



## The Daily Bulletin: 2019-08-21

### PUBLIC/HOUSE BILLS

H 206 (2019-2020) [VARIOUS TRANSPORTATION CHANGES. \(NEW\)](#) Filed Feb 26 2019, *AN ACT TO MAKE CHANGES TO LAWS RELATED TO TRANSPORTATION.*

AN ACT TO MAKE CHANGES TO LAWS RELATED TO TRANSPORTATION. SL 2019-199. Enacted August 21, 2019. Section 4 is effective July 1, 2019. Section 7 and Section 9 are effective October 1, 2019. Effective August 21, 2019, unless otherwise indicated.

**Intro. by Torbett.**

[STUDY, GS 20, GS 40A, GS 63, GS 136, GS 146](#)

[View summary](#)

**Business and Commerce, Courts/Judiciary, Motor Vehicle, Government, State Agencies, Department of Environmental Quality (formerly DENR), Department of Transportation, State Government, State Property, Transportation**

H 217 (2019-2020) [DIT CHANGES.-AB](#) Filed Feb 27 2019, *AN ACT TO MAKE MISCELLANEOUS AND TECHNICAL CHANGES TO THE STATUTES RELATING TO THE DEPARTMENT OF INFORMATION TECHNOLOGY; AMEND VARIOUS STATUTES RELATING TO STATE AGENCY CYBERSECURITY; AMEND VARIOUS STATUTES RELATING TO THE EMERGENCY TELEPHONE SERVICE AND THE 911 BOARD; REPEAL THE REQUIREMENT THAT CABLE SERVICE PROVIDERS MUST PROVIDE CABLE SERVICE WITHOUT CHARGE TO A PUBLIC BUILDING LOCATED WITHIN 125 FEET OF THE PROVIDER'S CABLE SYSTEM; CREATE THE INFORMATION TECHNOLOGY STRATEGY BOARD; REQUIRE TRAINING AND CERTIFICATION OF POLICE TELECOMMUNICATORS; AND CLARIFY THE AUTHORITY OF THE STATE CHIEF INFORMATION OFFICER TO MAKE PERSONNEL DECISIONS RELATING TO EMPLOYEES OF THE DEPARTMENT OF INFORMATION TECHNOLOGY.*

AN ACT TO MAKE MISCELLANEOUS AND TECHNICAL CHANGES TO THE STATUTES RELATING TO THE DEPARTMENT OF INFORMATION TECHNOLOGY; AMEND VARIOUS STATUTES RELATING TO STATE AGENCY CYBERSECURITY; AMEND VARIOUS STATUTES RELATING TO THE EMERGENCY TELEPHONE SERVICE AND THE 911 BOARD; REPEAL THE REQUIREMENT THAT CABLE SERVICE PROVIDERS MUST PROVIDE CABLE SERVICE WITHOUT CHARGE TO A PUBLIC BUILDING LOCATED WITHIN 125 FEET OF THE PROVIDER'S CABLE SYSTEM; CREATE THE INFORMATION TECHNOLOGY STRATEGY BOARD; REQUIRE TRAINING AND CERTIFICATION OF POLICE TELECOMMUNICATORS; AND CLARIFY THE AUTHORITY OF THE STATE CHIEF INFORMATION OFFICER TO MAKE PERSONNEL DECISIONS RELATING TO EMPLOYEES OF THE DEPARTMENT OF INFORMATION TECHNOLOGY. SL 2019-200. Enacted August 21, 2019. Section 10 is effective January 1, 2020. Effective August 21, 2019, unless otherwise indicated.

**Intro. by Saine, Jones, K. Hall.**

[GS 17E, GS 58, GS 66, GS 126, GS 143B](#)

[View summary](#)

**Business and Commerce, Insurance, Government, Public Safety and Emergency Management, State Agencies, Department of Information Technology, Office of Information Technology Services, Public Enterprises and Utilities**

H 370 (2019-2020) [REQUIRE COOPERATION WITH ICE DETAINERS. \(NEW\)](#) Filed Mar 14 2019, *AN ACT TO REQUIRE COMPLIANCE WITH IMMIGRATION DETAINERS AND ADMINISTRATIVE WARRANTS.*

The Governor vetoed the act on 8/21/19. The Governor's objections and veto message are available here: <https://webservices.ncleg.net/ViewBillDocument/2019/6297/0/H370-BD-NBC-6105>

**Intro. by D. Hall, Jones, Saine, C. Smith.**

GS 128, GS 162

[View summary](#)

**Government, Public Safety and Emergency Management,  
Local Government, Immigration**

H 555 (2019-2020) **MEDICAID TRANSFORMATION IMPLEMENTATION. (NEW)** Filed Apr 2 2019, *AN ACT TO APPROPRIATE FUNDS FOR THE IMPLEMENTATION OF MEDICAID TRANSFORMATION AND TO MAKE OTHER MEDICAID TRANSFORMATION-RELATED CHANGES.*

House committee substitute to the 2nd edition deletes the previous provisions and instead provides the following.

Part I.

Directs that the act's implementation be in conjunction with the procedure for budget continuation under specified state law, with the act's provisions superseding conflicting state law.

Repeals Sections 9D.14, 9D.15, 9D.15A, 9D.15B, 9D.16, 9D.17, 9D.18, and 9D.19 of HB 966 (Appropriations Act of 2019) of the 2019 Regular Session if HB 966 becomes law.

