



The Daily Bulletin: 2021-03-18

PUBLIC/HOUSE BILLS

H 70 (2021-2022) [HISTORIC SCHOOL PRESERVATION ACT](#). Filed Feb 10 2021, *AN ACT TO INCENTIVIZE THE REHABILITATION OF HISTORIC EDUCATIONAL BUILDINGS TO ALLOW THOSE BUILDINGS TO CONTINUE TO SERVE EDUCATIONAL PURPOSES.*

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

Modifies the qualifications for the new education bonus to the base tax credit set out in GS 105-129.105 for rehabilitation expenditures for a certified historic structure to require that the certified historic building be originally used (previously referred to its initial use) for an educational purpose and following the rehabilitation, the building is used (rather than placed into service) for an educational purpose, and remains used for that purpose each year the credit or carryforward credit is claimed, proportionate to the area (rather than amount) of the building used for that purpose, if appropriate. Changes the definition given for the term *educational purpose*, previously defined by statutory cross-reference, to now define the term to mean a purpose that has as its objective the education or instruction of human beings, comprehending the transmission of information and the training or development of the knowledge or skills of individual persons.

Intro. by Adams, K. Baker, Hardister, Warren.

GS 105

[View summary](#)

Education, Government, Tax

H 243 (2021-2022) [UNC LEGISLATIVE PRIORITIES/COVID-19 IMPACTS](#). Filed Mar 9 2021, *AN ACT TO PROVIDE EFFICIENCY AND FLEXIBILITY TO THE UNIVERSITY OF NORTH CAROLINA TO ADDRESS BUDGETARY AND OTHER IMPACTS OF COVID-19 THROUGH TEMPORARY SALARY REDUCTIONS, EARLY RETIREMENT INCENTIVES, REDUCTION IN FORCE APPROVAL AUTHORITY, AUTHORITY TO PROVIDE STATE HEALTH PLAN PREMIUM PAYMENTS FOR CERTAIN EMPLOYEES PLACED ON EMERGENCY TEMPORARY FURLOUGHES, 8 AND EXPANDED CARRYFORWARD AUTHORITY.*

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

Eliminates the following Parts of the previous edition: Part IV, which allowed UNC employees subject to the Human Resources Act to use accrued leave for any COVID-19 related absences until December 31, 2021; and Part VII, which extended the waiver of interest accrued and charged to past-due student accounts at UNC constituent institutions held between March 13, 2020, and December 31, 2021, rather than September 15, 2020, set out in Section 2.28 of SL 2020-3 (COVID-19 Recovery Act). Makes conforming organizational changes. Makes conforming changes to the act's long title.

Intro. by Hardister, Hurley, Pickett, Terry.

UNCODIFIED, GS 116

[View summary](#)

Education, Higher Education, Employment and Retirement, Government, Budget/Appropriations, Public Safety and Emergency Management, State Agencies, UNC System, State Government, State Personnel, Health and Human Services, Health, Health Insurance

H 260 (2021-2022) [FEES FOR ADVANCED PLACEMENT COURSES/UNC. \(NEW\)](#) Filed Mar 10 2021, *AN ACT TO ESTABLISH A PROGRAM TO EXEMPT STUDENTS ENROLLED IN SECONDARY SCHOOLS OPERATED BY THE UNIVERSITY OF NORTH*

CAROLINA FROM PAYING FEES RELATED TO ADVANCED PLACEMENT COURSES.

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

Modifies proposed GS 116-43.30, which exempts students enrolled in the NC School of Science and Math and the UNC School of the Arts from paying registration and examination fees for advanced courses. Refers to Advanced Placement courses rather than advanced courses throughout; removes the definition given for *advanced course*. Makes conforming and technical changes throughout to refer to fees for the registration and administration of exams for Advanced Placement courses. Changes the content of annual reports by the UNC System regarding enrollment in Advanced Placement courses and participation in Advanced Placement examinations to include demographic information by gender and race only; no longer includes demographic information by free- and reduced-price lunch status.

