

The Daily Bulletin: 2018-05-16

PUBLIC/HOUSE BILLS

H 931 (2017-2018) **UNEMPLOYMENT INSURANCE TECHNICAL CHANGES**. Filed May 16 2018, *AN ACT TO MAKE TECHNICAL, ADMINISTRATIVE, AND CLARIFYING CHANGES TO THE UNEMPLOYMENT INSURANCE LAWS.*

Amends GS 96-1, which sets out the definitions applicable to GS Chapter 96, Employment Security. Excludes from the definition of *employment* service performed by a direct seller, as defined by section 3508(b)(2) of the Internal Revenue Code (Code). Adds that the term does not include a person defined in section 3508(b)(2)(A)(iii) of the Code, which includes persons engaged in the trade or business of the delivering or distribution of newspapers or shopping news (including any services directly related to those trades or businesses). Also excludes from the definition of *employment* service performed by an intern for a governmental unit. Makes technical changes. Effective July 1, 2018, and applies to claims for benefits filed on or after that date as well as tax calculations on or after that date.

Amends Section 3.2(b) of SL 2017-8, as amended, extending the effective date of the new requirement that employers must respond to unemployment insurance claims within 10 days of receipt of notice (employers were previously given 14 days to respond prior to the SL 2017-8 amendments) from January 1, 2018, to January 1, 2019.

Amends GS 96-14.9(e), reducing the number of job contacts with potential employers an individual must make during the week from five to three job contacts in order to be determined that the individual is actively seeking work for unemployment insurance eligibility purposes. Effective July 1, 2018, and applies to claims for benefits filed on or after that date as well as tax calculations on or after that date.

Amends GS 96-9.15(d), requiring employers with reportable wages for 10 employees (previously, 25 employees) to file an electronic "Employer's Quarterly Tax and Wage Report" with the Department of Commerce, Division of Employment Security, as currently prescribed. Effective January 1, 2019.

Amends GS 96-15(b)(1), adding a new provision that allows for unemployment claims to be withdrawn by a claimant upon filing of a notice of withdrawal within 10 days from the earlier of mailing or delivery of the individual's monetary determination, and a finding of good cause by the Assistant Secretary of the Department of Commerce or the Assistant Secretary's designee. Effective July 1, 2018, and applies to benefits filed on or after that date as well as tax calculations on or after that date.

Intro. by Howard, Arp, Bumgardner, Warren.

GS 96

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Employment and Retirement

H 932 (2017-2018) **ANONYMOUS SAFETY TIP LINE APPLICATION**. Filed May 16 2018, *AN ACT TO REQUIRE PUBLIC SCHOOLS TO APPROPRIATE FUNDS TO SUPPORT THE ANONYMOUS SAFETY TIP LINE APPLICATION AND TO MAKE CERTAIN CHANGES TO UPDATE THE GENERAL STATUTES, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON SCHOOL SAFETY.*

Part I

Amends GS 115C-105.51 to require the governing body of each public secondary school to develop and operate an anonymous tip line application (tip line). Previously the law only encouraged the creation of a tip line by local school administrative units. The tip line must work in coordination with local law enforcement and social services agencies to receive anonymous information on school safety risks.

Schools may use the tip line application developed by the Department of Public Instruction and the Center for Safer Schools, or an application that meets the guidelines developed by the Department of Public Instruction.

Public Secondary Schools must inform students about the tip line and must ensure that school employees receive adequate training for its operation.

This law applies to all public schools serving grades six or higher which are (1) under control of a local school administrative unit, (2) under control of the State Board of Education, (3) under the control of The University of North Carolina, (4) a charter school, or (5) a regional school.

Makes conforming changes to GS 115C-12, GS 115C-218.75, GS 115C-238.66, and GS 116-11 requiring the State Board of Education, charter schools, regional schools, and schools operated by the Board of Governors to institute an anonymous tip line application.

Effective July 1, 2019, and applies beginning with the 2019-20 school year.

Part II

Amends GS 115C-105.49(d) to require that the Department of Public Safety, Division of Emergency Management, collaborate with the Department of Public Instruction, Division of School Operations and the Center for Safer Schools in providing guidance to local school administrative units on the planning of school safety exercises.

Amends GS 115C-105.49A to require that the Department of Public Safety, Division of Emergency Management, collaborate with the Department of Public Instruction and the Center for Safer Schools in the implementation and maintenance of a statewide School Risk and Response Management System.

Amends GS 115C-105.52 to allow the Department of Public Instruction and the Center for Safer Schools, in consultation with the Department of Public Safety, to develop and place school crisis kits in schools.

Part III

Appropriates \$5 million from the General Fund to the Department of Public Instruction for the 2018-19 fiscal year to support the tip line application.

Requires the Department of Public Instruction to implement a statewide tip line available to all public secondary schools as defined in GS 115C-105.51 by July 1, 2019.

Part IV

Unless otherwise indicated, effective July 1, 2018.

Includes whereas clauses.

Intro. by White, Dobson, Lewis, Torbett.

APPROP, GS 115C, GS 116

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**Education, Elementary and Secondary Education,
Government, Budget/Appropriations, Public Safety, State
Agencies, Department of Public Instruction, Department of
Public Safety**

H 933 (2017-2018) **RECIPROCITY/SCHOOL PSYCHOLOGIST LICENSURE**. Filed May 16 2018, *AN ACT DIRECTING THE STATE BOARD OF EDUCATION TO GRANT A LICENSE TO PRACTICE AS A SCHOOL PSYCHOLOGIST TO ANY INDIVIDUALS WHO HOLD THE NATIONALLY CERTIFIED SCHOOL PSYCHOLOGIST CREDENTIAL, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON SCHOOL SAFETY.*

Amends Article 17E of GS Chapter 115C to add new GS 115C-270.21. Requires the State Board of Education to issue a school psychologist license to any individual who either meets the criteria for licensure established by the State Board, or who holds the Nationally Certified School Psychologist credential issued by the National Association of School Psychologists. Repeals

GS 115-270.20(b) concerning classification and levels of preparation for licensure of administrators and student services personnel and adds that language to new GS 115C-270.21. Makes additional technical and clarifying changes. Includes whereas clauses.

Intro. by Dobson, Torbett, Lewis, Lucas.

GS 115C

[View summary](#)

Education, Elementary and Secondary Education

H934 (2017-2018) [THREAT ASSESSMENT TEAMS/PEER TO PEER COUNSELS](#). Filed May 16 2018, *AN ACT TO CODIFY THE NORTH CAROLINA CENTER FOR SAFER SCHOOLS, TO REQUIRE THE ESTABLISHMENT OF THREAT ASSESSMENT TEAMS IN PUBLIC SCHOOLS, TO REQUIRE PEER TO PEER STUDENT COUNSELING PROGRAMS FOR STUDENTS, AND TO PROVIDE GRANTS FOR PEER TO PEER STUDENT COUNSELING PROGRAMS, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON SCHOOL SAFETY.*

Section 1

Amends GS 115C-5 to add a new subdivision (11) defining “public school unit” to include local school administrative units, charter schools, regional schools, and schools operated by specified state agencies.

Section 2

Adds new GS 115C-105.75 creating the North Carolina Center for Safer Schools (The Center). The Center will (1) serve as a resource for public schools by conducting research, sponsoring workshops, and providing information; (2) provide training for public school personnel; (3) disseminate information to public schools on effective school safety initiatives; (4) collect and analyze North Carolina school safety data; (5) encourage development of partnerships between public and private sectors to promote school safety; (6) provide technical assistance to North Carolina public schools in development of school safety initiatives; (7) develop model policies for threat assessment teams for public schools, including procedures for the assessment of and intervention with students whose behavior poses a threat to school safety. The Center must work with the Task Force for Safer Schools, local law enforcement agencies, and other government agencies.

Section 3

Adds new GS 115C-105.76 directing the creation of threat assessment teams by the local board of education and governing body of each public school unit. The threat assessment teams are responsible for assessment of and intervention with students whose behavior may pose a threat to school safety consistent with the model policies created by the Center. These policies must include procedures for referral to health care providers for evaluation and treatment, where appropriate.

Each superintendent must establish threat assessment teams to serve one or more schools, which will include persons with expertise in counseling, instruction, school administration, and law enforcement. The threat assessment teams must provide guidance for students and staff regarding the recognition of threatening behavior, identify members of the school community to whom threatening behavior should be reported, and implement policies adopted by the board of education and local school administrative units.

If a threat assessment team makes a preliminary determination that a student poses a threat of violence, the team must immediately report to the superintendent or principal, who must immediately notify the student’s legal guardian.

If there is a preliminary determination that the student poses a threat of violence, the threat assessment team may obtain criminal and health history records of the student.

Section 4

Amends GS 115C-47 to add new subsection (64), requiring the creation of peer-to-peer student counseling programs. Local boards of education must require the creation of peer-to-peer student mentoring, counseling, and support programs established at all schools with grades six or higher. Such programs are encouraged to be created for other grades as well.

Adds new subsection (c) to GS 115C-316.1, adding a duty for school counselors to coordinate and provide training for students in the peer-to-peer mentoring, counseling, and support programs that address areas such as mental health and wellness.

Section 5

Appropriates \$1 million to the Department of Public Instruction for one-time grants to local school administrative units for training and materials for peer-to-peer mentoring, counseling, and support programs in schools serving students in grades six and higher. The State Board of Education must award grants of these monies to local school administrative units in the amount of \$5,000 per school for training and materials for evidence-based peer-to-peer student mentoring, counseling, and support programs as identified by the Center for Safer Schools. The State Board of Education must award grants to applicants in the order in which they are received. An initial grant may not exceed \$20,000 per local school administrative unit. If funds remain after the initial grants have been awarded, the Board may award a second round of grants using the same criteria. Applications for grants from local school administrative units in Tier 1 counties must be given priority in awarding initial grants.

Section 6

Section 5 is effective July 1 2018. All other sections are effective when act becomes law, and applies beginning with the 2018-19 school year.

Intro. by Torbett, Dobson, Lewis.

[APPROP, GS 115C](#)

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

H 935 (2017-2018) [ADD PIEDMONT COMMUNITY CHARTER SCHOOL TO SHP](#). Filed May 16 2018, *AN ACT TO AUTHORIZE PIEDMONT COMMUNITY CHARTER SCHOOL TO ELECT TO PARTICIPATE IN THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES.*

Authorizes the Board of Directors of Piedmont Community Charter School of Gastonia to elect to become a participating employer in the State Health Plan for Teachers and State Employees (Plan) in accordance with the provisions of Article 3B of GS Chapter 135. Requires the authorized election to be made no later than 30 days after the act becomes law, and in accordance with all requirements of GS 135-48.54, which provides for the optional participation in the Plan by charter schools operated by private nonprofit corporations.

Intro. by Torbett.

[UNCODIFIED](#)

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[Education, Elementary and Secondary Education, Health and Human Services, Health, Health Insurance](#)

H 937 (2017-2018) [SROS DEFINED/TRAINING STANDARDS](#). Filed May 16 2018, *AN ACT TO DEFINE SCHOOL SAFETY RESOURCE OFFICER AND TO REQUIRE TRAINING STANDARDS FOR THOSE OFFICERS, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON SCHOOL SAFETY.*

Enacts GS 115C-105.57, defining a *school safety resource officer* as a law enforcement officer who is assigned to one or more public schools for at least 20 hours per week to assist with school security, safety, emergency preparedness, emergency response, or any other responsibility assigned by the school or law enforcement agency. Requires school safety resource officers to complete initial training before service and to comply with any continuing training requirements established by the officer's certifying commission. Directs the NC Criminal Justice Education and Training Standards Commission and the NC Sheriff's Education and Training Commission (the Commissions) to collaborate with the Center for Safer Schools to establish initial training and continuing education standards for school safety resource officers. Requires the standards to minimally include diversity, tactical, and equity, and mental health training.

Amends GS 17C-6(a) and GS 17E-4(a), concerning the power of the NC Criminal Justice Education and Training Standards Commission and the NC Sheriff's Education and Training Commission, respectively, to make conforming changes authorizing

the Commissions to establish initial training and continuing education training standards for school safety resource officers pursuant to new GS 115C-105.57.

Requires the Commissions to collaborate with the Center for Safer Schools and establish the initial training standards for school safety resource officers no later than January 15, 2019.

Applies to school safety resource officers employed beginning with the 2019-20 school year.

Intro. by J. Bell, Lewis, Torbett.