Repeals Part III of this act if HB 966 becomes law.

Part II.

Appropriates \$33,758,136 in recurring funds from the General Fund to the Department of Health and Human Services (DHHS), Division of Health Benefits, for the 2019-20 fiscal year, and \$199,784,238 in recurring funds for the 2020-21 fiscal year, for the Medicaid and NC Health Choice programs rebase.

Appropriates \$28,617,655 in recurring funds from the General Fund to the Division of Health Benefits for the 2019-20 fiscal year, and \$40,167,655 in recurring funds for the 2020-21 fiscal year, for transitioning to Medicaid managed care.

Deems receipts received as a result of the act appropriated in each year of the 2019-21 biennium for the specified purposes.

Part III.

Directs the State Controller to transfer \$224 million for the 2019-20 fiscal year, and \$45 million for the 2020-21 fiscal year, from funds available in the Medicaid Transformation Reserve in the General Fund to the Medicaid Transformation Fund. Authorizes the transfer of funds from the Medicaid Transformation Fund to the Division of Health Benefits for payment of claims related to services billed under the fee-for-service payment model for recipients being, or who have been, transitioned to managed care (known as "claims run out"). Allows for transfer on an as-needed basis; deems transferred funds appropriated.

Authorizes \$27,280,947 in nonrecurring funds for the 2019-20 fiscal year, and \$10,983,548 for the 2020-21 fiscal year, to be transferred from the Medicaid Transformation Fund to the Division of Health Benefits to provide the State share for nonrecurring qualifying needs, as defined, directly related to Medicaid transformation required by SL 2015-241, as amended. Allows for transfer on an as-needed basis; deems transferred funds appropriated. Requires the Division of Health Benefits to make transfer requests to the Office of State Management and Budget (OSBM), providing for the amount request and the nonrecurring qualifying need for which the funds are to be used. Requires OSBM to verify the amount and use, and that the amount requested provides a State share that will not result in total requirements that exceed \$190 million in nonrecurring funds for the 2019-21 fiscal biennium, prior to any transfer. Mandates that any federal funds received in any fiscal year by the Division of Health Benefits that represent a return of State share already expended on a qualifying need related to the funds received by the Division under the act be deposited into the Medicaid Transformation Fund. Authorizes \$30,658,885 in nonrecurring funds for the 2019-20 fiscal year, and \$21,345,808 in nonrecurring funds for the 2020-21 fiscal year, to be transferred from the Medicaid Transformation Fund to DHHS for the purpose of providing nonrecurring funding for administrative expenses during the transition to Medicaid-managed care. Deems transferred funds appropriated.

## Part IV.

Reduces the General Fund budget for the Division of Health Benefits by \$30,658,855 in recurring funds for the 2019-20 fiscal year, and \$42,691,615 in recurring funds for the 2020-21 fiscal year due to reduced administrative costs resulting from the implementation of Medicaid transformation. Authorizes the DHHS Secretary to reduce administrative costs across all DHHS Divisions. Prohibits any reduction that reduces funds that impact direct services (not including the reduction of administrative costs associated with contracts for the provision of direct services) or are used to support a specified settlement agreement between the State and the US Department of Justice.

Requires the DHHS Secretary to report to the specified NCGA committees and division by January 15, 2020, and January 15, 2021, on the reduction actions taken during the respective fiscal year. Requires the Secretary to list any positions eliminated with specified accompanying information.

## Part V.

Repeals Section 12H.12(b) of SL 2014-100 (which replaced the individualized base rates for hospital inpatient services under the Medicaid and NC Health Choice programs with a specified single statewide base rate for hospital inpatient services) and Section 12H.23 of SL 2015-241 (which prohibited Medicaid providers from receiving reimbursement for Graduate Medical Education (GME) in addition to their DRG Unit Value rate).

## Part VI.

Requires DHHS to ensure that the existing DHHS Customer Service hotline is responsive to questions posed by a Medicaid beneficiary or provider, or the general public, related to Medicaid transformation during the 2019-20 fiscal year.

## Part VII.

Authorizes DHHS to contract with the Indian managed care entity (IMCE) or an Indian health care provider (IHCP) to assist in the provision of health care or health care-related services to Medicaid and NC Health Choice beneficiaries who are members of federally recognized tribes or who are eligible to enroll in an IMCE. Details care and services permitted by the contracts. Requires that coverage provided by the IMCE or IHCP can be more permissive but no more restrictive than Medicaid or NC Health Choice medical coverage policy adopted or amended by DHHS. Requires coverage to be in compliance with federal regulations and policies related to the receipt of federal funding for health care or health care-related services.

Amends Section 4 of SL 2015-245, as amended, to exclude eligible recipients who are enrolled in a DHHS-contracted IMCE from the required coverage of capitated PHP contracts. Makes conforming changes to include this new exception in the management transformation process set forth in Section 4 of 2015-245. Effective October 1, 2019.

Authorizes DHHS to seek approval from CMS and submit any necessary State Plan Amendments and waivers, or any amendments, to implement Part VII.

## Part VIII.

Requires DHHS to revise the supplemental payment program for eligible medical professional providers. Effective October 1, 2019, the following two changes to the program must be implemented: (1) the program must no longer utilize a limit on the number of eligible medical professional providers that may be reimbursed through the program, and must instead use a limit on the total payments made under the program and (2) payments under the program must consist of supplemental payments that increase reimbursement to the average commercial rate under the State Plan and directed payments that increase reimbursement to the average commercial rate under the managed care system.