Makes clarifying changes to the appropriations provision to specify the funds are to be used for eligible students enrolled in the NC School of Science and Math and the UNC School of the Arts.

Makes conforming changes to the act's titles.

Intro. by Hardister, Blackwell, Zenger, Meyer.

APPROP, GS 116

[View summary](#)

**Education, Elementary and Secondary Education,
Government, Budget/Appropriations, State Agencies, UNC
System**

H 336 (2021-2022) **ADOPT OSPREY STATE RAPTOR**. Filed Mar 18 2021, *AN ACT TO ADOPT THE OSPREY AS THE OFFICIAL RAPTOR OF THE STATE OF NORTH CAROLINA.*

Includes whereas clauses. Enacts GS 145-52, as title indicates.

Intro. by McElraft, Shepard, Iler, Hanig.

GS 145

[View summary](#)

Government, Cultural Resources and Museums

H 337 (2021-2022) **CONST. AMENDMENT/REPEAL LITERACY TEST**. Filed Mar 18 2021, *AN ACT TO AMEND THE CONSTITUTION OF NORTH CAROLINA TO REPEAL THE LITERACY TEST REQUIREMENT.*

Subject to voter approval at the statewide election on November 8, 2022, repeals Section 4 of Article VI of the North Carolina Constitution, which requires every person registering to vote to be able to read and write any section of the Constitution in the English language. If approved, effective upon certification.

Intro. by Alexander, Brown, Riddell, Stevens.

CONST

[View summary](#)

Constitution, Government, Elections

H 338 (2021-2022) **CAIN CENTER FOR THE ARTS FUNDS**. Filed Mar 18 2021, *AN ACT TO APPROPRIATE FUNDS FOR THE CONSTRUCTION OF THE CAIN CENTER FOR THE ARTS.*

Appropriates \$2.5 million for 2021-22 from the General Fund to the Cornelius Arts/Community Center, Inc., to help with the construction of the Cain Center for the Arts, that will be located in Cornelius. Effective July 1, 2021.

Intro. by Bradford.

APPROP, Mecklenburg

[View summary](#)**Government, Budget/Appropriations, Cultural Resources and Museums**

H 339 (2021-2022) [PDN WORKFORCE STABILITY/MEDICAID](#). Filed Mar 18 2021, *AN ACT TO ADDRESS WORKFORCE STABILITY TO ENSURE A LOWER COST OF CARE OPTION FOR CERTAIN PRIVATE DUTY NURSING UNDER THE NORTH CAROLINA MEDICAID PROGRAM.*

Directs the Department of Health and Human Services (DHHS) to increase the rate paid for private duty nursing services for the specified Medicaid Clinical Coverage Policies for beneficiaries groups under 21 years of age and 21 years of age and older to \$11.25 per 15 minutes.

Appropriates \$5.8 million in recurring funds for each year of the 2021-23 biennium to DHHS, Division of Health Benefits to implement the mandated Medicaid rate increase. Specifies that the funds provide a State match for \$12,129,000 of federal funds for 2021-23, and appropriates those federal funds to the Division for the same purpose.

Intro. by White, Lambeth, Cunningham.

APPROP

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

H 340 (2021-2022) [ADVISORY COUNCIL ON PANS & PANDAS](#). Filed Mar 18 2021, *AN ACT TO ESTABLISH AN ADVISORY COUNCIL ON PEDIATRIC ACUTE-ONSET NEUROPSYCHIATRIC SYNDROME (PANS) AND PEDIATRIC AUTOIMMUNE NEUROPSYCHIATRIC DISORDER ASSOCIATED WITH STREPTOCOCCAL INFECTIONS (PANDAS).*

Enacts new GS 130A-33.52 establishing the 14-member Advisory Council on Pediatric Acute-Onset Neuropsychiatric Syndrome and Pediatric Autoimmune Neuropsychiatric Disorder associated with Streptococcal Infections (Council) to advise the Governor, the Secretary of Health and Human Services, and the General Assembly on research, diagnosis, treatment, and education relating to pediatric acute-onset neuropsychiatric syndrome (PANS) and its subset, pediatric autoimmune neuropsychiatric disorder associated with streptococcal infections (PANDAS). Sets out membership requirements and sets membership terms at three years, with no member serving more than two consecutive terms. Requires convening the first meeting of the Council by October 1, 2020.

