



The Daily Bulletin: 2019-05-15

PUBLIC/HOUSE BILLS

H 233 (2019-2020) [STATE AUDITOR/LOCAL FINANCE OFFICER AMENDS. \(NEW\)](#) Filed Feb 27 2019, *AN ACT TO REQUIRE A NON-STATE ENTITY THAT RECEIVES STATE FUNDS TO POST THE OFFICE OF THE STATE AUDITOR'S HOTLINE, TO ALLOW THE OFFICE OF THE STATE AUDITOR TO DETERMINE THE LENGTH OF TIME THAT A STATE AGENCY MAY RESPOND TO AN AUDIT OF ECONOMY AND EFFICIENCY OR AN AUDIT OF PROGRAM RESULTS, TO EXPAND THE TYPE OF RECORDS THE OFFICE OF THE STATE AUDITOR MAY SHARE WITH STATE AND FEDERAL AGENCIES, TO CLARIFY THAT THE PRODUCTION OF DOCUMENTS TO THE OFFICE OF THE STATE AUDITOR DOES NOT WAIVE THE ATTORNEY-CLIENT OR ATTORNEY WORK-PRODUCT PRIVILEGES, TO CLARIFY THAT THE OFFICE OF THE STATE AUDITOR IS NOT REQUIRED TO ADOPT UNNECESSARY RULES, AND TO AMEND LOCAL GOVERNMENT FINANCE OFFICER LAWS.*

Senate committee substitute adds the following to the 1st edition.

Amends GS 159-24, now requiring every local government and public authority to have a finance officer appointed by the local government, public authority, or designated official at all times, holding office at the pleasure of the appointing board of official (previously more generally required the appointment of a finance officer to hold office at the pleasure of the appointing board or official). Amends GS 159-25, granting finance officers the power to contract with outside entities to ensure fulfillment of the enumerated duties of officers under the statute, excluding the duties to supervise the investment of idle funds unless otherwise allowed by law and to attend training required of the Local Government Commission (Commission).

Authorizes the Commission to adopt rules establishing minimum qualifications for finance officers. Adds to the circumstances in which the Commission can require any finance officer or any other employee who performs the duties of a finance officer to participate in training to now include: (1) the employing local government or public authority has an internal control material weakness or significant deficiency in the most recently completed financial audit, and (2) the finance officer fails to annually meet or attest to the minimum qualifications of the position. Additionally authorizes the Commission to require a local government or public authority to contract with outside entities pursuant to the new provision if the local government or public authority has received a unit letter from the Commission due to noncompliance with the Chapter or has an internal control finding in the most recently completed financial audit.

Makes conforming changes to the act's titles.

Intro. by Riddell, Cleveland, Floyd, Barnes.

[GS 143C](#), [GS 147](#), [GS 159](#)

[View summary](#)

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

H 544 (2019-2020) [NCAMC/NCACC SPECIAL REGIS. PLATE](#). Filed Apr 2 2019, *AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO PRODUCE "NCAMC/NCACC" SPECIAL REGISTRATION PLATES.*

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

Amends GS 20-79.4(b)(147), as reenacted, to require an applicant wishing to obtain an NCAMC or NCACC Clerk special registration plate to furnish proof that the applicant is currently a clerk of a municipal governing board or county board of commissioners in the state prior to being issued the registration plate. Also no longer requires the municipal or county clerk plate to bear the number representing the clerk's respective city, town, or county.

Changes the act's effective date to when the date the act becomes law (was July 1, 2019).

Changes the act's long title.

Intro. by Potts, Jarvis, Corbin, Yarborough.

GS 20

[View summary](#)**Courts/Judiciary, Motor Vehicle, Government, State Agencies,
Department of Transportation**

H 667 (2019-2020) **LOCAL OPTION SALES TAX FLEXIBILITY**. Filed Apr 9 2019, *AN ACT TO GIVE COUNTIES ADDITIONAL FLEXIBILITY WITH REGARD TO THE LOCAL OPTION SALES AND USE TAX WITHOUT INCREASING THE EXISTING MAXIMUM TAX RATE.*

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

Eliminates proposed Article 43A, GS Chapter 105, authorizing a .5% county sales and use tax for public education purposes.
Makes conforming deletion of the proposed changes to GS 105-506.

Modifies and adds to the proposed changes to GS Chapter 105, Article 46 (now, the one-quarter cent or one-half cent county sales and use tax), as follows. Prohibits holding a referendum on the levy of taxes under the Article within one year from the date of the last preceding election for the same. Now restricts a county's use of the net proceeds of taxes levied under the Article to any public purpose and/or public education purposes, which must be indicated on the ballot question presented at the referendum as specified. Defines *public education purposes* to mean (1) public school capital outlay purposes or to retire any of the county's related indebtedness, (2) classroom teacher salary supplements, or (3) financial support of community colleges.
Makes conforming changes.

Intro. by Howard, Saine, Szoka, Hunter.