GS 17C, GS 17E, GS 115C

[View summary](#)

**Education, Elementary and Secondary Education,
Government, Public Safety**

H 938 (2017-2018) **EXPAND USE/SCHOOL RISK MANAGEMENT PLANS**. Filed May 16 2018, *AN ACT TO REQUIRE CHARTER SCHOOLS, REGIONAL SCHOOLS, AND UNC LABORATORY SCHOOLS AND TO ENCOURAGE NONPUBLIC SCHOOLS TO DEVELOP A SCHOOL RISK MANAGEMENT PLAN, HOLD SCHOOL SAFETY EXERCISES, AND PROVIDE SCHOOL SAFETY INFORMATION TO LOCAL LAW ENFORCEMENT AND THE DIVISION OF EMERGENCY MANAGEMENT, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON SCHOOL SAFETY.*

Sections 1-3

Current law encourages charter schools, regional schools and UNC laboratory schools to adopt School Risk Management Plans (SRMPs); provide certain safety information to local law enforcement agencies and the Department of Public Safety, Division of Emergency Management (Division); and conduct school-wide safety exercises. This act makes the following changes to these laws concerning school risk management in charter schools (GS 115C-218.75), regional schools (GS 115C -238.66), and UNC laboratory schools (GS 116-239.8(b)).

Requires charter schools, regional schools and laboratory schools (the schools) to adopt a SRMP relating to incidents of school violence, and to use the School Risk and Response Management System (SRRMS) established pursuant to GS 115C-105.49A. Requires the schools to provide local law enforcement agencies with (1) schematic diagrams, including digital schematic diagrams and (2) either keys to the main entrance of all school buildings or emergency access to key storage devices for all school buildings. Specifically identifies KNOX boxes as key storage devices that can be used for emergency access by local law enforcement. Requires the schools to provide law enforcement with necessary updates regarding schematic diagrams or access to buildings or key storage devices. Establishes that schematic diagrams are not public record.

Requires the schools to hold a full school-wide tabletop exercise and drill based on the procedures documented in its SRMP at least once a year. Defines *tabletop exercise* to mean an exercise involving key personnel conducting simulated scenarios related to emergency planning. Specifically requires the schools to include a practice school lockdown due to an intruder on school grounds. Further, encourages the schools to hold a tabletop exercise and drill for multiple hazards included in its SRMP, and strongly encourages the schools to include local law enforcement and emergency management agencies in its tabletop exercises and drills (currently, the schools are encouraged to hold a school-wide lockdown exercise with local law enforcement and emergency management agencies at least once a year). Adds that the purpose of the tabletop exercises and drills is to (1) discuss simulated emergency situations in low-stress environment; (2) clarify roles, responsibilities, and overall logistics for dealing with an emergency; and (3) identify possible SRMP modifications needed. Requires the Division and the Center for Safer Schools to provide the schools guidance and recommendations on the types of multiple hazards to plan and respond to.

Requires the schools to provide schematic diagrams, including digital schematic diagrams, and emergency response information as requested to the Division (currently, the schools are only encouraged to do so). Requires the schools to provide updated schematic diagrams and emergency response information when those updates are made. Directs the Division to ensure that the diagrams and emergency response information are securely stored and distributed as provided in the SRMP to first responders, emergency personnel, and school personnel.

Makes conforming changes to GS 115C-218.75, GS 115C-238.66, and GS 116-239.8(b).

Sections 4 and 5

Current law encourages private church schools, school of religious charter, and qualified nonpublic schools to participate in State operated or sponsored programs on a voluntary basis. Adds to GS 115C-551 (concerning private church schools and schools of religious charter) and GS 115C-559 (concerning qualified nonpublic schools) to encourage these schools to adopt a SRMP relating to incidents of school violence, in coordination with local law enforcement agencies, and to use the SRRMS. Further encourages private church schools, schools of religious charter, and qualified nonpublic schools to (1) provide schematic diagrams and keys to the main entrance of school facilities to local law enforcement agencies, as well as implementing the provisions in GS 115C-105.52 (concerning the placement and contents of school crisis kits); (2) hold a full school-wide lockdown exercise with local law enforcements and emergency management agencies at least once a year; and (3) provide schematic diagrams and emergency response information to the Division. Provides that SRMPs and schematic diagrams are not public record.

Sections 6 and 7

Makes conforming changes to GS 115C-105.49A(b), providing for the Division to use the schematic diagrams provided by the schools, as well as the local administrative units, in constructing the SRRMS, and GS 115C-105.53(b), permitting the schools to use the standards and guidelines developed by the Division in preparing their schematic diagrams.

Section 8

Provides the act is effective July 1, 2019, and applies beginning with the 2019-20 school year.

Intro. by J. Bell, Lewis, Torbett.

[GS 115C, GS 116](#)

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[Education, Elementary and Secondary Education, Government, Public Safety](#)

H 939 (2017-2018) [SCHOOL BUILDING VULNERABILITY ASSESSMENTS](#). Filed May 16 2018, *AN ACT DIRECTING THE CENTER FOR SAFER SCHOOLS TO DEVELOP A FACILITY VULNERABILITY ASSESSMENT TOOL AND DIRECTING LOCAL SCHOOL ADMINISTRATIVE UNITS TO COMPLETE A FACILITY VULNERABILITY ASSESSMENT FOR EACH SCHOOL BUILDING ANNUALLY, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON SCHOOL SAFETY.*

Enacts GS 115C-105.52A, directing each local school administrative unit to require each school under its control to complete a facility vulnerability assessment for each school building at least once annually. Directs the Center for Safer Schools to develop a facility vulnerability assessment tool in collaboration with the Department of Public Instruction, Division of Safe and Healthy Schools Support (Division), to be used by administrative units in their annual assessment.

Requires the Center for Safer Schools and the Division to develop the assessment tool by January 15, 2019. Requires each administrative unit to complete a facility vulnerability assessment for each school building before the end of the 2018-19 school year and annually thereafter.

Intro. by J. Bell, Lewis, Torbett.

[GS 115C](#)

[View summary](#)

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

H 940 (2017-2018) [SRO RPT BY LBES TO CENTER FOR SAFER SCHOOLS](#). Filed May 16 2018, *AN ACT DIRECTING EACH LOCAL BOARD OF EDUCATION TO ANNUALLY REPORT TO THE CENTER FOR SAFER SCHOOLS INFORMATION ABOUT SCHOOL RESOURCE OFFICERS AND DIRECTING THE CENTER FOR SAFER SCHOOLS TO ANNUALLY REPORT THE INFORMATION TO THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON SCHOOL SAFETY.*

Enacts GS 115C-105.57, requiring each local board of education to annually submit a written report of the following information to the Center for Safer Schools (Center): (1) the number of school resource officers and the placement of each school resource officer in the local school administrative unit and (2) the source of funding and method of employment for each school resource officer position. Provides that the local board of education must submit the first annual report to the Center by September 15, 2018. Additionally, requires the Center to annually report to the Joint Legislative Education Oversight Committee (Committee) an executive summary and the disaggregated data for each local school administrative unit regarding the information reported by the local boards of education, as specified above. Provides that the Center must submit the first annual report to the Committee by November 15, 2018.

Intro. by J. Bell, Lewis, Torbett.

GS 115C

[View summary](#)

**Education, Elementary and Secondary Education,
Government, Public Safety**

H 941 (2017-2018) **INCREASE FUNDING FOR SRO GRANT**. Filed May 16 2018, *AN ACT TO APPROPRIATE ADDITIONAL GRANT FUNDS FOR SCHOOL RESOURCE OFFICERS, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON SCHOOL SAFETY*.

Appropriates \$1.8 million in recurring funds from the General Fund to the Department of Public Instruction for the 2018-19 fiscal year. Specifies that the funds are to be used for grants for school resource officers in elementary and middle schools pursuant to Section 8.36 of SL 2013-360 (Appropriations Act of 2013), which requires grant funds be used by local school administrative units, regional schools, and charter schools to employ and/or train resource officers. Section 8.36 of SL 2013-360 also clarifies that the grants are meant to supplement rather than supplant State, local, and federal funding for school resource officers. Effective July 1, 2018.

Intro. by J. Bell, Lewis, Torbett.

APPROP

[View summary](#)

**Education, Elementary and Secondary Education,
Government, Budget/Appropriations, Public Safety, State
Agencies, Department of Public Instruction**

H 944 (2017-2018) **ABC REGULATION AND REFORM**. Filed May 16 2018, *AN ACT TO STRENGTHEN THE PERMITTING ENFORCEMENT AUTHORITY OF THE ABC COMMISSION AND TO MAKE OTHER CHANGES TO THE ABC LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON JUSTICE AND PUBLIC SAFETY*.

Amends GS 18B-104, which sets out the actions the ABC Commission (Commission) may take against a permittee for any violation of the ABC laws. Increases the maximum fine the Commission may impose from \$500 to \$1,350 for a first violation, from \$750 to \$2,100 for a second violation, and from \$1,000 to \$2,750 for a third violation. Also expands the actions available to the Commission to include imposing conditions on the operation hours of the permittee's business. Finally, in cases in which the Commission is entitled to suspend or revoke a permit, increases the maximum penalty amount the Commission may accept in compromise instead of revocation or in addition to suspension from \$5,000 to \$10,000. Effective October 1, 2018.

Amends GS 18B-900, which sets out the qualifications for ABC permittees. Currently, to be eligible to receive and hold an ABC permit, a person must be at least 21 years old, unless the person is a manager of a business selling only malt beverages and unfortified wine and is at least 19 years old. Makes changes to this qualification to now require a person to be at least 21 years old, unless the person is an owner of a business seeking to sell alcoholic beverages and is at least 25 years old. Under the same law, for an ABC permit to be issued to and held for a business, each of the specified persons associated with that business must meet the eight qualifications required for ABC permittees, including the age requirement as amended above. Currently, this includes each manager and any member with a 25% or greater interest in a limited liability company, and each officer, director, and owner of 25% or more of the stock of a corporation. Makes changes to instead require each manager and any member with a 51% or greater interest in a limited liability company to meet the permittee qualifications, and if any manager or member does not hold 51% individually, then 51% of all ownership must meet the qualifications. Makes similar changes to

require each officer, director, and owner of 51% or more of the stock of a corporation to meet the permittee qualifications, and if any officer, director or owner does not hold 51% individually then 51% of the ownership of the stock of a corporation must meet the qualifications. Makes no changes to the existing exception from the age requirement for officers, directors, or stockholders who are not managers or otherwise responsible for the day-to-day operation of the business. Applies to new permits issued on or after the date the act becomes law.

Makes technical changes to GS 18B-901, concerning the issuance of ABC permits.

Amends GS 18B-904(e), which sets out miscellaneous provisions relating to situations where a business or location is no longer suitable for an ABC permit. Provides that the Commission can suspend or revoke a permit issued by it if an administrative law judge (ALJ) finds that the location occupied by the permittee is no longer a suitable place to hold ABC permits or that the operation of the business with an ABC permit at that location is detrimental to the neighborhood (previously, authorized the Commission to suspend or revoke a permit issued by it, if after compliance with the provisions of GS Chapter 150B (Administrative Procedure Act/APA), the Commission found the business or location no longer suitable as described). Further provides that, after the Commission has issued an order to summarily suspend or revoke a permit due to a business not operating for the activity authorized by the permit within six months of issuance, the permittee can make a written request for a hearing on the matter to the Office of Administrative Hearings (was, the Commission) within 30 days after receipt of notice of the order. Requires the ALJ to issue an order to affirm, reverse, or modify the Commission's previous action when a hearing is requested (previously, the Commission was required to affirm, reverse, or modify its previous action after compliance with the APA when a hearing was requested). Additionally, requires the Commission to immediately suspend permits issued by it for a period of 30 days if (1) ALE agents, local ABC Board officers, or local law enforcement agencies (previously, only ALE agents or local ABC Board officers) provide advance notice to the Commission Legal Division staff of an ongoing undercover operation and (2) upon execution of the search warrant resulting from the undercover operation, five or more persons are criminally charged with violations of gambling, disorderly conduct, prostitution, controlled substance, or felony criminal counterfeit trademark laws.

Amends GS 18B-1000, which sets out defined terms applicable to GS Chapter 18B (Regulation of Alcoholic Beverages). Currently, *private club* is defined as an establishment that is organized and operated solely for a social, recreational, patriotic, or fraternal purpose and that is not open to the general public, but is open only to members of the organization and their bona fide guests. The current definition also prohibits any organization that discriminates in the selection of its membership on the basis of religion, except for bona fide religious organizations, from being eligible to receive any ABC permits. Deletes the current definition entirely, and instead defines the term to mean an establishment that qualifies as a 501(c) business under the Internal Revenue Code and has been in operation for a minimum of 12 months prior to application for an ABC permit. Adds that this new definition does not apply to any private club permits in place on April 1, 2018. Applies to new permits issued on or after the date the act becomes law.

Intro. by Boles, Davis.