Enacts new GS 130A-33.53 setting out the Council's duties and requiring a report on pediatric acute-onset neuropsychiatric syndrome, and its subset pediatric autoimmune neuropsychiatric disorder associated with streptococcal infections to the Secretary of Health and Human Services, the Governor, and the Joint Legislative Oversight Committee on Health and Human Services on behalf of the General Assembly by January 1, 2021, and annually thereafter, on the five specified topics.

Effective October 1, 2021.

Intro. by Bradford, Carney.

STUDY, GS 130A

[View summary](#)**Government, State Agencies, Department of Health and Human Services, Health and Human Services, Health****PUBLIC/SENATE BILLS**

S 114 (2021-2022) [DES COVID MODIFICATIONS AND TECHNICAL CHANGES](#). Filed Feb 18 2021, *AN ACT TO PROVIDE 2021 COVID-19 RELIEF MEASURES FOR EMPLOYERS AND CLAIMANTS UNDER THE UNEMPLOYMENT INSURANCE SYSTEM, TO*

REDUCE THE SUTA TAX RATE FOR 2021, AND TO MAKE TECHNICAL AND CLARIFYING CHANGES REQUESTED BY THE DIVISION OF EMPLOYMENT SECURITY.

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

Section 1

Eliminates the proposed changes to GS 96-14.15, which provides for unemployment benefits payable and a tax credit allowed for employers in response to the coronavirus emergency of 2020. Instead enacts GS 96-14.16 to provide for unemployment benefits and a tax rate reduction for employers in response to the coronavirus emergency of 2021. Incorporates the proposed provisions of the previous edition to GS 96-14.15, as follows. In determining whether the State is in an extended benefits period from November 1, 2020, to December 31, 2021, directs that the State disregard the prohibition of GS 96-14.14(b)(3) that bars an extended period from beginning before the fourteenth week following the end of a prior extended period which was in effect with respect to the State, thereby permitting back to back extended benefit periods with no waiting period. Formally elects the option by which the State will coordinate the federal Pandemic Emergency Unemployment Compensation program (PEUC) and regular unemployment compensation program for individuals meeting four criteria specified in the identified December 31, 2020, Department of Labor Letter. Elects option one for the State to require exhaustion of certain PEUC claims prior to payment of new regular unemployment compensation claims for individuals whose benefit year has expired and must file a regular unemployment initial claim. Sets the base contribution rate for an experienced-rated employer at 1.9% for the 2021 calendar year. Makes the statute applicable for benefits filed for periods beginning on or after March 10, 2020, and expires for benefits filed for periods beginning on or after the earlier of either December 31, 2021, or the date the Governor signs an executive order rescinding Executive Order No. 116 (2020). Does not incorporate any provisions of subsections (a) or (b) of GS 96-14.15, which sunset on December 31, 2020, that detailed benefits payable and exceptions from unemployment requirements, including waiver of the waiting and work search requirements, provided a no charge mandate to employer accounts for benefits payable, and allowed employers to attach claims for benefits payable (the previous edition amended the statute's sunset to the earlier of December 31, 2021, or the date the Governor signs an executive order rescinding Executive Order No. 116).

Makes conforming changes to the act's long title.

Intro. by Edwards.