Requires that the limitation on total payments made under the Average Commercial Rate Supplemental and Directed Payment Program for eligible medical professional providers apply to the combined amount of payments made as supplemental payments under the State Plan and payments made as directed payments under the managed care system and must be based on the amount of supplemental payments made during the 2018-2019 fiscal year as specified depending on when services were provided.

Requires DHHS to limit the total amount of supplemental and directed payments that may be received by the eligible providers affiliated with East Carolina University Brody School of Medicine and the University of North Carolina at Chapel Hill Health Care System. Provides that average commercial rate supplemental payments and directed payments must not be made for services provided in Wake County.

Repeals SL 2013-360, Section 12H.13(e) (which reduces the percentage of allowable costs for hospital outpatients 80% to 70% under the Medicaid and NC Health Choice Programs, which became effective January 1, 2014); and SL 2014-100, Section 12H.13(b) (which requires UNC and ECU to submit an annual report based on their preceding fiscal year to the Joint Legislative Oversight Committee on Health and Human Services on each individual provider for whom the specified supplemental payment was made) and Section 12H.13A (which sets the settlement for outpatient Medicaid services performed by UNC Hospitals and Vidant Medical Center at 70% of costs, which became effective July 1, 2014). Effective October 1, 2019.

#### Part IX.

Enacts GS 143C-4-11, establishing the Medicaid Contingency Reserve to be used for budget shortfalls in Medicaid or NC Health Choice programs. Sets forth three criteria that must be met in order for funds from the Medicaid Contingency Reserve Fund to be allocated or expended, including a legislative appropriation, verification of appropriate use by OSBM, and immediate reporting of the shortfall by the Director of Budget to the Fiscal Research Division, as specified. Specifies that gubernatorial authority is not limited by the statute.

#### Part X.

Repeals Article 7 of GS Chapter 108A, Hospital Provider Assessment Act, effective October 1, 2019. Effective October 1, 2019, enacts new Article 7A, Hospital Assessment Act, in GS Chapter 108A, providing as follows.

Provides that the assessments apply to all licensed North Carolina hospitals, except exempts from the supplemental assessment and the base assessment critical access hospitals, freestanding psychiatric hospitals, freestanding rehabilitation hospitals, long-term care hospitals, state-owned and state-operated hospitals, and the primary affiliated teaching hospital for each UNC medical school. Exempts public hospitals from the supplemental assessment.

Requires both the base and supplemental assessments to be a percentage, established by the NCGA, of total hospital costs. Requires DHHS proposed supplemental assessment rate on: (1) the percentage change in aggregate payments to hospitals subject to the supplemental assessment for Medicaid and NC Health Choice enrollees, excluding hospital access payments made under 42 CFR § 438.6 and (2) any changes in the federal medical assistance percentage rate applicable to the Medicaid or NC Health Choice programs for the applicable year. Requires the proposed base assessment rate to be based on: (1) the change in the State's annual Medicaid payment for the applicable year; (2) the percentage change in aggregate payments to hospitals subject to the base assessment for Medicaid and NC Health Choice enrollees, excluding hospital access payments made under 42 CFR § 438.6, as determined by the DHHS; (3) any changes in the federal medical assistance percentage rate applicable to the Medical or NC Health Choice programs for the applicable year; and (4) any changes, as determined by DHHS, in reimbursement under the Medicaid State Plan, managed care payments authorized under 42 CFR § 438.6 for which the nonfederal share is not funded by General Fund appropriations, and reimbursement under the NC Health Choice program. Provides that beginning October 1, 2019, assessments are due quarterly. Allows a hospital to appeal a determination of the assessment amount owed through a reconsideration review. Provides that if the Centers for Medicare and Medicaid Services (CMS) determines that an assessment is impermissible or revokes approval of an assessment, then that assessment must not be imposed and DHHS's authority to collect the assessment is repealed.

Provides that if a hospital exempt from both the base and supplemental assessments under this Part (1) makes an intergovernmental transfer to DHHS to be used to draw down matching federal funds and (2) has acquired, merged, leased, or managed another hospital on or after March 25, 2011, then the exempt hospital must transfer an additional amount to the State. Sets out the formula for calculating that amount.

Requires that the proceeds of the assessments imposed under this Part, and all corresponding matching federal funds, must be used to make the State's annual Medicaid payment to the State, to fund payments to hospitals made directly by DHHS, to fund a portion of capitation payments to prepaid health plans attributable to hospital care, and to fund the nonfederal share of graduate medical education payments.

Sets the percentage to be used in calculating the supplemental assessment at 2.26% and the base assessment rate at 1.77% for the taxable year October 1, 2019, through September 30, 2020.

Directs the State Controller to transfer funds from the Medicaid Contingency Reserve to the Division of Health Benefits only upon request by the Division as needed to cover any shortfall of receipts from the supplemental or base assessments under new GS 108A-141 and GS 108A-142, and only if two conditions are met: (1) OSBM has certified that there will be a shortfall and

(2) OSBM has certified that the amount requested does not exceed the shortfall in receipts certified. Requires the Division of Health Benefits to notify the specified NCGA committee and division of any request and the amount requested. Deems transferred funds appropriated. Sunsets this authority June 30, 2020.

