



## The Daily Bulletin: 2019-10-23

### PUBLIC/HOUSE BILLS

H 231 (2019-2020) [UNC & COMM. COLL. PAY/RETIREE BONUS. \(NEW\)](#) Filed Feb 27 2019, *AN ACT, CONSISTENT WITH HOUSE BILL 966 OF THE 2019 REGULAR SESSION, TO APPROPRIATE FUNDS TO PROVIDE LEGISLATIVELY MANDATED SALARY INCREASES TO EMPLOYEES OF THE UNIVERSITY OF NORTH CAROLINA SYSTEM AND THE NORTH CAROLINA COMMUNITY COLLEGE SYSTEM AND TO PROVIDE ONE-TIME COST-OF-LIVING SUPPLEMENTS FOR RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE LEGISLATIVE RETIREMENT SYSTEM.*

Senate committee substitute to the 2nd edition makes the following changes. Deletes the provisions of the previous edition and replaces it with the following.

#### Part I.

Appropriates, effective July 1, 2019, \$12.4 million for 2019-20 and \$24.8 million for 2020-21 from the General Fund to the North Carolina Community College System to provide legislative mandated salary increases for State-funded employees. Appropriates, effective July 1, 2019, \$15 million in recurring funds for 2019-20 and \$30 million in recurring funds for 2020-21 from the General Fund to the UNC Board of Governors to provide legislatively mandated salary increases for State employees. Appropriates, effective July 1, 2019, \$6 million in recurring funds for 2019-20 and \$11,433,413 for 2020-21 from the General Fund to the UNC Board of Governors to provide funds for faculty retention in the UNC system.

#### Part II.

Allows the community college boards of trustees to provide personnel a salary increase, for the 2019-2021 biennium, according to the policies adopted by the State Board of Community Colleges (State Board). Allows compensation increase funds to be used for merit pay, across-the-board increases, recruitment bonuses, retention increases, and any other compensation increase pursuant to policies adopted by the State Board. Requires the State Board to report to the NCGA and specified division on the use of these funds by March 1, 2020, and March 1, 2021. Effective July 1, 2019, sets the minimum salaries for nine-month, full-time curriculum community college faculty for 2019-2021 at the specified amounts, which vary according to education level. Requires the pro rata hourly rate of the minimum salary for each education level to be used to determine the minimum salary for part-time faculty members.

#### Part III.

Allows the UNC Board of Governors (BOG) to provide employees with salary increases, for the 2019-2021 biennium, according to policies adopted by the BOG. Allows compensation increase funds to be used for merit pay, across-the-board increases, recruitment bonuses, retention increases, and any other compensation increase according to those policies. Requires the BOG to report to the NCGA and specified division on the compensation increases by March 1, 2020, and March 1, 2021.

#### Part IV.

Awards a one-time additional five days of annual leave, credited on July 1, 2019, to any person who is (1) a full-time permanent employee of UNC or a community college institution on July 1, 2019, and (2) eligible to earn annual leave. Provides for the accounting of the leave and requires that it remain available during the length of the employee's employment. Provides for prorating the amount given to part-time permanent employees. Specifies that this additional leave has no cash value and cannot be cashed in. Requires that any vacation leave remaining on December 31 of each year in excess of 30 days be reduced by the number of days awarded in this section that were actually used by the employee during the year, such that the calculation of vacation leave days that would convert to sick leave reflects a deduction of those days of special annual leave awarded in this section that were used by the employee during the year. Provides that the number of days awarded that carry forward equals the number of days awarded in this section remaining on December 31 of each year plus the number of days awarded in this section that were deducted from vacation leave in excess of 30 days for the calculation of sick leave.

## Part V.

Provides that if H 966, 2019 Appropriations Act, becomes law, then Section 38.23 (providing one-time cost of living supplements for retirees of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System) is repealed.

Amends GS 135-5 (concerning the Teachers' and State Employees' Retirement System), GS 135-65 (concerning the Consolidated Judicial Retirement System), and GS 120-4.22A (concerning the Legislative Retirement System), as follows. Adds that on or before December 31, 2019, a one-time cost-of-living supplement payment of 0.50% of the beneficiary's annual retirement allowance payable as of November 1, 2019, must be made to or on account of beneficiaries who are living as of November 1, 2019, and whose retirement commenced on or before November 1, 2019. Also provides that after September 1, 2020, but on or before October 31, 2020, a one-time cost-of-living supplement payment of 0.50% of the beneficiary's annual retirement allowance payable as of September 1, 2020, must be made to or on account of beneficiaries who are living as of September 1, 2020, and whose retirement commenced on or before September 1, 2020. Allows the Retirement System Division of the Department of State Treasurer to increase receipts from the retirement assets of the corresponding retirement system or pay costs associated with the administration of the payment directly from the retirement assets, in order to administer the cost-of-living supplement.