GS 18B

[View summary](#)

[Alcoholic Beverage Control, Government, Public Safety](#)

H 945 (2017-2018) **[RAPE EVIDENCE COLLECTION KIT TRACKING ACT](#)**. Filed May 16 2018, *AN ACT TO CREATE THE STATEWIDE SEXUAL ASSAULT EVIDENCE COLLECTION KIT TRACKING SYSTEM AND TO REQUIRE TESTING OF PREVIOUSLY UNTESTED SEXUAL ASSAULT EVIDENCE COLLECTION KITS, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON JUSTICE AND PUBLIC SAFETY.*

Enacts GS 114-65, establishing the Statewide Sexual Assault Evidence Collection Kit Tracking System (System) within the State Crime Laboratory. Requires all sexual assault evidence collection kits purchased or distributed under GS 143B-1201 on or after October 1, 2018, to be trackable and comply with the requirements of the System. Directs the Director of the State Crime Laboratory (Director) to implement protocols and administer the System, and the Secretary of the Department of Public Safety (Secretary) to adopt rules and guidelines for agencies required to participate in the System. Requires the Director to ensure that the System protects victim information from disclosure to nonparticipating agencies. Establishes that information in the System is confidential and not public record.

Requires participation in the System and compliance with established protocols, rules and guidelines from all medical providers, law enforcement agencies, forensic laboratories, or other persons or entities having custody or use of any sexual assault evidence collection kit (kit) in the State. Requires participating entities to be permitted to access the entity's tracking information through the System.

Establishes that it is State policy to ensure victims of sexual assault or attempted sexual assault can track and determine whether forensic testing of the kit has been completed.

Further directs the Director to implement protocols and the Secretary to adopt rules and guidelines to ensure previously untested kits are trackable and entered into the System. Requires entities having custody of previously untested kits used for forensic medical examination to comply with established protocols, rules and guidelines. Defines *previously untested sexual assault evidence collection kit* to mean any kit that has not undergone forensic testing and was identified and included in the 2017 statewide inventory of kits in law enforcement custody pursuant to Section 17.7 of SL 2017-57. Requires law enforcement in custody of a previously untested kit to take reasonable measures to provide appropriate tracking information to the affected victim.

Requires the Director to submit an annual report to the Joint Legislative Oversight Committee on Justice and Public Safety, beginning October 1, 2019, with relevant information regarding tracking-enabled kits and efforts to track and test previously untested kits for the previous fiscal year, as specified.

Amends GS 143B-1201, authorizing funds appropriated to the Department of Public Safety (DPS) for the Assistance Program for Victims of Rape and Sex Offenses to be used to purchase and distribute sexual assault evidence collection kits (was, rape evidence collection kits) approved by the Director (was, by the State Bureau of Investigation). Directs the Secretary to require that all kits purchased or distributed on or after October 1, 2018, are compatible with the System established by new GS 114-65.

Directs the Secretary to convene a working group to make recommendations regarding the testing priority of untested kits identified in the 2017 Sexual Assault Evidence Collection Kit Law Enforcement Report made pursuant to Section 17.7 of SL 2017-57. Sets out the composition of the working group, and charges the working group with developing findings and recommendation to identify which untested kits can be tested, the priority order for testings the kits, and a statewide protocol for testing future kits. Directs the Secretary to submit the working group's findings and recommendations to the Joint Legislative Oversight Committee on Justice and Public Safety by December 1, 2018.

Intro. by Boles, Davis.

[GS 114, GS 143B](#)

[View summary](#)

[Courts/Judiciary, Evidence, Government, Public Safety, State Agencies, Department of Public Safety](#)

H 948 (2017-2018) [BUILDING CODE REGULATORY REFORM](#). Filed May 16 2018, *AN ACT TO MAKE VARIOUS CHANGES TO THE STATUTES GOVERNING BUILDING CODES, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON IMPLEMENTATION OF BUILDING CODE REGULATORY REFORM LEGISLATION.*

Section 1

Amends GS Chapter 160A to add new GS 160A-413.5 (Alternative inspection method for component or element). Recodifies GS 160A-412(c) as GS 160A-413.5(a); GS 160A-412(d) as GS 160A-413.5(b); and GS 160A-412(e) as GS 160A-413.5(c).

Amends GS 160A-413.5(a)(3) to require that the inspection certification required under this subdivision be provided by electronic or physical delivery and that its receipt be promptly acknowledged by the city through reciprocal means. Adds GS 160A-413.5(d) to define "component" and "element" as used in the statute.

Amends newly enacted GS 160A-413.5 with additional clarifying and conforming changes.

Adds new subsection GS 153A-352(b2) which provides that newly created GS 160A-413.5 will apply to counties, and that for purposes of GS 153A-352(b2), references in GS 160A-413.5 to "city" are deemed to refer to "county."

Repeals GS 153A-352(c), GS 153A-352(d), and GS 153A-352(e) (containing identical language to GS 160A-413.5(a-c)).

Section 1 becomes effective July 1, 2018.

Section 2

Amends GS 143-151.12 (powers of the North Carolina Qualification Board) to add new subsection (9), granting the Board the power to establish within the Department of Insurance a marketplace pool of qualified Code-enforcement officials for the purposes of (a) assisting in the discharge of the Insurance Commissioner's (the Commissioner) duty to supervise, administer, and enforce the North Carolina State Building Code when requested by the Commissioner, and (b) assisting in Code enforcement when requested by local inspection departments.

Adds new GS 143-139(b)(2), requiring the Commissioner, through the Division of Engineering, to timely assign a Code-enforcement official from the marketplace pool established under GS 143-151.12(9)(a) to conduct any inspection required by the North Carolina State Building Code pertaining to plumbing, electrical systems, general building restrictions and regulations, heating and air conditioning, and fire protection, or the general construction of buildings when the Commissioner receives a written request from a permit holder with sufficient evidence that an inspection was requested of the local inspection department but that the inspection has not been, or will not be, conducted within two business days.

Adds new GS 143-139(b2) addressing liability. Requires that any claim alleging negligence by a marketplace pool Code-enforcement official arising out of the official's duty to conduct an inspection assigned by the Commissioner will constitute a claim against North Carolina and must be brought under and adjudicated according to GS Chapter 143, Article 31 (governing tort claims against State agencies).

Amends GS 143-139(b) with clarifying changes.

Amends GS 58-2-40 to add new subdivision (1a), granting the Commissioner the power to fix and collect reasonable fees for services performed by Code-enforcement officials under GS 143-151.12(9)(a). The Commissioner has no power to fix or collect fees incurred by local inspection departments under GS 143-151.12(9)(b).

This section becomes effective August 1, 2018. The Commissioner must adopt temporary rules to implement this section. The Commissioner must also adopt permanent rules to implement this section no later than August 1, 2019.

Section 3

Amends GS 153A-354 (concerning counties) and GS 160A-414 (concerning cities) to change title to "Financial support; fee collection, accounting, and use limitation." Breaks existing law into subsections (a) and (c). Adds subsection (b) requiring that, when an inspection for which the permit holder has paid a fee for the county or city to perform is instead performed by a marketplace pool Code-enforcement official, the county or city must promptly return to the permit holder the fee collected for the inspection. This applies to inspections to plumbing, electrical systems, general building restrictions and regulations, heating and air conditioning, fire protection, and the general construction of buildings.

Section 4

Directs the Secretary of the Local Government Commission, in consultation with the Department of Insurance, to revise the semiannual reporting requirements for units of local government under GS 159-33.1 to include information sufficient to track whether the fees collected by local inspection departments under GS 153A-354 and GS 160A-414 are used in accordance with those statutes, if the general fund of the local governments supplements the inspection department, and if the local inspection department is supplementing the general fund of the local government.

This section is effective when it becomes law.

Section 5

Adds new GS 153A-353.1 titled "Mutual aid contracts." Provides that the provisions of GS 160A-413.6 apply to counties. For purposes of this section, references to "city" in GS 160-413.6 are deemed to refer to county.

Adds new GS 160A-413.6 titled "mutual aid contracts." Provides that (a) any two or more cities may enter into contracts with each other to provide mutual aid in the administration and enforcement of laws pertaining to the North Carolina State Building Code. Such contracts may include provisions for the scope of aid provided, reimbursement or indemnification for loss incurred by giving aid, delegating authority to a designated official to manage requesting and receiving requests for aid, and any other provisions. Provides that (b) unless contracted for otherwise, a Code-enforcement official working with a requesting city will

have the same jurisdiction, powers, privileges and immunities as the Code-enforcement official of the requesting agency. Provides that (c) nothing in this section deprives a party to a mutual aid contract under this section of its discretion to decline to provide aid when requested, regardless of the obligations of the mutual aid contract. Parties to a mutual aid contract and its employees will not be civilly or criminally liable for declining to send aid regardless of the terms of the contract.

Section 5 is effective July 1, 2018.

Section 6

Amends GS 153A-352 to add subsection (g), requiring that if a specific building framing inspection as required by the North Carolina Building Code results in 20 or more separate violations, the inspector must forward a copy of the inspection report to the Department of Insurance.

Makes technical change to 153A-352(b1).

Amends GS 160A-412 to add subsection (g), requiring that if a specific building framing inspection as required by the North Carolina Building Code results in 20 or more separate violations, the inspector must forward a copy of the inspection report to the Department of Insurance.

Makes technical change to GS 160A-412(b1).

Section 6 is effective July 1, 2018.

Section 7

Amends GS 143-151.14 to break existing law into subsections (a) and (d). Changes new subsection (a) to require that a Code-enforcement official seeking comity must also be in good standing in the other state, district or territory where the official is certified. Add new subsection (b) allowing the Board to grant comity to a Code-enforcement official who is certified by and in good standing with the International Code Council where standards and examination are acceptable to the Board and not lower than those required by the State. Add new subsection (c) requiring that the certificates granted under subsections (a) and (b) must expire after three years, unless the certificate holder completes a short course, as prescribed by the board, relating to the State Building Code regulations, prior to the expiration of the certificate.

Makes clarifying changes to GS 143-151.14.

Section 8

Amends GS 143-151.13A to halve the number of hours of professional development courses required for professionals to reactivate a standard or limited certificate. Currently the law requires 12 hours for officials who were inactive for over two years and were not continuously employed in that capacity, six hours for officials who were inactive for more than two years and were continuously employed, and four hours for officials who were inactive for less than two years. The amendment reduces these requirements to six, three, and two hours, respectively.

Section 9

Amends GS 143-151.8(c) to add new subsection (7), defining “willful misconduct, gross negligence, or gross incompetence” to include enforcement of a Code official’s preference in the method or manner of installation of heating ventilation and air-conditioning units, appliances, or equipment that is not required by the State Building Code and is in contradiction of a manufacturer’s installation instructions or specifications.

Except as provided otherwise, this act becomes effective October 1, 2018.

Intro. by Brody, Riddell, Cunningham, Potts.

[View summary](#)

Development, Land Use and Housing, Building and Construction, Government, Local Government

H 949 (2017-2018) [CODE-ENFORCEMENT RESPONSE TEAM](#). Filed May 16 2018, *AN ACT TO ALLOW THE DEPARTMENT OF INSURANCE TO CREATE AND HIRE A CODE-ENFORCEMENT RESPONSE TEAM, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON IMPLEMENTATION OF BUILDING CODE REGULATORY REFORM LEGISLATION.*

Authorizes the Department of Insurance (the Department) to expend up to \$1,490,218 from appropriations to create 10 new full-time equivalent positions within the Department, Office of State Fire Marshal. The new positions are to provide training to contractors and local government code-enforcement officials on the North Carolina State Building Code, and provide technical interpretations on questions arising under the building code. The new positions will be physically placed in the Division of Engineering and must include two positions in each of the following North Carolina Code areas: Residential, Building, Fire Prevention, Plumbing, Mechanical, and Electrical.

Effective July 1 2018.

Intro. by Brody.

UNCODIFIED

[View summary](#)

Development, Land Use and Housing, Building and Construction, Government, State Agencies, Department of Insurance

H952 (2017-2018) [LOTTERY - JLOC RECOMMENDATIONS](#). Filed May 16 2018, *AN ACT TO INCREASE THE ALLOWABLE PERCENTAGE OF TOTAL ANNUAL LOTTERY REVENUES THAT THE LOTTERY COMMISSION MAY USE FOR ADVERTISING EXPENSES FROM ONE PERCENT TO TWO PERCENT, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON THE NORTH CAROLINA STATE LOTTERY.*

Current law prohibits the North Carolina State Lottery Commission from using more than 1% of the total lottery revenues on advertising expenses. Amends GS 18C-162 to increase the allowable percentage of the total lottery revenues that the Commission may use for advertising costs to 2%. Effective July 1, 2018.

Intro. by Saine.

GS 18C

[View summary](#)

Lottery and Gaming

PUBLIC/SENATE BILLS

S 711 (2017-2018) [NC FARM ACT OF 2018](#). Filed May 16 2018, *AN ACT TO MAKE VARIOUS CHANGES TO THE AGRICULTURAL LAWS.*

Section 1

Enacts GS 106-496.1, setting out 11 defined terms applicable to Article 44 of GS Chapter 106 (Unfair Practices by Handlers of Fruits and Vegetables). Defines *handler* to mean any person in the business of buying, receiving, selling, exchanging, negotiating, processing for resale, or soliciting the sale, resale, exchange, or transfer of any fruits and vegetables purchased from a producer, received on consignment from a producer, or received to be handled on a net return basis from a producer (previously, defined in GS 106-496 as a person, firm, corporation or other legal entity or the entity's agent or employee who enters into a written contract for the purchase from or production by a producer of fruits and vegetables). Makes technical and conforming changes to GS 106-496, which authorizes the Board of Agriculture (Board) to adopt rules (was, rules and regulations) necessary to protect producers of fruits and vegetables against unfair trade practices of handlers.