Directs DHHS to establish a new fund code, Hospital Assessment Fund, to be used to support a decrease in the supplemental assessment or base assessment rates corresponding with the amount in the Fund.

Applicable for the 2019-20 fiscal year only, provides for the transfer of over-realized receipts from the supplemental and base assessments, based on the amount anticipated in the Governor's proposed base budget for the Division of Health Benefits for the fiscal year, as follows: \$45 million transferred to the Hospital Assessment Fund, or if the total amount of over-realized receipts is less than \$45 million, then the full amount to the Hospital Assessment Fund; and the remainder, after the \$45 million transfer, if appropriate, to the Medicaid Transformation Reserve. Requires OSBM to certify that there will be over-realized receipts for the 2019-20 fiscal year from the supplemental and base assessments, and that the amounts transferred are in compliance with these provisions, prior to transferring any amount.

#### Part XI.

Makes the following changes to Article 8B of GS Chapter 105, retitling the article Taxes Upon Insurance Companies and Prepaid Health Plans.

Adds *capitation payment* and *prepaid health plan* to the defined terms set out in GS 105-228.3. Makes organizational changes.

Amends GS 105-228.5, expanding the gross premium tax to subject capitation payments received by prepaid health plans to a 1.9% gross premium tax, measured by gross capitation payments received by the prepaid health plan (PHP) by the DHHS for services delivered to enrollees in the State Medicaid program or NC Health Choice program in the preceding calendar year. Makes conforming additions concerning calculating the tax base of PHPs. Provides that capitation payments refunded by a PHP to the State are the only allowable deductions. Adds clarification to the exclusion of Medicaid premiums, providing that the exclusion includes Medicaid or NC Health Choice premiums other than capitation payments, paid by or on behalf of a Medicaid or NC Health Choice beneficiary. Requires the net proceeds of the tax to be credited to the General Fund. Makes further technical and clarifying changes.

Amends GS 58-6-25, concerning insurance regulatory charges, to include PHPs that pay the gross premium tax set out in GS 105-228.5 in the term *insurance company*.

Amends GS 105-259 to allow state officers and employees to exchange of tax information with DHHS when needed to fulfill a duty imposed on the Department of Revenue.

Effective October 1, 2019.

#### Part XII.

Enacts GS 143C-9-9, establishing the Hospital Uncompensated Care Fund as a nonreverting special fund in DHHS, consisting of the federal disproportionate share adjustment receipts arising from certified public expenditures. Authorizes DHHS to use funds from the Fund to (1) make payments to institutions for mental diseases, as defined by federal law and (2) make payments to hospitals to reimburse inpatient services uncompensated care costs or outpatient services uncompensated care costs, or both, provided the entity has been determined eligible. Requires DHHS to adopt rules for determining eligibility for, and allocations of, Hospital Uncompensated Care Fund payments.

Makes conforming changes to the act's titles.

**Intro. by Dobson, White, Saine, Lambeth.**

[APPROP, UNCODIFIED, GS 58, GS 105, GS 108A, GS 143C](#)

[View summary](#)

**[Government, Budget/Appropriations, State Agencies, UNC System, Department of Health and Human Services, Tax, Health and Human Services, Health, Health Care Facilities and Providers, Social Services, Public Assistance](#)**

H 609 (2019-2020) **SALARY INCREASES/ADULT CORRECTIONAL EMPLOYEES. (NEW)** Filed Apr 4 2019, *AN ACT AWARDING LEGISLATIVELY MANDATED SALARY INCREASES AND SPECIAL ANNUAL LEAVE TO STATE ADULT CORRECTIONAL FACILITY EMPLOYEES.*

Senate committee substitute deletes the provisions of the 2nd edition and instead provides the following.

Part I.

Appropriates from the General Fund to the Department of Public Safety (DPS) \$35,914,734 in recurring funds for the 2019-20 fiscal year and \$56,829,468 in recurring funds for the 2020-21 fiscal year to award compensation increases to State adult correctional facility employees pursuant to the act's provisions. Specifies that State funds are appropriated for each year of the 2019-21 fiscal biennium as agency receipts up to the amounts needed to implement the legislatively mandated salary increases set forth in the act for each year of the fiscal biennium.

Part II.

Mandates the following salary increases. Effective July 1, 2019, awards a State employee who is employed in a State-funded position based in a State adult correctional facility on June 30, 2019, a 2.5% annual salary increase in the 2019-20 fiscal year and any salary adjustment otherwise allowed or provided by law. Similarly, effective July 1, 2020, awards a State employee who is employed in a State-funded position based in a State adult correctional facility on June 30, 2020, a 2.5% annual salary increase in the 2020-21 fiscal year and any salary adjustment otherwise allowed or provided by law. Mandates the award of increases in the same manner for part-time employees on a prorated basis. Sets forth parameters and guidelines for the salary increases and funds appropriated, including prohibiting funds appropriated by the act from being used to provide salary increases in excess of those legislatively mandated, with amounts in excess of that required for implementation required to be credited to the Pay Plan Reserve. Requires the Office of State Budget and Management to report to the specified NCGA committee and division by May 1, 2020, and May 1, 2021, on the expenditure of funds, as specified, under the act for the respective fiscal year.

Part III.