GS 96

[View summary](#)

**Employment and Retirement, Government, Public Safety and
Emergency Management, State Agencies, Department of
Commerce**

S 321 (2021-2022) [AMEND NC CONTROLLED SUBSTANCES ACT](#). Filed Mar 18 2021, *AN ACT REVISING THE NORTH CAROLINA CONTROLLED SUBSTANCES ACT.*

Makes the following changes to the Controlled Substances Act, Article 5, GS Chapter 90.

Amends GS 90-87 to define *isomer* to mean the optical isomer, unless otherwise specified (was, any type of isomer, including structural, geometric, or optical isomers, and stereoisomers). Modifies *narcotic drug* to specify that the term includes cocaine and any isomer whether optical or geometric.

Amends GS 90-89, modifying and adding to the Schedule I controlled substances. Adds to the Schedule I opiates Isopropyl-U-47700, U-51754, and U-48800, as specified, as well as Isotonitazene, Metonitazene, and Brorphine. Also specifies that the isomers of levophenaclymorphan, included as a Schedule I opiate, includes optical and geometric isomers. Qualifies the fentanyl derivatives included in the Schedule to include any compound as previously described unless specifically excepted, listed in another schedule, or contained within a pharmaceutical product approved by the US FDA. Provides that the opium derivatives included in the Schedule include the derivatives' optical, positional, or geometric isomer. Provides that the hallucinogenic substances included in the Schedule include the substances' optical, positional, or geometric isomers. Adds substituted tryptamines and substituted phenylcyclohexylamines, as defined, to the hallucinogenic substances included in the Schedule. Adds Clonazolam, Flualprazolam and Flubromazolam to the substances included under systemic depressants. Specifies that the isomers of mephedrone, MDPV, and substituted cathinones, all included as a Schedule I stimulant, include

optical, positional, or geometric isomers. Specifies that the isomers of NBOME compounds, a Schedule I controlled substance, include optical, positional, or geometric isomers. Adds substituted phenethylamines and N-Benzyl Phenethylamines, as defined, to Schedule I controlled substances.

Amends GS 90-90, concerning Schedule II controlled substances, specifying that cocaine includes any isomer chemically equivalent or identical whether optical or geometric. Also adds Norfentanyl to the opiates or opioids included in the Schedule.

Amends GS 90-91(j), concerning Schedule III controlled substances, specifying that the identified Schedule III substances include any isomer of the substance, whether optical, positional or geometric.

Amends GS 90-92, concerning Schedule IV controlled substances, to include desalkylflurazepam and diclazepam to the Schedule IV depressants. Adds designer benzodiazepines, as defined, to the depressants included in the Schedule. Specifies that the isomers of fenfluramine include optical, positional, or geometric isomers.

Amends GS 90-95(d)(2) to make possession of fentanyl or carfentanil or any salt, isomer, compound, or derivative thereof, or the chemical equivalent, a Class I felony.

Amends GS 90-95(h)(3), to include the distinction of optical or geometric isomers of cocaine in the felony offense of trafficking cocaine.

Applies to offenses committed on or after December 1, 2021.

Intro. by McInnis, Lazzara, Edwards.

GS 90

[View summary](#)

Courts/Judiciary, Criminal Justice, Criminal Law and Procedure, Health and Human Services, Health, Public Health

S 322 (2021-2022) [2021 REVENUE LAWS CHANGES](#). Filed Mar 18 2021, *AN ACT TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE, TO EXEMPT COVID-19 RELIEF PAYMENTS FROM THE INCOME DETERMINATION FOR THE PROPERTY TAX HOMESTEAD EXCLUSION, AND TO MAKE VARIOUS TECHNICAL, ADMINISTRATIVE, AND CLARIFYING CHANGES TO THE REVENUE LAWS.*

Identical to [H 279](#), filed 3/11/21.

Part I. IRC Update

Amends GS 105-228.90 to update the term Code as it applies to the general administration of taxation to mean the Internal Revenue Code as enacted as of January 1, 2021 (currently, May 1, 2020).