Under current law, handlers of fruits and vegetables are required to obtain a written permit from the Commissioner of Agriculture (Commissioner) prior to contracting with a producer. Amends GS 106-497 to instead require a handler of fruits and vegetables acting within the scope of Article 44 of GS Chapter 106 to obtain an annual license issued by the Commissioner in order to engage in business.

Enacts GS 106-497.1, requiring every handler of fruits and vegetables to file an application for an annual license with the Commissioner. Authorizes the Board to adopt rules regarding the application form, filing, and fees. Limits the initial or renewal license fee to \$500, and the administrative late fee to \$250, which must be paid before issuance. Requires fees collected by the Commissioner to be used to defray the costs of administration of Article 44.

Enacts GS 106-497.2, authorizing the Commissioner to deny issuance or suspend or revoke a license if the Commissioner is satisfied the applicant or licensee meets any of the nine specified disqualifications, including (1) making false charges for handling or services rendered; (2) making any false statement(s) as to the condition, quality, or quantity of goods received or held for sale when the true condition, quality, or quantity could have been ascertained by reasonable inspection; or (3) providing false or misleading information in the license application.

Under current law, handlers must furnish a bond satisfactory to the Commissioner of no less than \$10,000, which the Commissioner may increase or require a new bond as necessary, that is recoverable for damages suffered by a producer alleging any injury by fraud, deceit, willful injury, or breach of contract by the handler. Deletes the current language and instead provides the following. Requires applicants to make and deliver to the Commissioner a surety bond or a certificate of deposit before any license may be issued. Requires surety bonds to be executed by a surety corporation authorized to transact business in the State and approved by the Commissioner. Requires certificates of deposits to be approved by the Commissioner and issued by an institution properly insured by either the Federal Deposit Insurance Corporation or the Federal Savings Loan Insurance Corporation. Provides that the surety bond or certificate of deposit must be based on the maximum amount of gross business the applicant did in any month in the State during the preceding licensing year, or an estimate for the upcoming licensing year if the applicant did not engage in business as a handler in North Carolina during the preceding year. Provides a schedule for the amount required based on the maximum monthly gross business, ranging from a \$25,000 bond or deposit required for up to \$25,000 maximum monthly gross business to \$250,000 bond or deposit required for \$225,001 or more maximum monthly gross business. Authorizes the Commissioner to require in writing an additional surety bond or certificate of deposit be given if the Commissioner determines that a previously approved bond or certificate becomes insufficient for any reason. Requires the handler's license to immediately be revoked without notice or hearing if the additional bond or security deposit is not given within the time stated in the Commissioner's demand, or if the bond or certificate is canceled.

Enacts GS 106-498.1, permitting any producer claiming to be injured by nonpayment, breach of contract, fraud, deceit, negligence, or other misconduct of a handler to sue the handler and the handler's sureties in any court of competent jurisdiction to recover damages sustained by such conduct without any assignment thereof by the Department of State.

Enacts GS 106-498.2, allowing the Department of Agriculture (Department) to provide inspection services whenever fruits and vegetables are shipped to or received by a handler for handling, purchase, or sale, and the handler finds the produce to be spoiled, damaged, unmarketable, or in unsatisfactory condition. Provides that the Department can execute a certificate stating the day, time, place, and condition of the produce upon its inspection, and mail or deliver a copy of the certificate to both the handler and producer. Authorizes the Department to charge and collect fees in accordance with the US Department of Agriculture laws and rules, and the Department's cooperative grading service agreement with the US Department of Agriculture.

Makes conforming changes to eliminate GS 106-499, which required the Commissioner's approval of all contracts before a issuance of a permit.

Modifies and adds to GS 106-500, concerning additional powers of the Commissioner. Eliminates provisions authorizing the Commissioner to hold hearings and other related authorities such as administering oaths, taking testimony, and issuing subpoenas. Also eliminates the provision making any party disobeying any order or subpoena of the Commissioner guilty of contempt. Explicitly authorizes the Commissioner to suspend or revoke the licenses of a person disobeying the terms of Article 44 or of the rules adopted by the Board. Additionally, adds a new provision authorizing the Commissioner to apply to any court of competent jurisdiction to grant a temporary or permanent injunction, or both, upon hearing and for cause shown, restraining a person from violating or continuing to violate any of the provisions of Article 44 or any rule or regulation adopted pursuant to the Article. Specifies that the injunction is issued without bond. Further, authorizes the Commissioner or the Commissioner's agents to examine the ledgers, books of accounts, memoranda, and other documents related to the transaction involved, at the place or places of business of the applicant or licensee, and take testimony under oath. Makes technical changes.

Makes technical changes to GS 106-501, which makes any violation of Article 44 a Class 1 misdemeanor.

Enacts GS 106-501.1, authorizing the Commissioner to assess a civil penalty of no more than \$5,000 per violation, dependent on the degree and extent of the harm, against any person or business entity who violates any provision of the Article or any rules promulgated under the Article. Requires the clear proceeds of the civil penalties to be remitted to the Civil Penalty and Forfeiture Fund.

Enacts GS 106-501.2, enumerating six exceptions to the provisions of Article 44, including (1) farmers or groups of farmers in the sale of fruits and vegetables grown by themselves; (2) restaurants and retail establishments; (3) handlers who pay at the time of purchase with cash, or handlers who purchase less than \$1,000 worth of produce from NC producers during the peak month of those purchases within the calendar year; and (4) fruits and vegetables grown under contract for seed purposes (current law more specifically excludes peanuts and corn grown under contract for seed purposes in GS 106-500(a)).

Enacts GS 106-501.3, clarifying that nothing in the Article relieves a surety company or financial institution from responsibility for payment on properly established complaints against handlers involved in a federal bankruptcy proceeding.

Effective January 1, 2019.

Section 2

Amends GS 106-24.1, establishing that all information generated by any federal agency received pursuant to GS Chapter 106 that is confidential under federal law must be held confidential by the Department and its employees, unless confidentiality is waived by the federal agency (previously, more specifically applied to information received pursuant to Article 1, Part 5, of GS Chapter 106 concerning cooperation between the Department, the US Department of Agriculture, and County Commissioners; also previously did not provide for agency waiver).

Intro. by B. Jackson, Cook, Sanderson.

[GS 106](#)

[View summary](#)

[Agriculture](#)

S 713 (2017-2018) [REENACT SCHOOL SALES TAX HOLIDAY](#). Filed May 16 2018, *AN ACT TO REENACT THE SALES AND USE TAX HOLIDAY FOR SCHOOL SUPPLIES*.

As title indicates. Effective July 1, 2018.

Intro. by Foushee.

[GS 105](#)

[View summary](#)

[Education, Government, Tax](#)

S 714 (2017-2018) [ABC REGULATION AND REFORM](#). Filed May 16 2018, *AN ACT TO STRENGTHEN THE PERMITTING ENFORCEMENT AUTHORITY OF THE ABC COMMISSION AND TO MAKE OTHER CHANGES TO THE ABC LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON JUSTICE AND PUBLIC SAFETY*.

Identical to [H 944](#), filed May 16, 2018.

Amends GS 18B-104, which sets out the actions the ABC Commission (Commission) may take against a permittee for any violation of the ABC laws. Increases the maximum fine the Commission may impose from \$500 to \$1,350 for a first violation, from \$750 to \$2,100 for a second violation, and from \$1,000 to \$2,750 for a third violation. Also expands the actions available to the Commission to include imposing conditions on the operation hours of the permittee's business. Finally, in cases in which the Commission is entitled to suspend or revoke a permit, increases the maximum penalty amount the Commission may accept in compromise instead of revocation or in addition to suspension from \$5,000 to \$10,000. Effective October 1, 2018.

Amends GS 18B-900, which sets out the qualifications for ABC permittees. Currently, to be eligible to receive and hold an ABC permit, a person must be at least 21 years old, unless the person is a manager of a business selling only malt beverages and unfortified wine and is at least 19 years old. Makes changes to this qualification to now require a person to be at least 21 years old, unless the person is an owner of a business seeking to sell alcoholic beverages and is at least 25 years old. Under the

same law, for an ABC permit to be issued to and held for a business, each of the specified persons associated with that business must meet the eight qualifications required for ABC permittees, including the age requirement as amended above. Currently, this includes each manager and any member with a 25% or greater interest in a limited liability company, and each officer, director, and owner of 25% or more of the stock of a corporation. Makes changes to instead require each manager and any member with a 51% or greater interest in a limited liability company to meet the permittee qualifications, and if any manager or member does not hold 51% individually, then 51% of all ownership must meet the qualifications. Makes similar changes to require each officer, director, and owner of 51% or more of the stock of a corporation to meet the permittee qualifications, and if any officer, director or owner does not hold 51% individually then 51% of the ownership of the stock of a corporation must meet the qualifications. Makes no changes to the existing exception from the age requirement for officers, directors, or stockholders who are not managers or otherwise responsible for the day-to-day operation of the business. Applies to new permits issued on or after the date the act becomes law.

Makes technical changes to GS 18B-901, concerning the issuance of ABC permits.

Amends GS 18B-904(e), which sets out miscellaneous provisions relating to situations where a business or location is no longer suitable for an ABC permit. Provides that the Commission can suspend or revoke a permit issued by it if an administrative law judge (ALJ) finds that the location occupied by the permittee is no longer a suitable place to hold ABC permits or that the operation of the business with an ABC permit at that location is detrimental to the neighborhood (previously, authorized the Commission to suspend or revoke a permit issued by it, if after compliance with the provisions of GS Chapter 150B (Administrative Procedure Act/APA), the Commission found the business or location no longer suitable as described). Further provides that, after the Commission has issued an order to summarily suspend or revoke a permit due to a business not operating for the activity authorized by the permit within six months of issuance, the permittee can make a written request for a hearing on the matter to the Office of Administrative Hearings (was, the Commission) within 30 days after receipt of notice of the order. Requires the ALJ to issue an order to affirm, reverse, or modify the Commission's previous action when a hearing is requested (previously, the Commission was required to affirm, reverse, or modify its previous action after compliance with the APA when a hearing was requested). Additionally, requires the Commission to immediately suspend permits issued by it for a period of 30 days if (1) ALE agents, local ABC Board officers, or local law enforcement agencies (previously, only ALE agents or local ABC Board officers) provide advance notice to the Commission Legal Division staff of an ongoing undercover operation and (2) upon execution of the search warrant resulting from the undercover operation, five or more persons are criminally charged with violations of gambling, disorderly conduct, prostitution, controlled substance, or felony criminal counterfeit trademark laws.

Amends GS 18B-1000, which sets out defined terms applicable to GS Chapter 18B (Regulation of Alcoholic Beverages). Currently, private club is defined as an establishment that is organized and operated solely for a social, recreational, patriotic, or fraternal purpose and that is not open to the general public, but is open only to members of the organization and their bona fide guests. The current definition also prohibits any organization that discriminates in the selection of its membership on the basis of religion, except for bona fide religious organizations, from being eligible to receive any ABC permits. Deletes the current definition entirely, and instead defines the term to mean an establishment that qualifies as a 501(c) business under the Internal Revenue Code and has been in operation for a minimum of 12 months prior to application for an ABC permit. Adds that this new definition does not apply to any private club permits in place on April 1, 2018. Applies to new permits issued on or after the date the act becomes law.

Intro. by Wells, Randleman, Sanderson.

[GS 18B](#)

[View summary](#)

[Alcoholic Beverage Control, Government, Public Safety](#)

S 715 (2017-2018) [VARIOUS CHANGES TO THE REVENUE LAWS](#). Filed May 16 2018, *AN ACT TO MAKE VARIOUS CHANGES TO THE REVENUE LAWS*.

Part I. IRC Update

Amends GS 105-228.90(b)(1b), updating the definition of Code to mean the Internal Revenue Code as enacted as of February 9, 2018 (was, January 1, 2017), including any provisions enacted as of that date that become effective either before or after that date.

Amends GS 105-130.5, adding the following new additions to federal taxable income that must be made in determining State net income: (1) the amount of gain that would be included for federal income tax purposes without regard to section 1400Z-2(b) of the Code (deferral of gain invested in opportunity zone property), with the stated purpose of decoupling the deferral of gains reinvested into an Opportunity Fund available under federal law; (2) the amount that would be included in the taxpayer's federal taxable income but for the step-up basis under section 1400Z-2(c) of the Code (opportunity zone investments held for at least ten years), with the stated purpose of decoupling from the exclusion of gains from the sale or exchange of an investment in an Opportunity Fund available under federal law; and (3) the amount deducted under Section 250 of the Code (foreign-derived intangible income and global intangible low-taxed income).