Establishes a pay differential ranging from 10% to 20% to be applied to a correctional officer's salary during any period of time the officer is assigned to a lower custody level facility and works at a higher custody level facility.

Part IV.

Deems DPS employees serving in high-need correctional facilities having the highest number of vacancies eligible to receive flat-dollar salary supplements, payable monthly, for up to a two-year period. Sets the minimum base supplement rate at \$2,500 annually, and provides for the rates to be based on the facility's staffing difficulty, ranging from Level I to Level III, with vacancy rates ranging from 20% to 30% for at least 12 months in the prior biennium, and corresponding supplements ranging from the base supplement rate to three times the base supplement rate, respectively. Provides that the salary supplement rates assigned to each high-need correctional facility at the beginning of each fiscal biennium is effective for the facility throughout the fiscal biennium. Requires DPS to re-designate high-need facilities at the beginning of each subsequent fiscal biennium based on the same criteria provided. Allows DPS to exclude facilities or assign lower levels to facilities if necessary. Prohibits DPS from providing supplements to facilities that do not meet the minimum criteria provided. Requires unexpended supplement funds at the end of each fiscal year to be distributed proportionally to employees in high-need facilities who were employed at a designated facility for the entire fiscal year. Specifies that the supplements are not compensation for Retirement System purposes.

Part V.

Awards anyone employed in an adult correctional facility as a full-time permanent employee of DPS on July 1, 2019, and eligible to earn annual leave, a one-time additional five days of annual leave credited on July 1, 2019. Provides for part-time employees to receive a pro rata amount of the same leave awarded by the act. Details parameters and limitations for the leave awarded, including that the leave has no cash value and cannot be paid out upon separation or retirement. Adds that any vacation leave remaining on December 31 of each year in excess of 30 days is reduced by the number of days awarded by the act that were actually used by the employee during the year, so that the calculation of vacation leave days that would convert to sick leave reflects the deduction of those days of special annual leave awarded that were used by the employee during the year.

Allows the leave to carry forward to each following year, as specified. Clarifies that no employee is required to take the additional leave awarded.

Part VI.

Provides that the act's provisions prevail in the event they conflict with GS 143C-5-4, concerning the procedure for the enactment of the budget. Provides that the appropriations provisions remain in effect until the Current Operations Appropriations Act for the applicable fiscal year becomes law, at which time the Director of Budget must adjust allotments to give effect to that act from July 1 of the fiscal year.

Part VII.

Effective July 1, 2019.

Makes conforming changes to the act's titles.

**Intro. by McNeill, Faircloth, R. Turner, Richardson.**

**APPROP**

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**Courts/Judiciary, Criminal Justice, Corrections (Sentencing/Probation), Budget/Appropriations, Public Safety and Emergency Management, State Agencies, Department of Public Safety, State Government, State Personnel**

H 918 (2019-2020) **AMEND ABUSE LAWS/EXPEDITE PERMANENCY**. Filed Apr 16 2019, *AN ACT TO AMEND VARIOUS ABUSE, NEGLECT, AND DEPENDENCY LAWS TO ENSURE THE SAFETY OF CHILDREN IN OUT-OF-HOME PLACEMENTS, EXPEDITE THE GOAL OF PERMANENCY FOR CHILDREN UNDER THREE YEARS OF AGE WHO HAVE BEEN REMOVED FROM THE HOME, CREATE A PRESUMPTION THAT FOSTER PARENTS WITH WHOM A CHILD UNDER THREE YEARS OF AGE HAS LIVED CONTINUOUSLY FOR NINE MONTHS ARE DEEMED NONRELATIVE KIN, AND CREATE AN AGGRAVATING CIRCUMSTANCE FOR THE EXPOSURE TO NONMEDICAL, CONTROLLED SUBSTANCES IN UTERO.*

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

Further amends the definitions of terms used in Subchapter I (Abuse, Neglect, Dependency) of GS Chapter 7B, adding to the term *abused juveniles* to now include any juvenile less than 18 years of age whose parent, guardian, custodian, or caretaker exposes the juvenile repeatedly to drugs, other than those prescribed by a licensed medical provider, while the juvenile is in utero.

Amends GS 7B-505 to require a department of social services to use due diligence to identify and notify adult relatives, next of kin, and others with legal custody of a sibling of a juvenile who is in nonsecure custody within 30 days, rather than within 60 days, after the initial order removing custody.

Amends GS 7B-903(a1), now providing that once a child under age 3 has resided in a foster parent's home for a continuous period of at least nine months, the foster parent is deemed to be nonrelative kin (was, a relative) for purposes of a court considering placement of the juvenile in out-of-home care under the statute.

**Intro. by Jarvis, Stevens, Murphy.**

**GS 7B**

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**Courts/Judiciary, Juvenile Law, Abuse, Neglect and Dependency**

## PUBLIC/SENATE BILLS



S 315 (2019-2020) [NORTH CAROLINA FARM ACT OF 2019](#). Filed Mar 20 2019, *AN ACT TO MAKE VARIOUS CHANGES TO THE AGRICULTURAL LAWS OF THE STATE*.

House amendments to the 9th edition make the following changes.