Appropriates \$17,363,306 for 2019-20 and for 2020-21 from the General Fund to the Office of State Budget and Management to be held in reserve to implement the one-time cost-of-living supplements.

Repeals Section 3.15(b) and (c) of SL 2019-209, which set the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 2019-2020 and 2020-21 fiscal years for teachers and State employees, State law enforcement officers (LEOs), the University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS). Provides that if H 966, 2019 Appropriations Act, becomes law, then Section 38.22 (concerning salary-related contributions) is repealed. Instead, sets out provisions effective July 1, 2019, and July 1, 2020, which set the State's employer contribution rates budgeted for retirement and related benefits (disability, death, retiree health, and NC 401(k)) as a percentage of covered salaries for the 2019-2020 and 2020-21 fiscal years for teachers and State employees, State law enforcement officers (LEOs), the 32 University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated 33 Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) at the specified rates.

## Part VI.

Specifies that the salary increases provided by this act do not apply to persons separated from service due to resignation, dismissal, reduction in force, death, or retirement or whose last workday is prior to June 30, 2019, for the 2019-20 fiscal year or June 30, 2020, for the 2020-21 fiscal year. Requires that for the 2019-21 biennium, payroll checks issued to employees after July 1, 2019, and July 1, 2020, that represent payment of services provided prior to July 1 of each year are not eligible for salary increases provided for in this act.

Provides that if any provision of this act and GS 143C-5-4 are in conflict, the provisions of this act shall prevail. If House Bill 966 becomes law, then Parts I, II, III, and IV and Sections 5.2 and 6.1 of this act are repealed.

Effective July 1, 2019.

Makes conforming changes to the act's titles.

**Intro. by Setzer, Howard, Henson.**

**APPROP, GS 120, GS 135**

[View summary](#)

**Courts/Judiciary, Court System, Education, Higher Education, Government, Budget/Appropriations, General Assembly, State Agencies, Community Colleges System Office, UNC System, Office of State Budget and Management, State Government, State Personnel**

H 231 (2019-2020) [UNC & COMM. COLL. PAY/RETIREE BONUS. \(NEW\)](#) Filed Feb 27 2019, *AN ACT, CONSISTENT WITH HOUSE BILL 966 OF THE 2019 REGULAR SESSION, TO APPROPRIATE FUNDS TO PROVIDE LEGISLATIVELY MANDATED SALARY INCREASES TO EMPLOYEES OF THE UNIVERSITY OF NORTH CAROLINA SYSTEM AND THE NORTH CAROLINA COMMUNITY COLLEGE SYSTEM AND TO PROVIDE ONE-TIME COST-OF-LIVING SUPPLEMENTS FOR RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE LEGISLATIVE RETIREMENT SYSTEM.*

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

Part V.

Modifies proposed GS 135-65(jj), concerning the Consolidated Judicial Retirement System. Now provides that after September 1, 2020, but on or before October 31, 2020, a one-time cost-of-living supplement payment of 0.50% of the beneficiary's annual retirement allowance payable as of September 1, 2020, must be made to or on account of beneficiaries who are living as of September 1, 2020, and whose retirement commenced on or before September 1, 2020 (was, November 1, 2020).

**Intro. by Setzer, Howard, Henson.**

[APPROP, GS 120, GS 135](#)

[Courts/Judiciary, Court System, Education, Higher Education, Government, Budget/Appropriations, General Assembly, State Agencies, Community Colleges System Office, UNC System, Office of State Budget and Management, State Government, State Personnel](#)

[View summary](#)

H 377 [TEACHER STEP ACT. \(NEW\)](#) Filed Mar 18 2019, *AN ACT TO ENSURE TEACHERS, INSTRUCTIONAL SUPPORT PERSONNEL, AND ASSISTANT PRINCIPALS RECEIVE SALARY INCREASES BASED ON YEARS OF EXPERIENCE, TO AUTHORIZE SALARY SUPPLEMENTS FOR HIGHLY QUALIFIED NORTH CAROLINA TEACHING GRADUATES, AND, CONSISTENT WITH HOUSE BILL 966 OF THE 2019 REGULAR SESSION, TO APPROPRIATE FUNDS TO PROVIDE LEGISLATIVELY MANDATED SALARY INCREASES FOR PRINCIPALS.*

Senate committee substitute deletes the provisions of the 3rd edition and now provides the following.

