



The Daily Bulletin: 2019-08-22

PUBLIC/HOUSE BILLS

H 74 (2019-2020) [TAXPAYER REFUND ACT. \(NEW\)](#) Filed Feb 13 2019, *AN ACT TO SEND A TAX REFUND TO TAXPAYERS WITH A NET NORTH CAROLINA TAX LIABILITY FOR 2018 AND MAKE OTHER CONFORMING CHANGES.*

Senate committee substitute to the 2nd edition deletes the content of the previous edition and replaces it with the following.

Directs the Department of Revenue (DOR) to issue refund checks for overpayments that result from a tax credit allowed to a qualifying North Carolina taxpayer. Directs DOR to automatically apply the credit to a qualifying taxpayer's tax return instead of a qualifying taxpayer claiming the tax credit. Requires that an explanatory insert be included with the check. Requires that the checks be mailed by December 15, 2019, for taxpayers who filed an individual income tax return for the 2018 taxable year on or before August 1, 2019, or by February 1, 2020, for taxpayers who filed an individual income tax return for the 2018 taxable year after August 1, 2019, and on or before October 15, 2019. Sets the refund amount as the lesser of the amount of tax due or the following (1) \$250 for married filing jointly; (2) \$125 for all other taxpayers. Requires a taxpayer to have filed an individual income tax return for 2018 by October 15, 2019, in order to qualify for the refund. Provides that a tax refund issued under these provisions is subject to overpayment setoff under GS Chapter 105A, the Setoff Debt Collection Act, or under another setoff debt collection program authorized by law. Requires the State Controller to reserve funds necessary to issue the refunds from the General Fund, and provides that to the extent the funds are required to be appropriated, the funds are appropriated.

Appropriates \$5,560,000 in nonrecurring funds for 2019-20 from the General Fund to DOR to cover costs incurred for implementing these requirements. Also appropriates \$12.5 million in nonrecurring funds for 2019-20 from the Collections Assistance Fee Special Fund to DOR for costs associated with tax systems operations and maintenance upgrades.

Makes conforming changes to the act's titles.

Intro. by Torbett, Lewis, Dobson, Bell.

[APPROP](#)

[View summary](#)

Government, Budget/Appropriations, State Agencies, Department of Revenue, Office of State Controller, Tax

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.*

Senate committee substitute to the 3rd edition makes the following changes.

Part IV.

Changes the proposed reduction of the General Fund budget for the Division of Health Benefits for the 2019-20 fiscal year to \$30,658,885 in recurring funds, rather than \$30,658,855 in recurring funds.

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 645 (2019-2020) [REVISIONS TO OUTDOOR ADVERTISING LAWS](#). Filed Apr 9 2019, *AN ACT TO REVISE THE OUTDOOR ADVERTISING LAWS*.

The Governor vetoed the act on 8/22/19. The Governor's objections and veto message are available here: <https://webservices.ncleg.net/ViewBillDocument/2019/6320/0/H645-BD-NBC-6109>.

Intro. by Saine, Dixon, Jones, Wray.

GS 136

[View summary](#)

Business and Commerce, Development, Land Use and Housing, Land Use, Planning and Zoning, Government, State Agencies, Department of Transportation

H 704 (2019-2020) [RURAL HEALTH CARE STABILIZATION ACT. \(NEW\)](#) Filed Apr 10 2019, *AN ACT TO ESTABLISH THE RURAL HEALTH CARE STABILIZATION PROGRAM*.

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

Changes the act's titles.

Designates GS 131A-1 through GS 131A-25 as Article 1 of GS Chapter 135, the Health Care Facility Finances Act. Directs the Revisor of Statutes to make necessary changes to statutory cross-references. Makes conforming changes to GS 113A-12 (environmental document exemption) and GS 142-15.16 (defining *State-supported financing arrangement*).

Enacts new Article 2, Rural Health Care Stabilization Program, to GS Chapter 131A. Sets forth nine defined terms. Establishes the Rural Health Care Stabilization Program (Program) to provide loans for the support of eligible hospitals located in rural areas that are in financial crisis due to operation of oversized and outdated facilities and recent changes to the viability of health care delivery in their communities, with loans to be used to finance construction of new health care facilities or to provide for operational costs during the transition period, or both, including while the construction of new facilities is undertaken. Requires UNC Health Care to administer the Program. Sets out specific UNC Health Care responsibilities, including assessing Plans submitted by loan applicants, evaluating the applicant's ability to repay the loan under the proposed Plan, determining the security interests necessary to enforce repayment, and implementing approved loan agreements. Excludes UNC Health Care from applying for a loan or being a partner in a partnership that applies for a loan under the Program. Specifies that the Local Government Commission (Commission) cannot approve a loan application if the issuance of the loan would result in a material, direct benefit to UNC Health Care at the time the application and Plan are submitted for approval. Grants UNC Health care rulemaking authority necessary for the Program's implementation.

Establishes the Rural Health Care Stabilization Fund (Fund) as a nonreverting special fund in the Office of State Budget and Management. Directs that the Fund operate as a revolving fund under the custody of the State Treasurer, with funds restricted to use pursuant to the Article. The Fund consists of funds appropriated to or received by the Program and funds received as repayment of the principal of or interest on Fund loans.

