REVISIONS.**

*House: Passed 1st Reading*

*House: Ref to the Com on Energy and Public Utilities, if favorable, Judiciary I*

#### **H 11: HANDICAP PARKING PRIVILEGE CERTIFICATION.**

*House: Passed 1st Reading*

*House: Ref To Com On Transportation*

#### **H 13: CLASS SIZE REQUIREMENT CHANGES.**

*House: Passed 1st Reading*

*House: Ref to the Com on Education - K-12, if favorable, Appropriations*

#### **H 15: PUBLIC AUTHORITY/PERMANENT PLATES.**

*House: Passed 1st Reading*

*House: Ref To Com On Transportation*

**H 16: ENHANCE OVERSIGHT OF SERVICE CONTRACTS/PED.**

*House: Passed 1st Reading*

*House: RefTo Com On State and Local Government II*

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

*House: Passed 1st Reading*

*House: Ref to the Com on State and Local Government II, if favorable, Appropriations*

**H 18: STATE AGENCIES MUST USE EPROCUREMENT/PED.**

*House: Passed 1st Reading*

*House: Ref to the Com on State and Local Government II, if favorable, Appropriations*

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

*House: Passed 1st Reading*

*House: RefTo Com On Elections and Ethics Law*

**H 23: TEACHERS/ISOLATED K-12 SCHOOLS.**

*House: Filed*

**H 24: STUDY UNFUNDED LIABILITY/RETIREE HEALTH FUND.**

*House: Filed*

**H 26: WORKERS' COMP/APPROVAL OF DISPUTED LEGAL FEES.**

*House: Filed*

**S 3: DOT/DMV CHANGES.**

*Senate: Passed 1st Reading*

*Senate: RefTo Com On Rules and Operations of the Senate*

**S 7: UNEMPLOYMENT INSURANCE TECHNICAL CHANGES.**

*Senate: Passed 1st Reading*

*Senate: RefTo Com On Rules and Operations of the Senate*

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

*Senate: Passed 1st Reading*

*Senate: RefTo Com On Rules and Operations of the Senate*

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

*Senate: Passed 1st Reading*

*Senate: RefTo Com On Rules and Operations of the Senate*

**S 11: REGULATE PESTICIDE APPLICATION IN RESTAURANTS.**

*Senate: Passed 1st Reading*

*Senate: RefTo Com On Rules and Operations of the Senate*

**S 12: VETERANS MEMORIAL/FUNDS.**

*Senate: Passed 1st Reading*

*Senate: RefTo Com On Rules and Operations of the Senate*

**S 14: LRC/STRENGTHEN SAVINGS RESERVE.**

*Senate: Filed*

**S 15: TEACHERS/ISOLATED K-12 SCHOOLS.**

*Senate: Filed*

**S 16: AMEND ADMINISTRATIVE PROCEDURE LAWS.**

*Senate: Filed*

**LOCAL BILLS**

**H 4: FAIRMONT/VOLUNTARY ANNEXATION.**

*House: Passed 1st Reading*

*House: RefTo Com On State and Local Government I*

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

*House: Passed 1st Reading*

*House: Ref to the Com on State and Local Government I, if favorable, Elections and Ethics Law*

**H 12: STANLY CC/BD. OF TRUSTEES.**

*House: Passed 1st Reading*

*House: RefTo Com On Education - Community Colleges*

**H 14: MONTGOMERY CC/BD. OF TRUSTEES.**

*House: Passed 1st Reading*

*House: RefTo Com On Education - Community Colleges*

**H 20: SCHOOL CALENDAR FLEXIBILITY/ALAMANCE COUNTY.**

*House: Passed 1st Reading*

*House: RefTo Com On Education - K-12*

**H 25: RANDOLPH COUNTY ZONING PROCEDURE CHANGES.**

*House: Filed*

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

*Senate: Passed 1st Reading*

*Senate: RefTo Com On Rules and Operations of the Senate*

**S 5: MECKLENBURG/POLICE COUNTYWIDE JURISDICTION.**

*Senate: Passed 1st Reading*

*Senate: RefTo Com On Rules and Operations of the Senate*

**S 6: CORNELIUS ANNEXATION.**

*Senate: Passed 1st Reading*

*Senate: RefTo Com On Rules and Operations of the Senate*

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

*Senate: Passed 1st Reading*

*Senate: RefTo Com On Rules and Operations of the Senate*

**S 13: SANFORD OCCUPANCY TAX.**

*Senate: Passed 1st Reading*

*Senate: RefTo Com On Rules and Operations of the Senate*

**S 17: 41ST SENATORIAL DISTRICT LOCAL ACT-1.**

*Senate: Filed*