Amends GS 105-153.5(a)(2)b. to modify the allowable itemized deduction an individual may elect to deduct from their gross income for mortgage expense and property tax. Prohibits the amount allowed as a deduction for interest paid or accrued during the taxable year under the Code with respect to any qualified residence from including the amount for mortgage insurance premiums treated as qualified residence interest for taxable years 2014 through 2021 (currently limited to taxable years 2014 through 2020).

Amends GS 105-153.5(c2) to modify the required adjustments to an individual's gross income, which are decoupled from federal requirements. Requires the taxpayer to add the amounts excluded from the taxpayer's gross income for the discharge of qualified principal residence indebtedness and qualified tuition and related expenses under the Code for taxable years 2014 through 2025 (currently limited to taxable years 2014 through 2020). Requires the taxpayer to add the amounts excluded from the taxpayer's gross income for payment by an employer of principal or interest on any qualified education loan incurred by the taxpayer for education of the taxpayer for taxable years 2020 through 2020 (currently limited to taxable year 2020), expanding the purpose of the provision to include decoupling from the federal exclusion of payments under the Consolidated Appropriations Act, 2021. Adds a new decoupling provision for taxable years 2021 and 2022 to require a taxpayer to add an amount equal to the amount which the taxpayer's deduction under of the specified section of the Code, regarding business-related expenses for food and beverages provided by a restaurant, exceeds the deduction that would have been allowed under the Code enacted as of May 1, 2020, stating the purpose of the provision is to decouple from the increased federal deduction under the Consolidated Appropriations Act, 2021.

Part II. Exempt COVID-19 Relief from Homestead Income

Deems Extra Credit Grants and COVID-19 Recovery Rebates, as defined, not to be considered income for purposes of determining a person's eligibility under the elderly or disabled property tax homestead exclusion of GS 105-277.1.

Part III. Personal Income Tax Changes

Amends GS 105-153.5(b) to extend the sunset for the personal income tax deduction for amounts granted to the individual under the Extra Credit Grant program, now setting the provision to expire on January 1, 2022, rather than January 1, 2021.

Modifies and adds to the decoupling adjustments set forth in GS 105-135.5(c2) for individual income tax. Clarifies that the add-back provision for taxable years 2019 and 2020 under subdivision (17) regarding federal deduction for business interest expenses that would have been allowed under the Code as enacted on January 1, 2020, is not required to the extent the amount was required to be added back under another provision of subsection (c2). Enacts GS 105-135.5(c2)(21) to allow a taxpayer who made an addition under subdivision (17) to deduct 20% of the addition in each of the taxable years 2021 through 2025.

Makes a technical change to remove a statutory reference in GS 105-153.9 which has since been repealed.

Amends GS 105-163.7 to modify the deadlines for informational returns due to the Secretary of Revenue (Secretary) to now require an employer who terminates its business before the close of the calendar year to file its informational return on or before the last day of the month following the end of the calendar quarter in which the employer terminates its business, but no later than January 31 of the succeeding year (previously required filing within 30 days of the last payment of remuneration for employers who terminated business or permanently ceased paying wages during the calendar year).

Enacts GS 105-163.8(c) to require the Secretary to estimate the individual tax due and assess the withholding agent based on the estimate if a withholding agent fails to file a return and pay the tax due under Article 4A or fails a grossly incorrect or false or fraudulent return.

Amends GS 105-241.6(b), regarding exceptions to the statute of limitations for individual tax refunds. Now establishes that the period to request a refund of individual overpayment is six months after the end of an event that a taxpayer claims prevents the taxpayer from filing an accurate and definite request within the statutory period. Requires rather than permits the taxpayer to submit a written request to the Secretary seeking an extension prior to the statute of limitations.

Amends GS 105-252.1 to now prohibit a TTIN (Truncated Taxpayer Identification Number) from being used on any return, statement, or other document required to be filed or furnished to the Department of Revenue (DOR) unless specifically authorized by the Secretary, rather than specifically authorized by statute in GS Chapter 105.