Part I.

Effective July 1, 2019, appropriates from the General Fund to the Department of Public Instruction (DPI) \$16.3 million in recurring funds for each fiscal year of the 2019-21 fiscal biennium to provide legislatively mandated salary increases for principals authorized by the act. Deems departmental receipts appropriated each year up to the amounts needed to implement the salary increases.

Part II.

Sets forth a monthly salary schedule for licensed personnel classified as teachers for the 2019-20 fiscal year, based on years of experience, ranging from \$3,500 to \$5,200. Additionally sets forth salary supplements for licensed teachers who have NBPTS certification (12%), are classified as "M" teachers (10%), have licensure based on academic preparation at the six-year degree level (\$126 over the supplement provided to "M" teachers), have licensure based on academic preparation at the doctoral degree level (\$253 over the supplement provided to "M" teachers), and certified nurses (10%), as specified.

Requires that the first step of the salary schedule for school psychologists, school speech pathologists licensed at the master's degree level or higher, and school audiologists licensed at the master's degree level or higher, must be equivalent to the sixth step of the "A" salary schedule. Provides for a 10% salary supplement. Deems these employees eligible to receive salary supplements equivalent to those of teachers for academic preparation at the six-year degree level or the doctoral degree level.

Requires that the twenty-sixth step of the salary schedule for school psychologists, school speech pathologists licensed at the master's degree level or higher, and school audiologists licensed at the master's degree level or higher, must be 7.5% higher than the salary received by these same employees on the twenty-fifth step of the salary schedule.

Provides that in lieu of the amounts of annual longevity payments to teachers paid on the teacher salary schedule, beginning with the 2014-15 fiscal year, the amounts of those longevity payments are included in the monthly amounts under the teacher salary schedule.

Details teacher compensation for the 2019-20 school year based on either the applicable salary schedule or whether the teacher was eligible for longevity pay for the 2013-14 school year, with the compensation amount determined to be the greater amount. Provides that *teacher* includes instructional support personnel.

Requires a highly qualified graduate employed by a local board of education to receive a monthly salary supplement at the highest qualifying level for the 2019-21 fiscal biennium. Defines *highly qualified graduate* to mean an individual entering the teaching profession and hired on or after July 1, 2019, who has graduated from an approved educator preparation program located in the state and meets specified GPA and assessment score criteria. Details salary supplement amounts and provides increased amounts for teachers initially employed in low-performing schools and those licensed and employed to teach in the areas of special education, science, technology, engineering, or mathematics. Limits the scope of the provisions to highly qualified graduates hired on or after July 1, 2019, and entering the teaching profession in the 2019-21 fiscal biennium.

Sets forth the annual principal salary schedule for the 2019-20 fiscal year, with placement based on the average daily membership of the respective school and school growth scores in two of the last three school years. Sets the base salary range from \$68,125 to \$85,156, with increases provided for meeting or exceeding expected growth, as specified. Details parameters for determining average daily membership and growth scores.

Provides that in lieu of the amounts of annual longevity payments to principals paid on the principal salary schedule, beginning with the 2017-18 fiscal year, the amounts of those longevity payments are included in the monthly amounts under the principal salary schedule.

Details principal compensation for the 2019-20 school year based on either the applicable salary schedule or whether the principal was eligible for longevity pay for the 2016-17 fiscal year, with the compensation amount determined to be the greater amount.

Amends GS 115C-105.25, concerning local board of educations' budget flexibility. Regarding transferring funds allocated for school building administration, now requires funds related to principal positions to be transferred based on the first step of the base column of the principal salary schedule (was, the first step of the Principal III Salary Schedule), and funds related to assistant principal months of employment to be transferred based on the first step of the "A" teachers' salary schedule at the salary level for assistant principals (was, the first step of the Assistant Principal Salary Schedule).

Sets forth a principal bonus schedule for the 2019-20 fiscal year, limiting eligibility to any principal who supervised a school as principal for the majority of the previous school year if that school was in the top 50% of school growth in the state for the previous school year. Sets the bonus range from \$1,000 to \$15,000 based on the statewide growth percentage. Limits receipt to one bonus under the subsection, and requires the principal to receive the highest amount for which the principal qualifies. Clarifies that the bonus is in addition to any regular wage or other bonus the principal receives or is scheduled to receive. Provides that the bonus is not compensation under Article 1 of GS Chapter 135, the Teachers' and State Employees' Retirement System (TSERS). Excludes from eligibility principals no longer employed or whose last workday is prior to November 1, 2019. States legislative intent that funds provided will supplement compensation and not supplant local funds. Requires payment by November 30, 2019, to qualifying principals employed as of November 1, 2019.