Amendment #1 adds new Section 11.5 to the act. Amends GS 15A-974, concerning the exclusion or suppression of unlawfully obtained evidence. Prohibits suppression of evidence obtained as the result of a search that was supported by probable cause at the time of the search if suppression is sought solely on the basis of a subsequent determination that either (1) a substance believed to be a controlled substance at the time of the search was not a controlled substance, or (2) the presence of a controlled substance at the time of the search was not a violation of law. Applies to motions to suppress filed on or after December 1, 2019.

Amendment #3 adds new Section 30 to the act. Directs the Agriculture and Forestry Awareness Study Commission (AFAS Commission) to study the policy options to support the state's dairy industry. Requires the study to include examining the following available options: the reestablishment of the NC Milk Commission; the creation of a tax credit for producers; the creation of a fund to make grants or loans to improve operations' infrastructure; and the creation of a dairy promotion board or marketing program for dairies. Directs the Department of Agriculture and Consumer Services to assist AFAS Commission as requested. Requires AFAS Commission to report to the General Assembly by May 1, 2020.

Amendment #4 further amends GS 153A-340(b)(2a), concerning buildings or structures used for agritourism deemed a bona fide farm purpose. Modifies and adds to the provision defining *agritourism* to include shooting sports in a county with a population of fewer than 110,000 people. Now defines *agritourism* to include shooting sports on properties that are located in a county with a population of fewer than 110,000 people, comply with guidelines for design and site evaluation as established by the Wildlife Resources Commission, and comply with local zoning and development ordinances. Requires a majority vote of the county commissioners to determine whether a property used for shooting sports is in compliance with the Wildlife Resources Commission's guidelines and local zoning and development ordinances.

Amendment #5 modifies various directives and authorities set forth in the act as follows. Amends Section 6 to establish a deadline of December 1, 2020, by which the NC Hemp Commission must adopt permanent rules to implement Section 1 of the act, which amends Article 50E of GS Chapter 106. Additionally, modifies the proposed changes to GS 106-139 set forth in Section 12 to mandate, rather than permit, the Board of Agriculture to adopt rules to establish current good manufacturing practices in manufacturing, packaging, labeling, or holding operations for cannabinoid-related compounds derived from hemp. Similarly, establishes a deadline of November 1, 2020, by which the Board of Agriculture must adopt permanent rules to implement Section 12 of the act, regarding the regulation of cannabinoid-related compounds.

**Intro. by B. Jackson, Sanderson, Johnson.**

[STUDY](#), [GS 15A](#), [GS 20](#), [GS 62](#), [GS 89C](#), [GS 90](#), [GS 99E](#), [GS 105](#), [GS 106](#), [GS 120](#), [GS 136](#), [GS 139](#), [GS 143](#), [GS 143B](#), [GS 153A](#), [GS 160A](#)

[Agriculture, Business and Commerce](#), [Consumer Protection](#), [Courts/Judiciary](#), [Evidence](#), [Motor Vehicle](#), [Criminal Justice](#), [Criminal Law and Procedure](#), [Development](#), [Land Use and Housing](#), [Land Use, Planning and Zoning](#), [Property and Housing](#), [Environment](#), [Energy](#), [Government](#), [State Agencies](#), [Department of Agriculture and Consumer Services](#), [Department of Natural and Cultural Resources \(formerly Dept. of Cultural Resources\)](#), [Department of Environmental Quality \(formerly DENR\)](#), [Tax](#), [Local Government](#), [Health and Human Services](#), [Health](#), [Public Health](#), [Public Enterprises and Utilities](#)

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S 600 (2019-2020) [VETS CHILDREN/SHORT-TERM WORKFORCE TRAINING](#). Filed Apr 3 2019, *AN ACT PROVIDING THAT CHILDREN OF WARTIME VETERANS RECEIVING A CLASS I-A, I-B, OR IV SCHOLARSHIP MAY USE THOSE FUNDS TO COVER*



*THE COST OF SHORT-TERM WORKFORCE TRAINING COURSES LEADING TO INDUSTRY CREDENTIALS AND PUBLIC SAFETY ANSWERING POINT MODIFICATIONS.*

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

Deletes the proposed changes to GS 143B-1400 and GS 143B-1406. Instead makes the following changes, conditioned on whether HB 217 (DIT Changes) of the 2019 Regular Session becomes law.

Amends GS 143B-1400, if HB217 becomes law, to include in the definition of *regional PSAP (public safety answering point)*, a PSAP operated by any combination of a county or city and a major military installation if operated subject to an intergovernmental support agreements under specified federal law (currently, only includes a primary PSAP operated by or on behalf of two or more counties and any number of municipalities, approved by the 911 Board).

Amends GS 143B-1406, if HB217 does not become law, to direct the 911 Board to treat the population of a major military installation as part of the population of a PSAP and an intergovernmental support agreement as an interlocal agreement for funding formula purposes under the statute when the PSAP is a party to an intergovernmental support agreement with a PSAP operated by a major military installation.

Provides that these changes apply to distributions for the 2019-20 fiscal year and subsequent fiscal years.

Makes conforming changes and clarifying changes to the act's effective date provisions.

**Intro. by D. Davis, Ballard, Britt.**

**GS 143B**

[View summary](#)

**Employment and Retirement, Government, Public Safety and  
Emergency Management, Military and Veteran's Affairs**

S 621 (2019-2020) **TESTING REDUCTION ACT OF 2019**. Filed Apr 3 2019, *AN ACT TO REDUCE TESTING ADMINISTERED TO STUDENTS IN PUBLIC SCHOOLS AND TO MAKE VARIOUS TECHNICAL AND CLARIFYING CHANGES RELATED TO EDUCATION LAWS.*

Conference report makes the following changes to the 5th edition.