Part IV. Corporate Income Tax Changes

Amends GS 105-83, which governs privilege taxes for installment paper dealers, to exclude from the statute's scope banks and savings and loans associations (currently, corporations liable under a since repealed statutory cross-reference, and savings and loans associations). Defines bank by statutory cross-reference. Applies retroactively for taxable years beginning on or after July 1, 2016.

Amends GS 105-130.5(a), regarding additions to federal corporate income tax. Clarifies that regarding the required addition of amounts equal to the deduction for business-related interest expenses for taxable years 2019 and 2020 which would have been allowed under the Code as enacted on January 1, 2020, under subdivision (31), the add-back is not required to the extent the amount was required to be added back under another provisions of subdivision (31). Enacts GS 105-130.5(b)(33) to permit a taxpayer who made an addition under subdivision (a)(31) to deduct 20% of the addition in each of the taxable years 2021 through 2025.

Amends the Secretary's authority to adjust the net income of a corporation under GS 105-130.5A to authorize the Secretary to require the corporation to file a return that reflects the net income on a combined basis of all members of its affiliated group with intercompany transactions that are conducting a unitary business when authorized adjustments are not adequate to redetermine State net income (previously did not specify for members of its affiliated group with intercompany transactions for this authority). Regarding voluntary redetermination, authorizes the Secretary and a corporation to jointly agree to a combined return methodology that accurately reports State net income (currently refers to agreement to alternative filing). Adds a new provision to prohibit a combined return from achieving tax benefits when the Secretary finds intercompany transactions do not distort income properly attributable to the State or could otherwise be corrected without a combined return. Makes the

Secretary's authority regarding methods for redetermination subject to the statute's provisions and that of GS 105-130.7A, which governs the option of royalty income reporting. Makes further changes to provisions regarding required combined returns to refer to members of a group that have intercompany transactions. Expands the statute's penalty provisions to replace the statutory reference to negligence penalties regarding consolidated or combined returns in GS 105-236(a)(5)f. to instead refer to the entire subdivision regarding negligence,(a)(5).

Amends GS 105-130.7B to add that the limitation on qualified interest expense does not apply to interest paid or accrued to a related member if the proportionate amount of interest paid or accrued to a related member has already been disallowed by the application of another specified section of the Code regarding the limitations on business interest. Applies retroactively for taxable years beginning on or after January 1, 2018.

Regarding the corporate net loss provisions in the context of mergers and acquisitions under GS 105-130.8A, requires the Secretary to apply the net economic loss standards of GS 105-130.8 (repealed for taxable years beginning on or after January 1, 2015) for mergers and acquisitions occurring prior to January 1, 2015, and the standards of the statute, which requires the Secretary to apply federal regulations, for taxable years beginning on or after January 1, 2015.

Adds to the kinds of information the Secretary can request of a corporation under GS 105-251 to include financial or tax documentation required to determine the appropriate adjustment under GS 105-130.5A, as amended. Authorizes the Secretary to propose any adjustment allowable under the corporate income tax provisions of Part I, Article 4 of the Chapter if the information is not timely provided as required by GS 105-130.5A.

Part V. Sales and Use Tax Changes

Amends GS 105-164.13E to exempt fowl, rather than baby chicks and poults, purchased by qualifying farmers from sales and use tax. Applies retroactively to purchases made on or after July 1, 2020.

Eliminates the authorized disclosure of tax information by State officers, employees and agents under GS 105-259(b) for the purpose of furnishing a list of the utility taxable gross receipts and piped natural gas tax revenues attributable to a city to the appropriate finance officials of the city.