Sets out the loan application process. Deems a public agency, an owner of a health care facility, or a partnership of one or more of those entities eligible to apply for a loan under the Program. Requires applicants to develop and submit a hospital stabilization plan for an eligible hospital to UNC Health Care during the application period, as established by UNC Health Care. Requires UNC Health Care to evaluate each Plan submitted to determine whether the applicant's Plan demonstrates a financially sustainable health care service model for the community in which the eligible hospital is located. Also allows UNC Health Care to assist an applicant with revisions to its Plan. Requires UNC Health Care to notify the applicant and the Commission of its recommendation on whether to approve or disapprove a loan application. Allows UNC Health Care to assign priority in the event of more than one application during the application period. Allows, when a loan application is disapproved, for an applicant to engage a disinterested and qualified third party approved by the Commission to evaluate the applicant's Plan to determine if the applicant demonstrates the required financial sustainability, and permits the applicant to seek Commission approval of the loan based on the third party's written evaluation of the Plan.

Requires the Commission to approve all loans under the Program prior to UNC Health Care's awarding the loan. Explicitly states that if the Commission enters an order denying the loan, the proceedings under new Article 2 are at an end. Requires UNC Health Care to disclose to the Commission any potential conflict of interest in its review of an application and Plan. Prohibits the Commission from approving an eligible applicant if the issuance of a loan would result in a material, direct financial benefit to UNC Health Care at the time the application and Plan are submitted to the Commission for its approval. Requires the Commission to review UNC Health Care's recommendations, an applicant's Plan and any other relevant information, as well as the third party evaluation, if applicable. Sets forth additional information the Commission can require the applicant and eligible hospital (if different) to provide for consideration. Establishes the following four findings that must be satisfied for the Commission to approve a loan application: (1) that the loan is necessary or expedient; (2) that the amount proposed is adequate and not excessive for the proposed purpose of the loan; (3) that the Plan demonstrates a financially sustainable health care service model for the community in which the eligible hospital is located; and (4) that the applicant's debt management procedures and policies are good, or that reasonable assurances have been given that the debt will be repaid.

Requires UNC Health Care to execute the terms of the loan agreement upon approval of the loan by the Commission. Authorizes UNC Health Care to require changes to the governance structure of the eligible hospital. Limits the loan interest rate at the interest rate obtained by the State in its most recent general obligation bond offering, and sets the maximum maturity at 20 years. Requires execution of a debt instrument to evidence the obligation. Requires UNC Health Care to annually publish a report on the Fund by November 1 to cover the preceding year. Requires the report to be publicly available as well as a copy submitted to the specified NCGA committee and division. Details required content of the report, including the Fund balance at the beginning and end of the fiscal year, the amount of revenue and its source credited to the Fund during the fiscal year, the total amount of loans awarded from the Fund, and specified information regarding each loan awarded.

Amends GS 116-37 to require General Fund appropriations for the Program to be deposited in the Fund with use restricted to the purposes set forth in new Article 2 of GS Chapter 131A. Requires the UNC Health Care System to administer the Program pursuant to new Article 2 in order to further its mission.

Intro. by Lewis, Murphy, Dobson, Wray.

[GS 58](#), [GS 113A](#), [GS 116](#), [GS 131A](#), [GS 142](#)

[View summary](#)

Government, State Agencies, UNC System, Health and Human Services, Health, Health Care Facilities and Providers

ACTIONS ON BILLS

PUBLIC BILLS

H 74: TAXPAYER REFUND ACT. (NEW)

Senate: Reptd Fav Com Substitute

Senate: Com Substitute Adopted

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

H 99: TRANSFER ALE.

House: Pres. To Gov. 8/22/2019

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

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

H 554: FUNERAL PRACTICE LICENSURE TECH. CORRECTIONS.

House: Pres. To Gov. 8/22/2019

H 555: MEDICAID TRANSFORMATION IMPLEMENTATION. (NEW)

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

Senate: Reptd Fav Com Substitute

Senate: Com Substitute Adopted

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

Senate: Reptd Fav

H 645: REVISIONS TO OUTDOOR ADVERTISING LAWS.

House: Vetoed 08/22/2019

House: Received from the Governor

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

H 704: RURAL HEALTH CARE STABILIZATION ACT. (NEW)

Senate: Reptd Fav Com Substitute

Senate: Com Substitute Adopted

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

S 315: NORTH CAROLINA FARM ACT OF 2019.

Senate: Special Message Received For Concurrence in H Com Sub

Senate: Ref To Com On Rules and Operations of the Senate

S 522: LOW-PERF. SCHOOLS/STAND. STUDENT CONDUCT. (NEW)

Senate: Withdrawn From Com

Senate: Placed On Cal For 08/26/2019

S 621: TESTING REDUCTION ACT OF 2019.

House: Conf Com Reported

House: Placed On Cal For 08/26/2019

S 690: MODIFICATIONS TO 2019 APPOINTMENTS BILL.

Senate: Reptd Fav

LOCAL BILLS

H 55: CLEVELAND COUNTY/SHERIFF VACANCIES. (NEW)

Senate: Reptd Fav

S 270: DURHAM DEANNEXATION. (NEW)

House: Placed On Cal For 08/26/2019

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