Part I.

Now requires the State Board of Education (State Board) to eliminate the use of the NC Final Exam as part of the statewide testing program to assess teacher performance and professional growth beginning with the 2020-21 school year (previously, applicable beginning with the 2019-20 school year). Adds a new directive requiring the State Board and the Department of Public Instruction (DPI) to submit to the specified NCGA committee a plan on how to use other means to accomplish the purposes for which data is collected by the NC Final Exam, no later than March 15, 2020.

Part II.

Eliminates the previous provisions of Part II (directing the State Board to eliminate the use of End-of-Grade tests for grades three through eight and to adopt a policy to require administration of a through-grade assessment model). Instead, provides the following in Part II.

States the legislative intent to move toward a through-grade assessment model.

Directs the Superintendent of Public Instruction (Superintendent) to annually report, beginning November 15, 2020, until November 15, 2024, to the specified NCGA committee regarding the progress of the NC Personalized Assessment pilot. Details eleven required elements of the report, including progress in developing a plan to replace all end-of-course assessments with through-grade assessments for State-mandated high school assessments after the completion of the pilot. Authorizes the State Board and Superintendent to supervise and administer the pilot in fulfillment of the State's Innovative Assessment Demonstration Authority granted by the US Department of Education.

Part III.

Eliminates the previous provision of Part II (directing the State Board to eliminate the use of End-of-Course tests for grades nine through twelve and to administer a nationally recognized assessment of high school achievement and college readiness).

Makes organizational changes to move proposed changes to GS 115C-174.12, regarding the review of local standardized testing, from Part IV to Part III.

#### Part IV.

Makes organizational changes to move the proposed changes in previous Part V to Part IV. Amends GS 115C-12 to allow local boards of education to require their students to complete a high school graduation project as provided in new GS 115C-47(54a) (previously, removed existing language authorizing local boards to require their students to complete a high school graduation project). Amends proposed GS 115C-47(54a) to allow local boards to require a high school graduation project as a condition of graduation if the board provides from local funds a method of reimbursement of up to \$75 for related expenses for any student identified as an economically disadvantaged student.

#### Part V.

Maintains the directive set forth in previous Part VI regarding examination of third grade English language arts.

#### Part VI.

Directs State Board to determine and analyze the steps necessary to transition to a competency-based assessment and teaching model for all elementary and secondary students. Sets out objectives that must be met by the transition steps. Requires a report to the specified NCGA committee by May 15, 2020.

#### Part VII.

Amends GS 115C-302.4, as amended, to modify the criteria of a high-need retired teacher to include being reemployed by a local board of education to provide classroom instruction as a teacher employed on an annual contract to provide classroom instruction exclusively at a high-need school(s) (was, reemployed by a local board to teach at a high-need school).

Makes conforming changes to GS 135-3, concerning postretirement earnings of a beneficiary of the Teachers' and State Employees' Retirement System, to specify that a beneficiary employed as a high-need teacher, as now defined in GS 115C-302.4, cannot be restored to service as a teacher or employee. Adds a new requirement for a local board to annually inform the Retirement System by September 15 if it will not employ high-need retired teachers for that school year. Establishes that the retirement allowance of a beneficiary who retired on an early or service retirement does not cease due to reemployment as a high-need retired teacher. Makes further technical and clarifying changes.

Amends Section 5 of SL 2019-110, directing the State Treasurer to seek a private letter ruling from the IRS to determine if the provisions of the act, rather than the section, relating to the computation of postretirement earnings of retired teachers jeopardize the status of the Retirement System. Makes conforming changes. Adds that if the private letter ruling determines the Retirement System to be in jeopardy by the computation, the entire act, rather than the section, is repealed on the last day of the month following the month of receipt (was, 30 days from receipt) of that determination by the State Treasurer. Repeals Part VII of this act if SL 2019-110 is repealed pursuant to the provisions of Section 5 of that act. Repeals Section 38.25 of HB 966 (Appropriations Act of 2019), concerning high-need retired teachers, if that bill becomes law.

Effective July 1, 2019, and expires June 30, 2021.

#### Part VIII.

Amends GS 115C-270.15, as amended by Section 1.1 of SL 2019-71, concerning teacher examination requirements for initial professional licenses (IPLs). Expands the statute's provisions to apply to a residency license (RL).

Amends GS 115C-270.20(a)(4a), as enacted by Section 2.1 of SL 2019-71, concerning a limited license. Amends the criteria for in-state licensees to receive a limited license, now requiring the individual to have been issued an IPL or RL and having failed to fulfill the examination requirements under GS 115C-270.15, as amended, after three years of licensure.

Deems a lateral entry licensee to meet the limited license criteria set forth in GS 115C-270.20(a)(4a), as amended, if two criteria are met: (1) the individual would have been issued a continuing professional license (CPL) but for the failure to fulfill examination requirements set by the State Board and (2) the local board of education submits to the State Board an affidavit,

signed by the appropriate principal and superintendent, stating the teacher is currently employed by that local board, is an effective teacher, and will be encouraged to continue to pursue a CPL (similar to the in-state licensee limited license criteria).