Part VI. Excise Tax Hearings Changes

Makes the following changes to the revocation procedure for tobacco product licenses under GS 105-113.4B. Authorizes the Secretary to summarily revoke a license when the Secretary determines (rather than finds) that the licensee is incurring liability after failure to pay applicable taxes when due. Requires notice of revocation and notice of hearing to be held within 10 days of the notice, unless the licensee requests the hearing to be rescheduled before the date of the hearing whereby the Secretary must reschedule the hearing to allow for 10 days' notice. Establishes that the revocation is not stayed pending the hearing decision. Details notice of hearing requirements. Requires the Secretary to issue a final decision and notify the revoked licensee in writing within 10 days of the hearing stating the basis of the decision, though the stated basis is not binding on DOR. Details the required procedure for revocation applicable to non-summary revocations, which include, (1) notice of the proposed revocation that includes the basis and effectiveness of the proposed revocation as well as the circumstances under which revocation will not occur and an explanation of how the licensee can contest the proposed revocation, (2) deeming any proposed revocation final, and not subject to further administrative review, if not timely contested by requesting a hearing within 45 days of the proposed revocation notice, and (3) requiring the Secretary to conduct a hearing with 20 days' written notice, if timely requested, and issue a final decision and notify the licensee within 60 days of the hearing, with extension allowed upon mutual agreement, with the final decision, basis for the decision which is not binding on DOR, and if applicable, the effectiveness of revocation. Establishes criteria for delivery of notice and return of credentials.

Enacts GS 105-449.47B, establishing substantively identical authority of the Secretary and revocation procedure for motor carrier licenses or decals for noncompliance with Articles 36B, 36C or 36D, as that provided for non-summary revocations in GS 105-113.4B, as amended.

Amends GS 105-449.76 to modify the procedures for summary and non-summary revocations of fuel importer licenses to be the same as those provided in GS 105-113.4B, as amended.

Amends GS 119-19 to modify the procedures for summary and non-summary revocations of kerosene suppliers, distributors and operators, and dyed diesel fuel distributors' licenses for noncompliance with Article 3 or Article 36C or 36D of GS Chapter 105, to be the same as those provided in GS 105-113.4B, as amended. Adds to the procedure required for cancellation

of a license upon written request of the licensee to require the request to include a proposed effective date, and require the license be returned on or before the proposed effective date. Otherwise cancels the license within 15 days after DOR receives the request. Requires the inclusion of an explanatory statement when a license cannot be returned. Requires the Secretary to notify the licensee when the license is cancelled.

Applies to summary revocations and non-summary revocations initiated by DOR on or after January 1, 2022.

Part VII. Excise Tax Changes

Recodifies GS 105-113.8 as GS 105-113.4H, regarding the federal Constitution and statutes applicable to tobacco products tax.

Recodifies GS 105-113.11 as GS 105-113.4I. Amends the statute, expanding the licensure mandate regarding engagement in the tobacco product business in the State to include wholesale dealers and retail dealers in addition to the existing requirement for distributors.

Recodifies GS 105-113.29 as GS 105-113.4J. Amends the statute to make conforming changes, expanding the prohibition on operating an unlicensed business that sells, offers for sale, or possess with the intent to sell tobacco products.

Recodifies GS 105-113.33 as GS 105-113.4K, regarding criminal penalties for violations.

Amends GS 105-113.18 to exclude licensed distributors from the required use tax reports.

Amends GS 105-113.35 to no longer allow a manufacturer to request a waiver from tax on vapor products shipped to either a wholesale dealer or retail dealer.

Amends GS 105-113.37 to specify that tobacco product taxes levied by the Part (rather than the Article) are payable by a licensed wholesale dealer or licensed retail dealer when the monthly report is required to be filed covering tobacco products, excluding cigarettes. Adds a new requirement for persons not licensed as wholesale dealers or retail dealers that have acquired non-tax-paid tobacco products other than cigarettes to file a report with the Secretary within 96 hours after receipt, showing the product amount and any other required information, along with the tax owed.