Enacts GS 115C-285.1, requiring DPI to establish the Principal Recruitment Supplement Program (Program) to provide significant, time-limited salary supplements to qualifying principals who accept employment as principals of qualifying schools, subject to the availability of funds. Defines *qualifying principal* to mean a principal paid on the "exceeded growth column" of the principal salary schedule. Defines *qualifying school* to mean an eligible school selected by DPI to participate in the Program. Defines an *eligible school* to mean a low-performing school that received an overall school performance score that placed it in the bottom 5% of all schools in the state in the prior school year. Establishes the annual salary supplement to be \$30,000, paid on a monthly basis, as long as the principal is employed as the principal of that school, up to a maximum of 36 months. Provides for limitations regarding future supplements or instances in which the principal no longer qualifies or the school is no longer eligible. Clarifies that the supplement is not compensation under TSERS. Details a timeline for the Program, including notification of eligibility, selection for participation, execution of applicable contracts, and beginning of qualifying employment. Requires all qualifying principals to begin employment at the applicable qualifying school by August 1, 2020, and annually thereafter. Requires DPI to award funds in the event an eligible employer is unable. Clarifies that the

supplements are not to be used to supplant State and non-State funds already provided for principal compensation. Establishes annual reporting requirements, beginning March 15, 2021, for DPI to report to the specified NCGA committee and division on the Program, including the content specified.

Provides that for the 2019-20 fiscal year, assistant principals are to receive a monthly salary based on the "A" teacher salary schedule plus 19%, with placement based on total years of experience as a certified employee of the public schools. Deems an administrator with a one-year provisional assistant principal's certificate equivalent to an assistant principal.

Requires assistant principals with certification based on academic preparation at the six-year degree level to be paid a salary supplement of \$126 per month, and at the doctoral degree level to be paid a salary supplement of \$253 per month.

Provides for a 10-month stipend for participants in an approved full-time master's in-school administration program. Details limitations and required certification.

Provides that in lieu of the amounts of annual longevity payments to assistant principals paid on the assistant principal salary schedule, beginning with the 2017-18 fiscal year, the amounts of those longevity payments are included in the monthly amounts provided to assistant principals pursuant to the act.

Details assistant principal compensation for the 2019-20 school year based on either the applicable salary determined by the act or whether the principal was eligible for longevity pay for the 2016-17 fiscal year, with the compensation amount determined to be the greater amount.

Part III.

Requires employees of schools operated by the Department of Health and Human Services, the Department of Public Safety, and the State Board of Education who are paid on the teacher salary schedule to be paid as authorized herein.

Part IV.

Excludes from the legislatively mandated salary increases principals who are no longer employed or whose last work day is prior to June 30, 2019. Provides that payroll checks issued to employees after July 1, 2019, that represent payment of services provided prior to July 1, 2019, are not eligible for salary increases for principals provided in the act for the 2019-20 fiscal year.

Provides that the act prevails in the event its provisions conflict with GS 143C-5-4 (State Budget Act).

Repeals Sections 2.1, 2.2, 2.3, 2.6, 3.1, 4.1, 7B.5, and 7B.5A of HB 966 (Appropriations Act of 2019) if that act becomes law.

Effective July 1, 2019.

Makes conforming changes to the act's titles.

**Intro. by Elmore, K. Hall, Bell, Conrad.**

[APPROP, GS 115C](#)

[View summary](#)

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

H 398 (2019-2020) [INFO. TECH. BUDGET/2019-2021 FISCAL BIENNIUM. \(NEW\)](#) Filed Mar 19 2019, *AN ACT, CONSISTENT WITH HOUSE BILL 966, 2019 REGULAR SESSION, TO MAKE APPROPRIATIONS FOR THE DEPARTMENT OF INFORMATION TECHNOLOGY AND INFORMATION TECHNOLOGY PROJECTS.*

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

Part I.

States that the act's appropriations, appropriations made in SL 2019-230, and appropriations made by and other legislation enacted during the 2019 Regular Session expressly appropriated funds to the Department of Information Technology (DIT), are

for maximum amounts necessary for services and purposes of DIT pursuant to the State Budget Act. Requires any savings to revert to the appropriate fund at the end of each fiscal year, except as otherwise provided by law.