GS 105

[View summary](#)**Government, Tax, Local Government**

PUBLIC/SENATE BILLS

S 622 (2019-2020) **TAX REDUCTION ACT OF 2019**. Filed Apr 3 2019, *AN ACT TO INCREASE THE STANDARD DEDUCTION, TO SIMPLIFY THE FRANCHISE TAX BASE, TO LOWER THE FRANCHISE TAX RATE, TO REQUIRE MARKETPLACE FACILITATORS TO COLLECT AND REMIT SALES AND USE TAX ON MARKETPLACE FACILITATED SALES, AND TO MAKE OTHER TAX LAW CHANGES.*

Senate committee substitute to the 2nd edition makes the following changes.

Part II. Franchise Tax Changes

Further amends GS 105-120.2, concerning franchise or privilege tax on holding companies. Adds to the conditions which qualify a corporation as a *holding company* under the statute to now include ownership of intangible assets that represent more than 80% of the corporation's total assets, or receipt of royalties and license fees that represent more than 80% of the corporation's total gross income, when the corporation is owned 100% by a corporation that meets three specified criteria, including generating revenues in excess of \$5 billion from goods that it manufactures.

Intro. by Tillman, Hise, Newton.

GS 55, GS 96, GS 97, GS 105, GS 166A

[View summary](#)**Banking and Finance, Business and Commerce, Government,
Public Safety and Emergency Management, State Agencies,
Department of Revenue, Tax, Public Enterprises and Utilities**

LOCAL/HOUSE BILLS

H 528 (2019-2020) [INDIAN TRAIL/STALLINGS OCCUPANCY TAX AUTH.](#) Filed Mar 28 2019, *AN ACT TO AUTHORIZE THE TOWN OF INDIAN TRAIL AND A PORTION OF THE TOWN OF STALLINGS TO LEVY AN OCCUPANCY TAX.*

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

Part I.

Regarding the Indian Trail occupancy tax authorization, adds an explicit authorization for the Town of Indian Trail Town Council to increase the occupancy tax rate by resolution after 10 days' public notice and hearing, at a rate not exceeding the rate approved by a referendum held pursuant to previously specified conditions. Makes technical changes.

Part II.

Amends GS 160A-215 instead of GS 153A-155(b) and makes the following additional changes. Regarding the Stallings District S occupancy tax authorization, clarifies that the governing body of Stallings District S (as the taxing district is created by the act) is authorized to levy the occupancy tax approved by referendum, as previously specified, after 10 days' public notice and hearing. Adds an explicit authorization for the governing board of Stallings District S to increase the occupancy tax rate by resolution after 10 days' public notice and hearing, at a rate not exceeding the rate approved by a referendum held pursuant to previously specified conditions. Makes further conforming, technical and organizational changes.

Intro. by Arp, Horn.

Union

[View summary](#)

Government, Tax

ACTIONS ON BILLS

PUBLIC BILLS

H 233: STATE AUDITOR/LOCAL FINANCE OFFICER AMENDS. (NEW)

Senate: Reptd Fav Com Substitute

Senate: Com Substitute Adopted

Senate: Re-ref Com On Rules and Operations of the Senate

H 363: CRAFT BEER DISTRIBUTION & MODERNIZATION ACT.

Senate: Reptd Fav

Senate: Re-ref Com On Rules and Operations of the Senate

H 532: DNCR ADD NEW TRAILS & VARIOUS CHANGES.

Senate: Reptd Fav

Senate: Re-ref Com On Rules and Operations of the Senate

H 544: NCAMC/NCACC SPECIAL REGIS. PLATE.

House: Reptd Fav Com Substitute

House: Re-ref Com On Rules, Calendar, and Operations of the House

House: Reptd Fav

House: Cal Pursuant Rule 36(b)

House: Added to Calendar

House: Passed 2nd Reading

House: Passed 3rd Reading

H 597: WILDLIFE RESOURCES COMMISSION AMENDS.

House: Reptd Fav

House: Re-ref Com On Rules, Calendar, and Operations of the House

H 667: LOCAL OPTION SALES TAX FLEXIBILITY.*House: Reptd Fav Com Substitute**House: Re-ref Com On Rules, Calendar, and Operations of the House**House: Reptd Fav**House: Cal Pursuant Rule 36(b)**House: Added to Calendar**House: Passed 2nd Reading***S 359: BORN-ALIVE ABORTION SURVIVORS PROTECTION ACT.***House: Withdrawn From Cal**House: Placed On Cal For 05/16/2019***S 605: HIGHWAY STORM RECOVERY ACT (NEW)***House: Reptd Fav**House: Cal Pursuant Rule 36(b)**House: Added to Calendar**House: Passed 2nd Reading**House: Passed 3rd Reading**House: Ordered Enrolled**Senate: Ratified**Senate: Pres. To Gov. 5/15/2019***S 622: TAX REDUCTION ACT OF 2019.***Senate: Reptd Fav Com Substitute**Senate: Com Substitute Adopted***LOCAL BILLS****H 528: INDIAN TRAIL/STALLINGS OCCUPANCY TAX AUTH.***House: Reptd Fav Com Substitute**House: Re-ref Com On Rules, Calendar, and Operations of the House**House: Reptd Fav**House: Cal Pursuant Rule 36(b)**House: Added to Calendar**House: Passed 2nd Reading***© 2019 School of Government The University of North Carolina at Chapel Hill**

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