Further amends GS 105-130.5, modifying and adding to the deductions from federal taxable income that must be made in determining State net income, now providing for: (1) the deduction for any amount included in federal taxable income under Code sections 78 (gross up for deemed paid foreign tax credit), 951 (amounts included in gross income of US shareholders), 951A (Global Intangible Low-Taxed Income (GILTI) included in gross Income of US shareholders; enacted by the Federal Tax Cuts and Jobs Act (TCJA) in 2017, Pub. L. 115-97, title I, § 14201(a)), or 965 (treatment of deferred foreign income upon transition to participation exemption system of taxation; modified by the TCJA in 2017, Pub. L. 115-97, title I, § 14103(a)), net of related expenses (currently, only provides for deductions for amounts included in federal taxable income under sections 78 and 951); and (2) the deduction for the amount of gain included in the taxpayer's federal taxable income under section 1400Z-2(a) (treatment of capital gains invested in opportunity zones) of the Code to the extent the same income was included in the taxpayer's federal taxable income in a prior taxable year under new subdivision (a)(26) of the statute (adding gain amount included for federal income tax purposes to State net income), with the stated purpose of preventing double taxation of income the taxpayer was previously required to include in the calculation of State net income.

Amends GS 105-153.5, concerning adjustments that can be made in calculating NC taxable income. Extends the exclusion of mortgage insurance premiums treated as qualified residence interest from the itemized deduction that can be made for interest paid or accrued on any qualified residence for taxable year 2017. Extends the decoupling adjustments that may be made to the taxpayer's adjusted gross income for taxable year 2017 for (1) income exclusion for forgiveness of debt on a qualified principal residence, and (2) deduction for qualified tuition and related expenses. Further amends GS 105-153.5, requiring the taxpayer to make the following adjustments to their NC taxable income with the purpose of decoupling the deferral or exclusion of gains and preventing double taxation as also stated in the new provisions of GS 105-130.5: (1) add the amount of gain that would be included for federal tax purposes without regard to section 1400Z-2(b) of the Code; (2) deduct the amount of gain included in the taxpayer's adjusted gross income under section 1400Z-2(a) of the Code to the extent the same income was included in the taxpayer's adjusted gross income in a prior taxable year under subsection new (5) of the statute (gain that would be included for federal tax purposes without regard to section 1400Z-2(b) of the Code); and (3) add the amount of gain that would be included in the taxpayer's adjusted gross income but for the step-up in basis under section 1400Z-2(c) of the Code. Lastly, removes current language prohibiting an individual taxpayer from claiming a State itemized deduction if the taxpayer claimed the federal standard deduction.

Amends the definition of wages set out in GS 105-163.1, removing the clarification that the term does not include the amount an employer pays an employee as reimbursement for ordinary and necessary expenses incurred by the employee on behalf of the employer and in the furtherance of the business of the employer.

Repeals GS 105-130.5(a)(17) and GS 105-153.5(c)(4), which provide for a Section 199 deduction (domestic production activities) at the federal level. Effective for taxable years beginning on or after January 1, 2018.

Amends the filing requirements set out in GS 105-153.8(a), requiring every resident, and nonresident who has received gross income derived from NC sources, who for the taxable year has gross income under the Code that exceeds the standard deduction amount provided in GS 105-153.5(a)(1) to file an income tax return (currently, the state filing requirements are tied to whether the individual is required to file a federal tax return).

Amends GS 105-153.5(c)(7). Requires a taxpayer to add to their NC taxable income the amount deducted in a prior taxable year that was withdrawn from the Parental Saving Trust Fund of the State Education Assistance Authority (SEAA) and not used to pay for education expenses (was, qualified higher education expenses) of the beneficiary as permitted under section 529 of the Code, unless the withdrawal was not subject to the additional tax imposed by section 529(c) of the Code, or the withdrawal was rolled over to an ABLE (Achieving a Better Life Experience) account (previously, only exclusion was for withdrawals made without penalty under section 529 due to the death or permanent disability of the designated beneficiary). Amends GS 116-209.25, which establishes the Parental Savings Trust Fund. Modifies the fund to enable qualified parents and

other interested parties (previously, only qualified parents) to save funds to meet the costs of education expenses (previously, only postsecondary education expenses) of eligible students in accordance with section 529 of the Code (previously not tied to section 529). Effective for taxable years beginning on or after January 1, 2018.

Part II. Business Tax Changes

Amends GS 105-114(b)(2) to now include partnerships that elect to be taxed as a corporation in the definition of corporation for purposes of the application of the franchise tax. Effective January 1, 2019.

Amends GS 105-122(b), concerning the determination of the net worth of a corporation for franchise tax purposes. Provides that a corporation that does not maintain its books and records in accordance with generally accepted accounting principles will have its net worth determined in accordance with the accounting method used by the entity for federal tax purposes, with adjustments to its net worth for the depreciation, depletion, and amortization of assets for which a deduction is allowed also valued in accordance with the method the entity used for federal income tax purposes (previously, also vaguely required the method fairly reflect the corporation's net worth for tax purposes). Eliminates the provision allowing for a corporation to deduct the cost of treasury stock from its net worth to prevent a double deduction as it the deduction is now included in the current franchise tax calculation. Effective beginning on or after January 1, 2019, and applies to the calculation of franchise tax reported on the 2018 and later corporate income tax return.

Current law provides that apportionable income of a corporation is apportioned to the State by multiplying the income by the sales factor. Amends GS 105-130.4(1)(3), modifying the provisions explaining how to determine the sales factor. Clarifies that sales are in this State if the receipts are from intangible property to the extent the intangible property is used within this State. Current law provides that sales are in this State if the receipts are from services and the income-producing activities are in this State. Clarifies the term income-producing activity means an activity directly performed by the taxpayer or its agents for the ultimate purpose of generating the sale of the service, and the term "receipts from services" includes receipts from services sold as part of or in connection with the sale of tangible property located in the State.

Makes technical correction to repeal references made in GS 105-130.5 to corporate credits and deductions that have expired. Repeals reference made to GS 105-130.47 (film credit that expired in January 2015), and repeals references made to GS 105-129.16H (credit for donations made to nonprofits or a unit of State or local government to enable the acquisition of renewable energy property).

Amends GS 105-228.3, providing that a foreign captive insurance company does not include, for purposes of Article 8B of GS Chapter 105 (Taxes Upon Insurance Companies), a company that is not formed or licensed under the laws of the State but is formed and licensed under the laws of any jurisdiction within the US other than the State.

Amends GS 105-228.4A, concerning tax on captive insurance companies. Explicitly exempts foreign captive insurance companies from taxes levied on captive insurance companies. Also specifically provides that a foreign captive insurance company is not subject to franchise taxes, income taxes, local privilege taxes or local taxes computed on the basis of gross premiums, or the insurance regulatory charge.

Amends GS 105-228.5(g), providing an exemption from the gross premiums tax for a foreign captive insurance company that is licensed in and taxed on its gross premiums in a jurisdiction within the US other than NC. Make technical changes.

Due to a procedural error, enacts Section 4 of SL 2017-15, adding massage and bodywork therapists to the list of professionals required to obtain a license to practice in the State and pay the annual \$50 State privilege license tax. Applies to taxable years beginning on or after July 1, 2018.

Part III. Federal Determinations and Amended Returns

Amends GS 105-130.20 (concerning corporate taxpayers) and GS 105-159 (concerning individual income taxpayers). Provides that if a taxpayer's federal taxable income or a federal tax credit is changed or corrected by the Commissioner of Internal Revenue (Commissioner) or other officer of the US or other competent authority where the change or correction affects the amount of State tax payable, the taxpayer is required to file an income tax return reflecting each change or correction from a federal determination within six months after being notified of each change or correction. Provides that for amended returns containing an adjustment that would increase the amount of State tax payable, the taxpayer must file within six months thereafter, and for amended returns containing an adjustment that would decrease the amount of State tax payable, the taxpayer must file within the statute of limitations for refunds set out in GS 105-241.6. Makes organizational changes.

Amends GS 105-228.90(b) to define federal determination to mean a change or correction of the amount of a federal tax due arising from an audit by the Commissioner of Internal Revenue.

Amends GS 105-241.8, adding an exception to the general statute of limitations for proposing an assessment for federal amended returns. Provides that if a taxpayer files a return as a result of filing a federal amended return and the return is filed within the time required by Subchapter I (Levy of Taxes), the period for proposing an assessment of any tax due is the later of one year after the return is filed or three years after the original return was filed or due to be filed. Further provides that if the taxpayer does not file the return within the required time, the period for proposing an assessment of any tax due is three years after the date the federal amended return was filed with the Commissioner.

Amends GS 105-160.8 and GS 105-163.6A, making the changes set out in GS 105-59 applicable to fiduciaries required to file returns for estates and trusts, and employers, pension payers, and every other payer required to withhold taxes under Article 4A of GS Chapter 105.

Makes conforming changes to GS 105-241.10, regarding the limit on refunds and assessments after a federal determination.

Applies to federal amended returns filed on or after that date.

Part IV. Sales and Use Tax Changes

Amends GS 105-164.3(20b), clarifying the term mixed transaction contract means transaction applicable to real property. Effective retroactively to January 1, 2017, but if this amendment increases sales and use tax liability, then it becomes effective when the act becomes law.

Makes several technical, clarifying and organizational changes to defined terms set out in GS 105-164.3, applicable to Article of 5 of GS Chapter 105 (Sales and Use Tax). Additionally, amends the following definitions. Defines net taxable sales to mean the gross sales or gross receipts of a retailer or another person taxed under the Article after deducting exempt sales and nontaxable sales (previously, gross sales of the business of a retailer taxed under the Article after deducting exempt sales and nontaxable sales). Amends the requirements set out in the definition of a qualifying datacenter, allowing for future satisfaction of the existing requirements for wage standards for the development tier area or zone where it is located, and health insurance for full-time employees for the duration of operation. Amends sales price to clarify that the amount of any credit for trade-in is not a reduction of the sales price. Updates Streamlined Agreement to mean the Streamlined Sales and Use Tax Agreement as amended as of May 3, 2018 (was, May 11, 2018). Amends use to exclude a sale of tangible personal property, digital property, or a service in the regular course of business (previously, excluded a sale of property or service in the regular course of business, and a purchaser's use of tangible personal property or digital property in any of the circumstances that would exclude the storage of property from the definition of storage under the same statute).

Amends GS 105-164.4, concerning tax imposed on retailers and certain facilitators. Adds that the general rate of tax of 4.75% applies to the sales price of or gross receipts derived from repair, maintenance, and installation services (RMI services) to tangible personal property. Adds that the general rate applies to the sales price of or gross receipts derived from RMI services for a manufactured home, a modular home, an aircraft, and a qualified jet engine. Establishes that the maximum \$2,500 tax per article set out for the sales price of aircrafts sold in retail does not apply to the sales price of or gross receipts derived from RMI services for an aircraft, but the use tax exemption set out in GS 105-164.27A(a3) may apply to the RMI services. Establishes that the maximum \$1,500 tax per boat set out for the sales price of boats sold in retail does not apply to the sales price of or gross receipts derived from RMI services for a boat, but the use tax exemption set out in GS 105-164.27A(a3) may apply to the RMI services. Specifies that the general rate of 4.75% applies to the sales price of or gross receipts derived from RMI services to digital property. Clarifies that the general rate of 4.75% applies to the sale price of or gross receipts derived from RMI services for real property.

Amends GS 105-164.4B, concerning sourcing principles for sales. Specifies that the general principles set out in the statute apply in determining where to source the sale of a product for the seller's purpose, and do not alter the application of the use tax imposed under GS 105-164.6. Adds a new provision establishing that the gross receipts derived from the renewal of a service contract for prewritten software is generally sourced pursuant to the general provisions set out in subsection (a) of the statute; however, sourcing the renewal to an address where the purchaser received the underlying prewritten software does not constitute bad faith provided the seller has not received information from the purchaser that indicates a change in the location of the underlying software.

Amends GS 105-164.4G(e), which sets out entertainment activity tax exceptions. Clarifies that the existing exception for an amount paid for the right to participate in sporting activities applies only to the amount paid solely for the right to participate, other than to be a spectator. Adds new exception for an amount paid for the right to participate, other than to be a spectator, in (1) rock climbing, skating, skiing, zip lining and other similar activities, and instruction classes related to those activities, (2) riding on a carriage, boat train, plane, horse, chairlift, or other similar rides, and (3) amusement rides, including a waterslide.

Amends GS 105-164.6(b) (complimentary use tax liability) to correct a statutory reference to service contract tax exceptions to now reference GS 105-164.4H(a1). Amends GS 105-164.4I, concerning service contracts, to remove the specific service contract tax exceptions set out in the statute for security or similar monitoring contracts for real property and contracts to provide a certified operator for a wastewater system, and move these exemptions to the sales tax exemption statute, GS 105-164.13. Moves the service contract exemption language to subsection GS 105-164.13(61a), adds that the exemption does not apply to charges for RMI services to repair security, alarm, and other similar monitoring systems for real property, and makes technical and conforming changes to subsection (61a). Effective retroactively to January 1, 2017, and applies to sales and purchases made on or after that date.