Appropriates from the General Fund for the DIT fiscal biennium budget \$67,422,458 and \$68,947,104 for the 2019-20 and 2020-21 fiscal years.

Deems state funds appropriated for each year of the 2019-21 fiscal biennium up to the specified amounts for all DIT budget codes listed in the Governor's Recommended Budget and the identified Budget Support Document, as adjusted in this act, and departmental receipts up to the amounts needed to implement the legislatively mandated salary increases and employee benefit increases provided in the act for each year of the fiscal biennium. Provides for overrealized receipts. Restricts expenditures to those legislatively authorized.

Details parameters for nonrecurring funds appropriated as directed grants, including that directed grants of more than \$100,000 must be made in quarterly or monthly payments at the discretion of the Director of the Budget; directed grants do not revert until June 30, 2021; and directed grants are limited to nonsectarian, nonreligious purposes only. Sunsets these provisions on June 30, 2021.

#### Part II.

Allocates the following amounts of the funds appropriated to DIT from the General Fund: \$3,903,912 in recurring funds and \$10 million in nonrecurring funds for the 2019-20 fiscal year; and \$5,428,558 in recurring funds and \$10 million in nonrecurring funds for the 2020-21 fiscal year. Restricts use of the funds to seven specified purposes and amounts, including funding NC HealthConnex, the Criminal Justice Information Network, cybersecurity upgrades, Office of Administrative Hearings information technology support, data analytics positions, the state's integrated criminal justice data system (CJLEADS), and Montreat College's Cybersecurity Regional Training Center.

Makes reductions for each fiscal year of the biennium to the DIT requirements, including a \$144,679 reduction in recurring funds and eliminating an IT Project Manager II position, effective July 1, 2019.

Increases the requirements of the IT Reserve Fund, Government Data Analytics Center by \$750,000 in nonrecurring funds for each year of the fiscal biennium for the NC Outcomes Longitudinal Data System.

#### Part III.

Amends Section 6A.4 of SL 2011-145, as amended, to transfer the specified administration and reporting duties of the Office of the State Controller concerning the Criminal Justice Law Enforcement Automated Data Services (CJLEADS) to the State Chief Information Office (State CIO). Makes conforming changes.

Amends GS 143B-1350 to expand the exceptions set forth regarding competitive bidding requirements to include procurements of cybersecurity and infrastructure security products, consistent with Best Value procurement principles provided by existing State law.

Amends GS 66-58.12 to exempt any electronic payments established by agencies for services from the statewide accounts receivable program requirements set out in GS 147-86.22. Further amends the statute to require prior approval of an agency's fee for electronic transactions by the State CIO, rather than the Office of State Budget and Management (OSBM). Makes conforming changes.

#### Part IV.

Appropriates from the General Fund to OSBM, Statewide Enterprise Resource Planning, \$7,636,694 and \$42,363,306 for the 2019-20 and 2020-21 fiscal years to be transferred to the Office of State Controller to complete the development of the Statewide ERP information technology project.

Appropriates from the General Fund to the Department of Public Instruction (DPI) \$12 million and \$35,066,618 in nonrecurring funds for the 2019-20 and 2020-21 fiscal years to provide funding for the implementation of the School Business System Modernization Plan (Plan) as directed by SL 2017-57 (Appropriations Act of 2017). Of these funds, requires DPI to transfer \$2.09 million for the 2019-20 fiscal year to the Government Data Analytics Center (GDAC) to leverage existing public-private partnerships to incorporate annual school report card data into the School Finance page of DPI's website. Also requires grade level and subject level EVAAS growth data for local school administrative units and individual schools to be made public on the page as well. Makes conforming increases to the School Business System Modernization budget.

Directs GDAC to execute contracts and interagency data-sharing agreements necessary to accomplish the Plan required by SL 2017-57 by December 1, 2019. Directs DPI and GDAC to continue partnering to accomplish the continued development, deployment, and ongoing provision of a data integration service, as specified. Requires implementation to include development and deployment of a modern analytic platform and reporting environment. Also requires student projection data for future assessments and college readiness assessments to be made available to local school administrative units and individual schools through the EVAAS page of the DPI website, with hard copies also available to parents and guardians upon request.

Part V.

Reenacts and incorporates the provisions of GS Chapter 143C, the State Budget Act.

Provides for parameters and application of the DIT biennial budget provided and adjusted by the act. Establishes that the legislative budget supersedes the budget certified by the Director of the Budget in the event line-items conflict.

Repeals Sections 37.1, 37.2, and 37.4 of HB 966 if that act becomes law.