Amends Section 1.2 of SL 2019-71 to now grant an extension until June 30, 2020, for elementary education or special education general curriculum teachers with an IPL, lateral entry license, or residency license that is set to expire June 30, 2019, due to failure to fulfill licensure examination requirements, effective June 30, 2019 (previously, was limited to only IPLs set to expire and did not include an effective date).

Amends Section 1.3 of SL 2019-71, adding that GS 115C-270.15(c), as amended (which requires the State Board to permit an applicant to fulfill exam requirements before or during the third year of IPL licensure so long as the applicant took the exam at least once during the first year of licensure) applies to individuals holding an IPL on or after the date that act became law.

Amends Section 6 of SL 2019-71, making SL 2019-71 apply beginning with the eighteenth day following the date that act became law (was, beginning with applications for teacher licensure submitted on or after the eighteenth date following the effective date of the act).

Applies to individuals holding or seeking licensure on or after the date the act becomes law.

Part IX.

Maintains the act's effective date provisions.

Makes conforming changes to the act's long title.

**Intro. by Tillman, Ballard, Sawyer.**

GS 115C, GS 135

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**Education, Elementary and Secondary Education,  
Employment and Retirement, Government, State Agencies,  
Department of Public Instruction, State Board of Education,  
State Government, State Personnel**

## ACTIONS ON BILLS

### PUBLIC BILLS

#### **H 99: TRANSFER ALE.**

*House: Ratified*

#### **H 206: VARIOUS TRANSPORTATION CHANGES. (NEW)**

*House: Signed by Gov. 8/21/2019*

*House: Ch. SL 2019-199*

#### **H 217: DIT CHANGES.-AB**

*House: Signed by Gov. 8/21/2019*

*House: Ch. SL 2019-200*

#### **H 283: CONNER'S LAW.**

*Senate: Withdrawn From Cal*

*Senate: Placed On Cal For 08/26/2019*

#### **H 370: REQUIRE COOPERATION WITH ICE DETAINERS. (NEW)**

*House: Vetoed 08/21/2019*

*House: Received from the Governor*

**H 554: FUNERAL PRACTICE LICENSURE TECH. CORRECTIONS.**

*House: Ratified*

**H 555: MEDICAID TRANSFORMATION IMPLEMENTATION. (NEW)**

*Senate: Sequential Referral To Rules and Operations of the Senate Stricken*

*Senate: Sequential Referral To Finance Added*

*Senate: Sequential Referral To Rules and Operations of the Senate Added*

*Senate: Sequential Referral To Rules and Operations of the Senate Stricken*

*Senate: Sequential Referral To Finance Added*

*Senate: Sequential Referral To Rules and Operations of the Senate Added*

*Senate: Reptd Fav Com Substitute*

*Senate: Com Substitute Adopted*

*Senate: Re-ref Com On Finance*

**H 609: SALARY INCREASES/ADULT CORRECTIONAL EMPLOYEES. (NEW)**

*Senate: Reptd Fav Com Substitute*

*Senate: Com Substitute Adopted*

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

**H 633: STRENGTHEN CRIMINAL GANG LAWS.**

*Senate: Withdrawn From Cal*

*Senate: Placed On Cal For 08/26/2019*

**H 918: AMEND ABUSE LAWS/EXPEDITE PERMANENCY.**

*Senate: Reptd Fav Com Substitute*

*Senate: Com Substitute Adopted*

*Senate: Re-ref Com On Judiciary*

**S 199: CHILD SEX ABUSE/STRENGTHEN LAWS.**

*House: Conf Com Appointed*

**S 250: REMOVE FOREIGN CITIZENS FROM VOTING ROLLS. (NEW)**

*House: Passed 2nd Reading*

**S 315: NORTH CAROLINA FARM ACT OF 2019.**

*House: Amend Adopted A1*

*House: Amend Failed A2*

*House: Amend Adopted A3*

*House: Amend Adopted A4*

*House: Amend Adopted A5*

*House: Amend Failed A6*

*House: Amend Failed A7*

*House: Passed 2nd Reading*

*House: Passed 3rd Reading*

*House: Ordered Engrossed*

*House: Special Message Sent To Senate*

**S 353: EXPAND CARTWAY PATH/SEPTIC TANK LAWS. (NEW)**

*Senate: Concurred On 2nd Reading*

**S 458: PTS DAY/CARDIAC TASK FORCE/TITUS'S LAW/DATA. (NEW)**

*House: Conf Com Appointed*

**S 537: ACH PMT/COUNSELOR-SA-SW ACT AMEND/DHHS REV. (NEW)**

*House: Conf Com Appointed*

**S 559: STORM SECURITIZATION/ALT. RATES.**

*House: Special Message Sent To Senate*

**S 600: VETS CHILDREN/SHORT-TERM WORKFORCE TRAINING.**

*House: Amend Adopted A1*

*House: Passed 2nd Reading*

*House: Passed 3rd Reading*

*House: Ordered Engrossed*

*House: Special Message Sent To Senate*

**S 621: TESTING REDUCTION ACT OF 2019.**

*Senate: Conf Com Reported*

*Senate: Placed On Cal For 08/26/2019*

**S 682: IMPLEMENT CRIME VICTIM RIGHTS AMENDMENT.**

*House: Withdrawn From Cal*

*House: Placed On Cal For 08/26/2019*

**No local actions on bills**

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