Enacts GS 105-164.11B to provide for a retailer who pays sales and use tax on property or services and subsequently resells the property or service at retail to recover the sales tax originally paid to a seller by reducing taxable receipts by the taxable amount of the purchase price of the property or services resold for the period in which the retail sale occurs. Clarifies that a tax recovery under this new statute is not an overpayment of tax, and where the recovery is taken, a refund of tax originally paid should not be requested pursuant to the authority under GS 105-164.11 regarding excessive or erroneous collections. Further specifies that any amount for tax recovered under the statute in excess of tax due for a reporting period is not subject to refund, and that tax recovered under the statute may be carried forward to a subsequent reporting period and taken as an adjustment. Requires the retailer to keep records that clearly reflect and support the adjustment to taxable receipts for the applicable period. Makes conforming changes to GS 105-164.11(b), specifying that where a person recovers tax under new GS 106-164.11B, a refund under GS 105-164.11 is not allowed by the Secretary of Revenue (Secretary).

Makes the following changes to GS 105-164.13 concerning retail sales and use tax exemptions. Clarifies that the exemption of mill machinery or mill machinery parts or accessories to the specified persons listed does not include electricity as an accessory. Modifies the exemption for boats, fuel oil, lubricating oils, machinery, equipment, nets, rigging, paints, parts, accessories, and supplies sold to specified persons to include the operator of a for-hire vessel (was, boat) for principal use in the commercial use of the boat. Excludes from the exemption for specified drugs pet food or feed for animals, and over-the-counter drugs purchased by hospitals and other medical facilities for use and treatment of patients. Clarifies that the exemption concerning worthless accounts of purchasers applies to bad debt as allowed under section 166 of the Code, which amount must be adjusted to exclude financing charges or interest, sales and use taxes charged on the sales price, uncollectible amounts on property that remains in the possession of the seller until the full purchase price is paid, expenses incurred in attempting to collect any debt, and repossessed property. Adds a new exemption as provided in GS 105-164.4F for gross receipts derived from a rental of an accommodation.

Amends GS 105-164.13E, which sets the out sales and use tax exemption for qualifying farmers. Adds that a qualifying farmer includes a person who boards horses. Amends existing language identifying tangible property, digital property, and services exempt from sales and use tax, to now identify tangible property and services that can be exempt from sales and use tax under the statute. Current law, subsection (a)(6), lists as a qualifying item for exemption remedies, vaccines, medications, litter materials, feeds, rodenticides, insecticides, and other substances for use on animals or plants, as appropriate, for commercial purposes, so long as the purchase is made by a qualifying farmer. Adds new subsection (c1), establishing that a qualifying item in subsection (a)(6) purchased to fulfill a service for a person who hold a qualifying farmer exemption certification or a conditional farmer exemption certificate is exempt from sales and use tax to the same extent as if purchased directly by the person who holds the exemption certificate. Requires the purchaser to provide an exemption certificate to the retailer and maintain records to substantiate that the item is used to provide a service for a person who holds an exemption certificate. Effective retroactively to July 1, 2014. Permits a person who paid sales and use tax on an exempt item pursuant to GS 105-164.13E to apply to the Department of Revenue on or before October 1, 2018, for a refund of any excess tax paid as a result of the change in the law as enacted. Adds that a refund request received after October 1, 2018 is barred and the provisions of GS 105-164.11 (excessive or erroneous collections) do not apply.

Amends GS 105-164.14, clarifying that interstate carriers applying for a sales tax refund must supply the Secretary with the purchase price of the taxable items (previously, did not specify taxable) listed in subdivision (a)(1) of the statute, which includes railway cars, locomotives, fuel, lubricants, repair parts, accessories, service contracts, and RMI services purchased by

the applicant inside or outside of the State during the refund period. Adds that taxable is based on the imposition of tax on the items and services in this State.

Amends GS 105-164.15A, which sets out the effective dates for tax changes, further clarifying that the provisions of subsection (b) apply to combined general rate items.

Amends GS 105-164.19, eliminating the time limit the Secretary is authorized to extend the period for filing a return (was, 30 days after the regular due date of the return). Provides that the Secretary can grant an extension and individuals can pay the tax pursuant to the extension provisions set out in GS 105-263(b).

Amends GS 105-164.27A, establishing that a direct pay permit, which allows its holder to purchase certain tangible personal property, digital property, or service without paying tax to the seller and the authorizes the seller to not collect any tax on a sale to the permit holder, does not apply to taxes imposed under GS 105-164.4 on sales of electricity, piped natural gas, video programming, spirituous liquor, or the gross receipts derived from rentals of accommodations (previously, only electricity and the gross receipts from rentals of accommodations). Specifies that a person who purchases an item for storage, use, or consumption in the State can apply to the Secretary for a general direct pay permit if (1) the place of business where the item will be stored, used, or consumed in the State is not known at the time of the purchase and a different tax consequence applies depending on where the item is used in the State, or (2) the manner in which the item will be stored, used, or consumed in the State is not known at the time of purchase and one or more of the potential uses is taxable but others are not taxable in the State (previously, did not clarify storage, use, or consumption or the manner of such be in this State as part of these qualifications).

Amends GS 105-164.32, adding facilitators to those the Secretary is authorized to estimate the tax due and access the entity based on that estimate if the facilitator fails to file a return and pay the tax due, or files a grossly incorrect or false or fraudulent return.

Amends GS 105-244.3, extending the grace period provided under the Sales Tax Base Expansion Protection Act, under which the Department of Revenue cannot impose assessments on a retailer who meets at least one of the specified conditions, from the period beginning on or after March 1, 2016, and ending before January 1, 2018, to ending January 1, 2019, given the retailer did not receive specific written advice from the Secretary for transactions at issue for the laws in effect for the applicable periods. Adds that this grace period also applies to use tax liability imposed on purchaser under GS 105-164.6. Modifies and adds to the specified conditions that can trigger coverage under the grace period as follows. Provides that a person failing to collect sales tax on the taxable portion of a mixed service contract (previously, failed to collect sales tax on the portion of a mixed contract for RMI services) that exceeds 10% for a transaction on or after January 1, 2017, and prior to January 1, 2019 qualifies (previously for a transaction prior to January 1, 2017). Adds the following qualifiers to the statute: (1) a person who failed to collect sales tax on the taxable portion of a mixed transaction contract that exceeds 25% for a transaction on or after January 1, 2017, and prior to January 1, 2019 (however, the Secretary can still assess use tax on the purchase used to fulfill a mixed transaction contract); (2) a person failed to collect sales tax on the taxable portion of a bundled transaction that included a contract for two or more services, one of which was subject to tax and one of which was not, for a transaction on or after March 1, 2016, and prior to January 1, 2017; and (3) a person failed to collect sales tax on RMI services for tangible personal property or digital property. Makes conforming changes.

Amends GS 105-187.52, concerning the state agency exemption from privilege taxes, making a technical correction to cross reference GS 105-164.13(61a)a (providing for sales and use tax exemption for RMI services on exempt items) instead of GS 105-164.4I(b)(4), which was repealed in Section 2.5(a) of SL 2017-204.

Makes technical correction to GS 105-164.4H(a1), regarding substantiation of real property contracts.

Amends GS 105-164.22, requiring consumers to keep records that include an invoice or other statement of the purchase price of an item the consumer purchased from inside or outside of the State (previously, only required records to be kept for purchases outside of the State).

Part V. Excise Tax Changes

Amends GS 105-113.9(2) concerning out of state shipment of cigarettes to refer to the sale of cigarettes to a nonresident purchaser, instead of a nonresident wholesaler or registered retailer.

Amends GS 105-113.36 by deleting language referring to retails dealer that make tobacco products at their place of business.

Enacts new GS 105-113.83A to require a person who has a wine shipper permit or who has one or more the 11 specified ABC permits to register with the Secretary. Requires notifying the Secretary in writing of any changes in ownership or discontinuation of authorized activities. Makes the permittee responsible for maintaining a bond or irrevocable letter of credit and submitting all returns and the payment of all taxes for which the permittee is liable while the issued ABC permit is active. Requires the Secretary to notify the ABC Commission when a permittee required to register is not eligible to hold an ABC permit for failure to satisfy GS 18B-900(a)(8) (requiring that the individual be current in filing all applicable tax returns to the State and in payment of all taxes, interest, and penalties), upon which the ABC Commission must impose a penalty. Effective July 1, 2018, with permittees required to register on or before December 1, 2018.

Amends GS 105-113.86(b) concerning nonresident vendors to no longer allow the bond to be secured by a pledge of obligations of the federal government, the State, or a political subdivision of the State.

Amends GS 105-259(b)(50) to allow the disclosure of tax information in order to provide public access to a list containing the name, physical address, and account number (was, only name and account number) of entities licensed to aid in the administration of the tobacco products tax.

Amends GS 105-449.80 to amend the formula used to calculating the motor fuel excise tax by defining Consumer Price Index for All Urban Consumers to include data that is determined to be equivalent to specified data on the US city average for energy index.

Amends Section 2 of SL 2016-23 to increase the motor fuel tax rate by two cents per gallon at those gas stations deemed to be a special class under SL 2016-23 each year through 2022. The special class refers to gas stations (currently only one) that were recognized as being in North Carolina as a result of the North Carolina/South Carolina boundary recertification.

Part VI. Other Tax Changes

Amends GS 150-230 to specify that the state tax filing obligations and payment of tax liability of a suspended corporation or limited liability company is not affected by the suspension, nor does a suspension affect the liability of a responsible person whether the obligation or liability is enforced. Amends the definition of business entity to also include suspended corporations and limited liability companies.

Amends GS 105-237.1 to extend the expiration date of a provision that allows the Secretary to compromise the liability of a retailer who is assessed for failure to properly collect sales tax on admission charges, service contracts, prepaid meal plans, or aviation gasoline and jet fuel so that the provision applies to assessments for any tax due for a reporting period ending before July 1, 2020 (was, the provision expires for assessments issued after July 1, 2020).

Amends GS 105-282.1 to also allow owners of the following types of property to file a single application for exemption from property tax: real property occupied by charter schools; energy mineral interest in property for which a permit has not been issued; real and personal property located on lands held in trust by the US for the Eastern Band of Cherokee Indians, regardless of ownership; a mobile classroom or modular unit that is occupied by a school and used exclusively for educational purposes.

Amends GS 153A-155 and GS 160A-215 to update the cross-reference to the definition of a rental agent or a facilitator to now direct to GS 105-164.4F.

Amends GS 130A-247 to amend the definitions of *bed and breakfast home* and *bed and breakfast inn* to require that the price of additional meals served be listed on a separate charge on the overnight guest's bill instead of allowing the price to be added to the room rate. Effective July 1, 2018, and applies to gross receipts derived from the rental of an accommodation that a consumer occupies or has the right to occupy on or after that date. The following applies only to the period beginning January 1, 2018, and ending July 1, 2018. Provides that a retailer is not liable for an undercollection of tax if the retailer has made a good faith effort to comply with the law and collect the proper amount of tax and has, because of the change in the law, undercollected the tax that is due. Make the retailer liable for all taxes collected.

Allows a municipality that is holding sales and use tax revenue distributed to it that is restricted for water and sewage capital outlay purposes to use the restricted revenue as follows: (1) a municipality that does not own or operate a water or sewer system may use the revenue for any lawful purpose upon adoption of a resolution; and (2) a municipality that owns or operates a water or sewer system must use the revenue for its restricted purpose, but may petition the Local Government Commission to waive all or part of the restriction.

Repeals GS 105-320(b), which allowed the information required to be listed on a tax receipt form to be shown on a separate sheet furnished to the affected taxpayers.

Amends GS 105-123.39 to provide that for qualified rehabilitation expenditures and rehabilitation expenses incurred before January 1, 2015, the Historic Rehabilitation Tax Credit expires for property not placed in service by January 1, 2023. Amends GS 105-129.110 to provide that for qualified rehabilitation expenditures and rehabilitation expenses incurred before January 1, 2020, the Historic Rehabilitation Tax Credit expires for property not placed in service by January 1, 2028.

Amends GS 105-160.3 by deleting reference to the expired child credit claimed by an estate or trust.

Repeals GS 115C-595(c) which excluded from taxable income funds in the Personal Education Savings Account. Effective for taxable years beginning on or after January 1, 2018.

Amends GS 105-163.7 to require employers to file annual informational returns with the Secretary instead of annual reports. Sets the due date for the return when an employer terminates its business or permanently ceases paying wages. Allows the Secretary to require a person who fails to timely file statement of payment with respect to wages, dividends, rents, or interest paid to that person to file the statements by a certain date. Provides that if the payer fails to file the statements by that set date, the amounts claimed on the payer's income tax return as deduction for salaries and wages, or rents or interest, must be disallowed to the extent that the payer did not comply with the Secretary's request.