Specifies that SL 2019-209 (Pay Increases/State Employees), SL 2019-224 (Disaster Recovery - 2019 Budget Provisions), and any other enactments affecting the State budget during the 2019 Regular Session remain effective except where expressly repealed or amended.

Defines the scope of the act to funds appropriated for and activities occurring during the 2019-21 fiscal biennium unless clearly indicated otherwise.

Clarifies the effect of the act's headings.

Includes a severability clause.

Part VI.

Effective July 1, 2019.

Makes conforming changes to the act's titles.

**Intro. by Arp, Szoka, Saine, Barnes.**

**APPROP, GS 66, GS 143B**

[View summary](#)

**Courts/Judiciary, Education, Government,  
Budget/Appropriations, State Agencies, Department of  
Information Technology, Department of Public Instruction,  
Office of State Budget and Management**

H 399 (2019-2020) **EXTEND TAX CREDITS/OTHER FINANCE CHANGES. (NEW)** Filed Mar 20 2019, *AN ACT TO MAKE CERTAIN TAX CHANGES, TO EXTEND CERTAIN TAX BENEFITS, AND TO APPROPRIATE FUNDS FROM THE COLLECTIONS ASSISTANCE FEE SPECIAL FUND TO THE DEPARTMENT OF REVENUE.*

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

Changes the scope of the proposed changes to GS 105-130.5 (concerning corporate income tax) and GS 105-153.5 (concerning individual income tax), which provide for an income tax deduction for economic incentives received pursuant to GS 143B-437.012 (Job Maintenance and Capital Development Fund); Part 2G (Job Development Investment Grant Program); or Part 2H (One North Carolina Fund), Article 10, GS Chapter 143B. Now makes the provisions apply to amounts received by a taxpayer on or after January 1, 2019 (was, amounts received by a taxpayer pursuant to an economic incentive agreement entered into on or after January 1, 2019).

Adds the following new provisions.

Amends GS 105-164.13(61a) to exempt from sales tax self-service vehicle washes or vacuums (was, self-service car washes or vacuums) and limited-service vehicle washes.

Amends GS 105-164.3 to define *gross sales*, as the term is used in Article 5 concerning sales and use tax, to mean the sum total of the sales price of all sales of tangible personal property, digital property, and services (was, of all sales of items). Further amends the statute to define *item* to include digital property (rather than *certain* digital property).

**Intro. by Ross, Bell, Warren, Adams.**

[GS 105, GS 143](#)

[View summary](#)

**[Business and Commerce, Insurance, Development, Land Use and Housing, Building and Construction, Community and Economic Development, Government, State Agencies, Department of Revenue, Tax, Nonprofits, Transportation](#)**

H 967 (2019-2020) [DOT FIN. PRESERVATION AND ACCOUNTABILITY ACT. \(NEW\)](#) Filed Apr 25 2019, *AN ACT TO TRANSFER FUNDS TO THE DEPARTMENT OF TRANSPORTATION TO REIMBURSE FUNDS SPENT FOR MAP ACT CLAIMS; TO MAKE SAVINGS RESERVE FUNDS AVAILABLE TO THE DEPARTMENT OF TRANSPORTATION FOR NATIONALLY DECLARED DISASTERS; AND TO LEND FUNDS TO THE DEPARTMENT OF TRANSPORTATION FROM THE SAVINGS RESERVE TO AVOID PROJECT AND CONTRACTING DELAYS.*

House committee substitute to the 1st edition makes the following changes. Deletes the content of the previous edition and replaces it with the following.

Requires the State Controller to transfer \$360,200,000 in nonrecurring funds for 2019-20 from the General Fund to the Department of Transportation (DOT) to reimburse DOT for funds expended to resolve claims and causes of action arising from transportation corridor official maps recorded by DOT under Article 2E of GS Chapter 136 (the Transportation Corridor Official Map Act). Requires DOT to use these funds to restart or continue preliminary engineering for projects that were temporarily suspended as of August 30, 2019, and listed in the "Preliminary Engineering Project Suspension List" on that same date. Allows remaining funds not used for preliminary engineering as of June 30, 2020, to be used to further meet DOT's cash flow needs. States the NCGA's intent. Requires DOT to report quarterly, beginning March 2020, until the funds are depleted, on DOT's use of the transferred funds. Requires the report to be submitted to the chairs of the specified NCGA committees and division.

Amends GS 143C-4-2 by adding that in each fiscal year, funds reserved to the Savings Reserve are available to DOT for providing relief and assistance from the effects of a nationally declared disaster upon appropriation by the NCGA. Caps the total amount available to DOT for any one nationally declared disaster at \$300 million.