Amends GS 105-251.2 concerning informational returns from occupational licensing boards and alcohol vendors to make clarifying changes and to delete the \$1,000 penalty for failure to file a timely report.

Amend GS 105-236 concerning civil penalties and criminal offenses regarding informational returns to require the Secretary to assess a penalty of \$50/day, up to \$1,000, for failure to file by the date the return is due and a penalty of \$200 for failure to file in the required format.

Amends GS 150-263 by adding that the Secretary must prescribe when a return, report, payment, or any other electronically submitted document is timely filed.

Enacts new GS 105-241A to require the Department of Revenue (Department) to offer electronic filing for returns if it is cost-effective to do so and the Department has procedures for filing electronically. Allows the Secretary to, upon good cause, waive any electronic submission requirement for returns. Requires the Department, by December 1 of each year, to publish on its website a list of returns that must be filed electronically and that are allowed to be filed electronically during the next calendar year. Includes General Assembly findings.

Part VII. Insurance Regulatory Charge

Sets the percentage rate to be used in calculating the insurance regulatory charge at 6.5% for the 2019 calendar year.

Part VIII. Department of Revenue/Information Technology Transition to Department of Information Technology

Amends GS 150-259 to require the Secretary to determine when, how, and under what conditions the disclosure of tax information specified in the statute must be made. Makes the Secretary responsible for determining whether information security protections for systems that store, process, or transmit tax information are adequate. Amends GS 143B-1325 by removing the Department from those agencies that are participating in consolidating enterprise information technology functions. Effective July 1, 2018, amends GS 143B-1325(d) by requiring that the information technology transfer and consolidation from the Department to the Department of Information Technology not happen until the Secretary determines that the system and data security meets the heightened security standards required by the federal government.

Part IX. Effective Date

Unless otherwise indicated, act is effective when it becomes law.

Intro. by Tillman, Tucker.

[GS 105, GS 115C, GS 116, GS 130A, GS 143B, GS 153A, GS 160A](#)

[View summary](#)

[Government, Tax, Local Government](#)

S 716 (2017-2018) [LOTTERY - JLOC RECOMMENDATIONS](#). Filed May 16 2018, *AN ACT TO INCREASE THE ALLOWABLE PERCENTAGE OF TOTAL ANNUAL LOTTERY REVENUES THAT THE LOTTERY COMMISSION MAY USE FOR ADVERTISING EXPENSES FROM ONE PERCENT TO TWO PERCENT, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON THE NORTH CAROLINA STATE LOTTERY.*

Identical to [H 952](#), filed 5/16/18.

Current law prohibits the North Carolina State Lottery Commission from using more than 1% of the total lottery revenues on advertising expenses. Amends GS 18C-162 to increase the allowable percentage of the total lottery revenues that the Commission may use for advertising costs to 2%. Effective July 1, 2018.

Intro. by Tillman.

[GS 18C](#)

[View summary](#)

[Lottery and Gaming](#)

S 717 (2017-2018) [UI TECHNICAL CHANGES](#). Filed May 16 2018, *AN ACT TO MAKE TECHNICAL, ADMINISTRATIVE, AND CLARIFYING CHANGES TO THE UNEMPLOYMENT INSURANCE LAWS.*

Identical to [H 931](#) filed on 5/16/18.

Amends GS 96-1, which sets out the definitions applicable to GS Chapter 96, Employment Security. Excludes from the definition of employment service performed by a direct seller, as defined by section 3508(b)(2) of the Internal Revenue Code (Code). Adds that the term does not include a person defined in section 3508(b)(2)(A)(iii) of the Code, which includes persons engaged in the trade or business of the delivering or distribution of newspapers or shopping news (including any services directly related to those trades or businesses). Also excludes from the definition of employment service performed by an intern for a governmental unit. Makes technical changes. Effective July 1, 2018, and applies to claims for benefits filed on or after that date as well as tax calculations on or after that date.

Amends Section 3.2(b) of SL 2017-8, as amended, extending the effective date of the new requirement that employers must respond to unemployment insurance claims within 10 days of receipt of notice (employers were previously given 14 days to respond prior to the SL 2017-8 amendments) from January 1, 2018, to January 1, 2019.

Amends GS 96-14.9(e), reducing the number of job contacts with potential employers an individual must make during the week from five to three job contacts in order to be determined that the individual is actively seeking work for unemployment insurance eligibility purposes. Effective July 1, 2018, and applies to claims for benefits filed on or after that date as well as tax calculations on or after that date.

Amends GS 96-9.15(d), requiring employers with reportable wages for 10 employees (previously, 25 employees) to file an electronic "Employer's Quarterly Tax and Wage Report" with the Department of Commerce, Division of Employment Security, as currently prescribed. Effective January 1, 2019.

Amends GS 96-15(b)(1), adding a new provision that allows for unemployment claims to be withdrawn by a claimant upon filing of a notice of withdrawal within 10 days from the earlier of mailing or delivery of the individual's monetary determination, and a finding of good cause by the Assistant Secretary of the Department of Commerce or the Assistant Secretary's designee. Effective July 1, 2018, and applies to benefits filed on or after that date as well as tax calculations on or after that date.

Intro. by Meredith, Wells, Newton.

[GS 96](#)

[View summary](#)

[Employment and Retirement](#)

Repeals SL 2017-57 Section 8.3(c1) (requiring that the annual salary schedule set out in SL 2017-57(8.3)(c) applies only to the 2017-2018 calendar year). Requires that until December 31, 2018, a principal will receive the state-funded portion of their salary as detailed by SL 2017-57 8.1, 8.3, and 8.5. For the period of January 1, 2019, to December 31, 2019, a principal will receive the State-funded portion of their salary pursuant to the teacher salary schedule, principal salary schedule, or assistant principal salary schedule, as appropriate, enacted for the 2018-19 budget year. For purposes of calculating a principal's compensation, school growth scores from the 2017-18 school year will become effective January 1, 2019.

Provides that a principal compensated in accordance with the principal salary schedule for the 2019 calendar year will receive an amount equal to or greater than the following: (1) the applicable amount determined by the principal salary schedule for the 2019 calendar year; (2) for principals who were eligible for longevity in the 2016-2017 fiscal year, the sum of the salary the principal received in the 2016-17 fiscal year pursuant to SL 2016-94 Section 9.1 or 9.2 and the longevity that the principal would have received as provided for State employees under the North Carolina Human Resources Act for the 2016-17 fiscal year based on the principal's current years of service; or (3) for principals who were not eligible for longevity in the 2016-17 fiscal year, the salary the principal received in the 2016-17 fiscal year pursuant to SL 2016-94 Section 9.1 or 9.2.

If a principal begins employment as a principal of a new school between July 1, 2018 and December 31, 2018, the new school is identified as low-performing, and the principal was paid or qualified to be paid according to the Exceeded Growth column of SL 2017-57 Section 8.3(a) during the 2017-18 fiscal year, that principal must receive for the 2019, 2020, and 2021 calendar years no less than the salary provided for principals in the Exceeded growth column, adjusted as appropriate for the average daily membership of the principal's current school.

Amend GS 115C-325.1(2) to make clarifying changes. Adds subdivision (e) to list of circumstances that do not constitute a demotion as defined by this section. Any reduction in a principal's salary resulting from a reduction in State funds due to school growth scores as provided in the Principal Salary Schedule, or a decline in the average daily membership of the principal's school, is not a demotion as defined by this section.

Directs the Department of Public Instruction to provide a bonus in the 2018-19 fiscal year to any principal who supervised a school in the top 50% of school growth in the State during the previous school year, with bonuses ranging from \$6,000 to \$2,000 depending on the school's place in the statewide growth percentage.

Effective July 1, 2018.

Intro. by Tillman, Curtis.

[View summary](#)

**[Education, Elementary and Secondary Education,
Government, State Agencies, Department of Public
Instruction](#)**

LOCAL/HOUSE BILLS

H 929 (2017-2018) [RECREATION SERVICE DISTRICT - JOHNSTON COUNTY](#). Filed May 16 2018, *AN ACT TO AUTHORIZE JOHNSTON COUNTY TO ESTABLISH A RECREATION SERVICE DISTRICT BY REFERENDUM*.

Applicable to Johnston County only, amends GS 153A-302, authorizing the board of commissioners to establish a service district after complying with the existing requirements set out in subsections (a) through (c) of the statute (regarding standards to consider, findings required, and preparation of an informational report that must be available for inspection before a public hearing on the matter). Allows establishment of a service district by resolution of the board of commissioners for any purposes set out in GS 153A-301 (enumerates several purposes such as beach erosion control, fire protection, recreation, and cemeteries). Specifically provides for the establishment of a recreation service district by a favorable advisory referendum by the majority of voters within the proposed recreation service district. Provides that to establish a recreation service district by referendum, the board of commissioners must file an accurate description of the proposed district boundaries with the county

board of elections and direct the county board of elections to conduct the advisory referendum within the proposed district. Requires the board of commissioners to fund the election. Directs that the election be in accordance with the applicable provisions of Article 27 of GS Chapter 163A (Municipal Elections). Provides for the form of the question to be set out on the ballot in the advisory referendum. Provides that the board of commissioners must adopt a resolution establishing the recreation service district if a majority of the voters vote favorably of its establishment. Makes conforming changes.

Intro. by White, Strickland.

[Johnston](#)

[View summary](#)

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

H 930 (2017-2018) [APEX ANNEXATION](#). Filed May 16 2018, *AN ACT ADDING CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF APEX.*

Adds described property to the Apex corporate limits. Effective June 30, 2018. Makes the described property subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2018.

Intro. by Williams.

[Wake](#)

[View summary](#)

H 936 (2017-2018) [ALLOW DURHAM PUB. SCHOOLS TO PROVIDE HOUSING](#). Filed May 16 2018, *AN ACT TO AUTHORIZE THE DURHAM PUBLIC SCHOOLS BOARD OF EDUCATION TO PROVIDE AFFORDABLE RENTAL HOUSING FOR TEACHERS AND OTHER EMPLOYEES OF DURHAM PUBLIC SCHOOLS.*

Section 1

Allows the Durham Public School Board of Education (Board) to enter into contracts to construct, provide, or maintain affordable rental housing on property owned by the Board or by Durham County.

Section 2

Authorizes the Board to enter into residential housing unit lease agreements for housing units it owns. The Board must restrict the rental of such units exclusively to Durham Public Schools teachers and employees. The Board may establish reasonable rents for housing units and may charge below-market rates.

Section 3

This act does not exempt any housing units constructed or maintained by the Board from compliance with applicable building codes, zoning ordinances, or any other health and safety statutes, rules, or regulations.

Intro. by Black, Morey, Michaux, Meyer.

[View summary](#)

[Development, Land Use and Housing, Property and Housing, Education, Elementary and Secondary Education](#)

H 942 (2017-2018) [KINSTON DEANNEXATION CORRECTIONS](#). Filed May 16 2018, *AN ACT REMOVING A CERTAIN DESCRIBED PARCEL FROM THE CORPORATE LIMITS AND LAND-USE PLANNING JURISDICTION OF THE CITY OF KINSTON.*

Section 1

Removes parcel of land referenced by Lenoir County Tax Office Parcel Identification Number 2153 from the corporate limits of the City of Kinston. Removal is effective June 30, 2018. Property in this parcel as of January 1, 2018, is no longer subject to municipal taxes imposed for taxable years beginning on or after July 1, 2018.

Section 2

This property is not subject to the extraterritorial jurisdiction of the City of Kinston as provided for in GS 160A-360 (allowing a city to exercise extraterritorial jurisdiction within one mile of the city limit).

Section 3

Except as provided in Section 2, this act is effective when it becomes law.

Intro. by J. Bell.

[Lenoir](#)

[View summary](#)

H 943 (2017-2018) [TAYLORTOWN DEANNEXATION](#). Filed May 16 2018, *AN ACT REMOVING CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE TOWN OF TAYLORTOWN.*

Removes the described parcels from the corporate limits of the Town of Taylortown. Specifies that the act has no effect upon the validity of any liens of the Town of Taylortown for ad valorem taxes or special assessments outstanding before the effective date of the act, and that those liens can be collected or foreclosed upon after the effective date of the act as though the property were still within the corporate limits of the town. Effective June 30, 2018. Provides that property described by the act as of January 1, 2018, is no longer subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2018.

Intro. by Boles, McNeill.

[Moore](#)

[View summary](#)

H 946 (2017-2018) [MOORESVILLE DEANNEXATION](#). Filed May 16 2018, *AN ACT REMOVING CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE TOWN OF MOORESVILLE.*

Removes the described property from the corporate limits of the Town of Mooresville. Clarifies that the act has no effect upon the validity of any liens of the Town of Mooresville for ad valorem taxes or special assessments outstanding before the effective date of the act, and that those liens can be collected or foreclosed upon after the effective date of the act as though the property were still within the corporate limits of the town. Effective June 30, 2018. Provides that the described property as of January 1, 2018, is no longer subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2018.

Intro. by Fraley.

[Iredell](#)

[View summary](#)

H 947 (2017-2018) [MOORESVILLE LOCAL OPTION SALES TAX](#). Filed May 16 2018, *AN ACT TO AUTHORIZE THE LEVY OF A MUNICIPAL ONE-QUARTER PERCENT SALES AND USE TAX.*

Applicable to the Town of Mooresville only, enacts Article 47 to GS Chapter 105, authorizing the governing body to direct the county board of elections to conduct an advisory referendum on the question of whether to levy a local sales and use tax at the rate of 1/4% in addition to all other State and local sales and use taxes for the purpose of street improvement. Defines *street improvement* to mean grading, surfacing, widening, or paving a street; acquiring one or more rights-of-way for a street; and constructing a sidewalk, curb, or gutter. Sets out the form of the question for the ballot and other procedures for the advisory

referendum. Authorizes the governing body to levy a local sales and use tax at a rate of 1/4% by resolution after 10 days' public notice if the majority of voters approve of the tax in the referendum. Provides for the administration of the additional taxes authorized by Article 47 to be in accordance with Article 39 of GS Chapter 105 (First One-Cent (1¢) Local Government Sales and Use Tax). Adds that the tax authorized by Article 47 is not applicable to the sales price of food that is exempt from tax pursuant to GS 105-164.13B or to the sales price of a bundled transaction pursuant to GS 105-467(a)(5a). Directs the Secretary of Revenue to distribute the net proceeds of the tax collected under Article 47 on a monthly basis to the municipality. Provides for allocation of proceeds where local sales or use taxes are collected but cannot be identified as being attributable to a particular taxing municipality. Provides that amounts collected by electronic transfer are included in the distribution for the month in which the return that applies to the payment is received. Permits the municipality to use the net proceeds of the tax levied under Article 47 for street improvement, as defined above.

Intro. by Fraley.

[Iredell](#)

[View summary](#)

Government, Tax

H 950 (2017-2018) [CARTHAGE SATELLITE ANNEXATIONS](#). Filed May 16 2018, *AN ACT REMOVING THE CAP ON SATELLITE ANNEXATIONS FOR THE TOWN OF CARTHAGE*.

As title indicates.

Intro. by McNeill, Boles.

[Moore](#)

[View summary](#)

H 951 (2017-2018) [PERMIT LINCOLN CO SCHOOLS & COM COLLEGE ALIGN](#). Filed May 16 2018, *AN ACT TO PERMIT THE LINCOLN COUNTY BOARD OF EDUCATION TO ALIGN ITS SCHOOL CALENDAR WITH THAT OF GASTON COLLEGE*.

Amends GS 115C-84.2(d), as it applies to Lincoln County Schools only, to allow the local board of education to align the school calendars with the calendar of a community college serving the city or county in which the local school administrative unit is located.

Intro. by Saine.

[Lincoln](#)

[View summary](#)

Education, Elementary and Secondary Education

H 953 (2017-2018) [SUPPORT MULTIPLE RECESSES FOR LINCOLN CO SCHL](#). Filed May 16 2018, *AN ACT TO EXPRESS THE SUPPORT OF THE GENERAL ASSEMBLY FOR MULTIPLE RECESS PERIODS FOR PUBLIC SCHOOLS LOCATED IN LINCOLN COUNTY*.

Includes several whereas clauses regarding school recess and local school administrative units' flexibility in structuring their school days.

Applicable only to Lincoln County, states that the General Assembly supports the Lincoln County Board of Education using the flexibility permitted in structuring the school day provided in GS 115C-84.2, or a charter school located in Lincoln County using the flexibility permitted in structuring the school day provided in Article 14A of GS Chapter 115C, to minimally extend the school day in order to have multiple shorter recess periods.

Intro. by Saine.

[Lincoln](#)

[View summary](#)

Education, Elementary and Secondary Education

H 954 (2017-2018) [ROCKINGHAM COUNTY SCHOOL BOARD/CHAIR TERM](#). Filed May 16 2018, *AN ACT TO ESTABLISH A ONE-YEAR TERM OF THE CHAIR OF THE ROCKINGHAM COUNTY BOARD OF EDUCATION*.

Amends SL 2015-38 by adding new Part IIIA requiring the Rockingham County Board of Education, beginning with the meeting held on the first Monday in December of 2018, to elect one Board member as chair for a one-year term or until the successor is elected and qualified.

Intro. by Bert Jones, K. Hall.

[Rockingham](#)

[View summary](#)

[Education, Elementary and Secondary Education](#)

H 955 (2017-2018) [EDEN/THOROUGHbred ANNEXATION AGREEMENT](#). Filed May 16 2018, *AN ACT AUTHORIZING THE CITY OF EDEN TO ENTER INTO AN ANNEXATION AGREEMENT FOR PAYMENTS IN LIEU OF ANNEXATION*.

Grants the City of Eden (City) the following specific contract powers. Authorizes the City to enter an agreement providing that property described by the act as the Thoroughbred Property cannot be involuntarily annexed by the City during the period beginning January 31, 2018, and ending February 1, 2028, under the General Statutes as they now exist or may be subsequently amended, except as provided in the agreement. Prohibits the City of Eden from seeking to repeal the act upon its enactment. Describes any agreement under the act as proprietary and commercial in nature, and consistent with the public policy of the State. Adds that any agreement under the act is binding on and enforceable against the current and future members of the city council of the City during the full term of the agreement and any extension of the agreement. Authorizes the parties of any agreement entered into under the act to further modify, amend, and extend the agreement by mutual written consent, without the approval of the General Assembly, so long as any modification or amendment does not materially alter the concept of the agreement. Authorizes the City to accept payments in lieu of taxes as consideration of the agreement, annually computed based upon the tax valuations of the property described as Thoroughbred Property as determined by the Rockingham County Tax Department, with the computation formula stated in the agreement.

Intro. by Bert Jones.

[Rockingham](#)

[View summary](#)

H 956 (2017-2018) [EDEN/DUKE ENERGY ANNEXATION AGREEMENT](#). Filed May 16 2018, *AN ACT AUTHORIZING THE CITY OF EDEN TO ENTER INTO AN ANNEXATION AGREEMENT WITH DUKE ENERGY FOR PAYMENTS IN LIEU OF ANNEXATION*.

Grants the City of Eden (City) the following specific contract powers. Authorizes the City to enter an agreement providing that property described by the act as the Dan River Plant Property cannot be involuntarily annexed by the City during the period beginning January 31, 2019, and ending December 31, 2023, under the General Statutes as they now exist or may be subsequently amended, except as provided in the agreement. Prohibits the City of Eden from seeking to repeal the act upon its enactment. Describes any agreement under the act as proprietary and commercial in nature, and consistent with the public policy of the State. Adds that any agreement under the act is binding on and enforceable against the current and future members of the city council of the City during the full term of the agreement and any extension of the agreement. Authorizes the parties of any agreement entered into under the act to further modify, amend, and extend the agreement by mutual written consent, without the approval of the General Assembly, so long as any modification or amendment does not materially alter the concept of the agreement. Authorizes the City to accept payments in lieu of taxes as consideration of the agreement in the amount of \$1 million, to be paid to Duke Energy in annual payments in the amount of \$200,000 for five successive years.

Describes the Dan River Plant Property in metes and bounds.

Intro. by Bert Jones.

H 957 (2017-2018) [GRAHAM COUNTY OCCUPANCY TAX](#). Filed May 16 2018, *AN ACT TO CREATE GRAHAM COUNTY DISTRICT G AND AUTHORIZE THE LEVY OF AN OCCUPANCY TAX IN THE DISTRICT.*

Creates Graham County District G (the district) as a taxing district. Defines the district's jurisdiction as the part of Graham County located outside of incorporated areas within the county. The district is corporate and has the power to carry out provisions of this section. The Graham County Board of Commissioners will serve as the officers of the governing body of the district. The governing body of the district may levy a room occupancy tax of up to 3%. This tax is in addition to any State or local sales or room occupancy tax. Provides that the tax must be levied, administered, collected, and repealed as provided in GS 153A-155 (uniform provisions for room occupancy taxes) as if the district were a county. Requires the Graham County 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 other tourism-related expenditures.

Makes other conforming changes to GS 153A-155(g).

Intro. by Corbin.

[Graham](#)

[View summary](#)

[Government, Tax](#)

H 958 (2017-2018) [POWELL BILL FOR PARKS/TOBACCOVILLE](#). Filed May 16 2018, *AN ACT TO PERMIT THE VILLAGE OF TOBACCOVILLE TO USE POWELL BILL FUNDS FOR THE PLANNING, CONSTRUCTION, AND MAINTENANCE OF PARKS AND RECREATIONAL FACILITIES.*

As title indicates.

Intro. by Conrad.

[Forsyth, Stokes](#)

[View summary](#)

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

LOCAL/SENATE BILLS

S 712 (2017-2018) [TOWN OF CHAPEL HILL INVESTMENTS](#). Filed May 16 2018, *AN ACT AMENDING THE CHARTER OF THE TOWN OF CHAPEL HILL TO AUTHORIZE THE TOWN TO INVEST EMPLOYEE BENEFIT FUNDS HELD IN TRUST IN ONE OR MORE OF THE TYPES OF SECURITIES OR OTHER INVESTMENTS AUTHORIZED BY STATE LAW FOR THE STATE TREASURER.*

Amends SL 1975-473 Chapter IV, of the Charter of the Town of Chapel Hill, as title indicates. Adds new Article 5, Section 4.30, allowing the Town of Chapel Hill to invest or reinvest any of the employee benefit funds held in trust, risk reserve funds, and capital reserves into one or more of the types of securities or other investments authorized by State law.

Intro. by Foushee.

[Orange](#)

[View summary](#)

[Employment and Retirement](#)

ACTIONS ON BILLS

PUBLIC BILLS

H 931: UNEMPLOYMENT INSURANCE TECHNICAL CHANGES.

House: Filed

H 932: ANONYMOUS SAFETY TIP LINE APPLICATION.

House: Filed

H 933: RECIPROCITY/SCHOOL PSYCHOLOGIST LICENSURE.

House: Filed

House: Passed 1st Reading

House: Ref To Com On Health

House: Ref To Com On Health

House: Reptd Fav

House: Cal Pursuant Rule 36(b)

House: Placed On Cal For 05/17/2018

H 934: THREAT ASSESSMENT TEAMS/PEER TO PEER COUNSELS.

House: Filed

H 935: ADD PIEDMONT COMMUNITY CHARTER SCHOOL TO SHP.

House: Filed

H 937: SROS DEFINED/TRAINING STANDARDS.

House: Filed

H 938: EXPAND USE/SCHOOL RISK MANAGEMENT PLANS.

House: Filed

H 939: SCHOOL BUILDING VULNERABILITY ASSESSMENTS.

House: Filed

H 940: SRO RPT BY LBES TO CENTER FOR SAFER SCHOOLS.

House: Filed

H 941: INCREASE FUNDING FOR SRO GRANT.

House: Filed

H 944: ABC REGULATION AND REFORM.

House: Filed

H 945: RAPE EVIDENCE COLLECTION KIT TRACKING ACT.

House: Filed

H 948: BUILDING CODE REGULATORY REFORM.

House: Filed

H 949: CODE-ENFORCEMENT RESPONSE TEAM.

House: Filed

H 952: LOTTERY - JLOC RECOMMENDATIONS.

House: Filed

S 711: NC FARM ACT OF 2018.

Senate: Filed

S 713: REENACT SCHOOL SALES TAX HOLIDAY.

Senate: Filed

S 714: ABC REGULATION AND REFORM.

Senate: Filed

S 715: VARIOUS CHANGES TO THE REVENUE LAWS.

Senate: Filed

S 716: LOTTERY - JLOC RECOMMENDATIONS.

Senate: Filed

S 717: UI TECHNICAL CHANGES.

Senate: Filed

S 718: REVISE PRINCIPAL COMPENSATION.

Senate: Filed

LOCAL BILLS

H 929: RECREATION SERVICE DISTRICT - JOHNSTON COUNTY.

House: Filed

H 930: APEX ANNEXATION.

House: Filed

H 936: ALLOW DURHAM PUB. SCHOOLS TO PROVIDE HOUSING.

House: Filed

H 942: KINSTON DEANNEXATION CORRECTIONS.

House: Filed

H 943: TAYLORTOWN DEANNEXATION.

House: Filed

H 946: MOORESVILLE DEANNEXATION.

House: Filed

H 947: MOORESVILLE LOCAL OPTION SALES TAX.

House: Filed

H 950: CARTHAGE SATELLITE ANNEXATIONS.

House: Filed

H 951: PERMIT LINCOLN CO SCHOOLS & COM COLLEGE ALIGN.

House: Filed

H 953: SUPPORT MULTIPLE RECESSES FOR LINCOLN CO SCHL.

House: Filed

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H 957: GRAHAM COUNTY OCCUPANCY TAX.

House: Filed

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House: Filed

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Senate: Filed

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