Requires the State Controller to transfer \$301 million for 2019-20 from the Savings Reserve as a loan to the General Maintenance Reserve within the Highway Fund. Requires the funds to be used to avoid delays in highway project management and delivery, and letting of contracts that were suspended or delayed due to expenditures for disaster relief. Requires DOT to ensure that these funds are expended in a way that does not adversely affect DOT's eligibility for federal funds. Requires DOT to transfer to the Office of the State Controller funds to repay these appropriated funds in three equal payments, due June 30 in 2021, 2023, and 2025. Requires the repaid funds to be transferred to the Savings Reserve. Funds that remain unspent or unencumbered as of June 30, 2021, revert to the Savings Reserve. Requires DOT to report by July 15, 2021, on its use of these funds to the chairs of the specified NCGA committees and division.

Requires DOT, beginning July 1, 2021, to transfer to the Office of the State Controller any funds received as a federal reimbursement for costs related to disaster relief to fulfill its repayment obligation to the Savings Reserve.

Makes conforming changes to the act's titles.

**Intro. by Torbett.**

[GS 143C](#)

[View summary](#)

**[Government, Budget/Appropriations, Public Safety and Emergency Management, State Agencies, Department of Transportation, Office of State Controller, Transportation](#)**



## PUBLIC/SENATE BILLS

S 557 (2019-2020) [VARIOUS FINANCE LAW CHANGES. \(NEW\)](#) Filed Apr 2 2019, *AN ACT TO INCREASE THE STANDARD DEDUCTION, TO EXPAND THE DEFINITION OF HOLDING COMPANY FOR FRANCHISE TAX PURPOSES, TO IMPLEMENT MARKET-BASED SOURCING FOR MULTISTATE INCOME TAX APPORTIONMENT, TO REQUIRE CERTAIN MARKETPLACE FACILITATORS TO COLLECT SALES TAX, TO DIRECT REVENUE LAWS TO STUDY CERTAIN TAX SUNSET PROVISIONS, AND TO MAKE TECHNICAL CORRECTIONS.*

Senate amendment makes the following changes to the 2nd edition.

### Section 3

Further amends GS 105-122(c1), concerning apportionment of corporate income tax, to refer to a corporation's net worth, rather than a corporation's capital stock, surplus, and undivided profits, regarding apportioning a corporation's net worth to the state that is subject to Article 4 (Income Tax).

### Section 7

Changes the effective date of the provisions of Section 7, which amends SL 2019-169, now making the changes apply retroactively to July 26, 2019 (was, July 16, 2019).

Adds new Section 8.1, directing the Department of Revenue (Department) to update its electronic tax systems to store and recognize power of attorney (POA) registrations to ensure that notices generated by the Department are simultaneously sent to the taxpayer and the designated POA. Requires the Department to report to the designated NCGA committee by January 31, 2020, on its progress in updating the system.

**Intro. by Krawiec, Rabon, Lowe.**

[GS 105, GS 120, GS 153A, GS 160A](#)

[View summary](#)

**[Banking and Finance, Business and Commerce, Government, State Agencies, Department of Revenue, Tax, Local Government, Public Enterprises and Utilities](#)**

S 690 (2019-2020) [MODIFICATIONS TO 2019 APPOINTMENTS BILL.](#) Filed Aug 13 2019, *AN ACT TO MAKE MODIFICATIONS TO APPOINTMENTS MADE IN THE 2019 APPOINTMENTS BILLS AND TO APPOINT PERSONS TO VARIOUS PUBLIC OFFICES UPON THE RECOMMENDATION OF THE PRESIDENT PRO TEMPORE OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.*

Conference report makes the following changes to the 3rd edition.

Adds a section amending Section 2.38 of SL 2019-122 to no longer make the appointments to the North Carolina Professional Educator Preparation and Standards Commission contingent upon H 200 becoming law.

Adds under the President Pro Tempore's appointments, the appointment of Amanda Donovan to the Disciplinary Hearing Commission of the North Carolina State Bar for the specified term.

Amends the Speaker of the House's appointments to the Boxing Commission and the Information Technology Strategy Board by adding the individual's professional titles as doctors.

**Intro. by Rabon.**

[UNCODIFIED](#)

[View summary](#)

**[Business and Commerce, Education, Government, General Assembly, State Government, Executive, Health and Human Services](#)**

**ACTIONS ON BILLS****PUBLIC BILLS****H 231: UNC & COMM. COLL. PAY/RETIREE BONUS. (NEW)**

*Senate: Reptd Fav Com Substitute*

*Senate: Com Substitute Adopted*

*Senate: Re-ref Com On Pensions and Retirement and Aging*

*Senate: Reptd Fav Com Substitute*

*Senate: Com Substitute Adopted*

**H 377: TEACHER STEP ACT. (NEW)**

*Senate: Reptd Fav Com Substitute*

*Senate: Com Substitute Adopted*

**H 398: INFO. TECH. BUDGET/2019-2021 FISCAL BIENNIUM. (NEW)**

*House: Reptd Fav Com Sub 2*

*House: Cal Pursuant Rule 36(b)*

*House: Placed On Cal For 10/24/2019*

**H 399: EXTEND TAX CREDITS/OTHER FINANCE CHANGES. (NEW)**

*House: Conf Com Reported*

*House: Cal Pursuant Rule 44(d)*

*House: Placed On Cal For 10/24/2019*

*House: Withdrawn From Cal*

*House: Added to Calendar*

*House: Conf Report Adopted 2nd*

*Senate: Conf Com Reported*

*Senate: Placed On Cal For 10/24/2019*

*Senate: Withdrawn From Cal*

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

**H 511: NORTH CAROLINA FIRST STEP ACT. (NEW)**

*Senate: Regular Message Sent To House*

*House: Regular Message Received For Concurrence in S Com Sub*

**H 959: EXEMPT CEMETERY PROPERTY.**

*House: Withdrawn From Com*

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

*House: Reptd Fav*

*House: Cal Pursuant Rule 36(b)*

*House: Placed On Cal For 10/24/2019*

**H 967: DOT FIN. PRESERVATION AND ACCOUNTABILITY ACT. (NEW)**

*House: Reptd Fav Com Substitute*

*House: Serial Referral To Rules, Calendar, and Operations of the House Stricken*

*House: Re-ref Com On Appropriations*

**H 1019: CONFIRM FLOYD MCKISSICK/UTILITIES COMMISSION.**

*Senate: Withdrawn From Com*

*Senate: Re-ref Com On Select Committee on Nominations*

**H 1022: BOG VACANCY ELECTION.**

*House: Adopted*

**S 61: COMMUNITY COLLEGES BUDGET/2019-2021 BIENNIUM. (NEW)**

*Senate: Ratified*

**S 144: ALLOW IN-STATE TUITION/ATHLETIC SCHOLARSHIPS. (NEW)**

*House: Withdrawn From Com*

*House: Re-ref Com On Appropriations, Education*

*House: Reptd Fav*

*House: Cal Pursuant Rule 36(b)*

*House: Placed On Cal For 10/24/2019*

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

*House: Conf Com Appointed*

**S 312: RELIEF TO OCRACOKE SCHOOL/HURRICANE DORIAN. (NEW)**

*Senate: Concurred In H Com Sub*

*Senate: Ordered Enrolled*

**S 432: BIRTH CENTER & PHARM BENEFITS MGR. LICENSURE (NEW).**

*House: Amend Failed A1*

*House: Amend Failed A2*

*House: Passed 3rd Reading*

**S 553: REGULATORY REFORM ACT OF 2019.**

*Senate: Withdrawn From Cal*

*Senate: Placed On Cal For 10/28/2019*

**S 557: VARIOUS FINANCE LAW CHANGES. (NEW)**

*Senate: Amend Adopted A1*

*Senate: Passed 2nd Reading*

**S 578: REDUCE FRANCHISE TAX/EXPAND FILM GRANTS. (NEW)**

*Senate: Passed 2nd Reading*

**S 579: PRISON REFORM ACT OF 2019.**

*Senate: Concurred In H Com Sub*

*Senate: Ordered Enrolled*

**S 684: CONFIRM JEFF HUGHES/UTILITIES COMMISSION.**

*Senate: Withdrawn From Com*

*Senate: Re-ref Com On Select Committee on Nominations*

**S 685: CONFIRM KIM DUFFLEY/UTILITIES COMMISSION.**

*Senate: Withdrawn From Com*

*Senate: Re-ref Com On Select Committee on Nominations*

**S 690: MODIFICATIONS TO 2019 APPOINTMENTS BILL.**

*Senate: Conf Com Reported*

*Senate: Placed On Cal For 10/24/2019*

*House: Conf Com Reported*

*House: Cal Pursuant Rule 44(d)*

*House: Placed On Cal For 10/24/2019*

## **No local actions on bills**

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