Amends GS 105-113.83 to relieve alcoholic beverage excise tax liability for breweries or wineries who have transferred malt beverages or wine, so long as specified conditions are met, with the wholesaler receiving the transfer liable for the tax due. Makes organizational changes.

Amends GS 105-113.86 to authorize the Secretary to require, rather than mandating, wholesalers or importers to furnish a bond of at least \$5,000. Additionally authorizes the Secretary to require a distillery to furnish a similar bond of at least \$2,000. Makes clarifying and conforming changes.

Amends GS 105-236 to include failure to pay a license required under GS 105-113.4I, as recodified and amended, after written notification from DOR, among those actions which are punishable by a \$1,000 penalty. Applies to penalties assessed on or after January 1, 2022.

Adds to GS 105-449.45 regarding penalties for failure of motor carriers to file a return as required. Adds a new penalty for failing to pay the tax, set at the greater of \$50 or 10% of the tax due. Provides exceptions and authorizes the Secretary to reduce or waive a penalty under specified state law.

Adds fuel grade ethanol to the defined terms set out in GS 105-449.60, applicable to Article 36C, defined by specified federal standards. Makes conforming changes to the defined term gasohol, now defining the term to mean a blended fuel composed of gasoline and fuel alcohol or gasoline and ethanol. Effective January 1, 2022.

Amends the duties of a transporters of motor fuel by railroad tank car or transport truck under GS 105-449.115 to include maintaining a copy of the shipping document at a centralized place of business for at least three years from the date of delivery. Modifies the language of the duties of the transporter related to delivery to no longer refer to printed specifications. Makes technical and clarifying changes. Eliminates the review required of the person receiving the shipment to determine an NC destination. Adds a new requirement for the receiver to maintain a copy of the shipping document for three years from the date of delivery. Makes similar changes to GS 105-449.115A regarding the duties of transporters and receivers of fuel by tank wagon. Adds to the duties of the transporter (1) delivery of the motor fuel to the person designated in the shipping document unless three conditions are satisfied, and (2) provision of a copy of the shipping document to the person to whom the motor

fuel is delivered. Enacts duties of the person receiving the shipment to mirror those of receivers under GS 105-449.15, as amended. Effective January 1, 2022.

Amends GS 105-449.123 to replace the civil penalty provided for failure to properly mark dyed fuel storage facilities. Sets the penalty at \$250, with each inspection that results in a finding of noncompliance constituting a separate and distinct offense (previously set at amounts equal to the tax at the motor fuel rate on the inventory held in the violating storage tank, or if that cannot be determined, the capacity of the storage tank). Applies to penalties assessed on or after January 1, 2022.

Part VIII. Local Government Tax Changes

Corrects a statutory cross-reference in GS 105-278.

Intro. by Newton, Rabon, Daniel.

GS 105, GS 119

[View summary](#)

Agriculture, Alcoholic Beverage Control, Animals, Business and Commerce, Corporation and Partnerships, Development, Land Use and Housing, Property and Housing, Government, State Agencies, Department of Revenue, Tax, Local Government, Transportation

S 323 (2021-2022) **JOINT MUNICIPAL POWER AGENCIES/INVESTMENTS**. Filed Mar 18 2021, *AN ACT TO AUTHORIZE MONEYS DEPOSITED IN CERTAIN DECOMMISSIONING FUNDS ESTABLISHED BY NORTH CAROLINA MUNICIPAL POWER AGENCY NUMBER 1 TO BE INVESTED THROUGH THE STATE TREASURER'S ANCILLARY GOVERNMENTAL PARTICIPANT INVESTMENT PROGRAM.*

Identical to [H 257](#), filed 3/10/21.

Amends GS 147-69.2 to authorize the State Treasurer to make investments to the credit of the Catawba Unit No. 1 Decommissioning Trust Fund and the Catawba Unit No. 2 Decommissioning Trust Fund, as identified (Trust Funds). Authorizes the State Treasurer to invest the funds deposited in the Trust Funds as general obligations, obligations of other states, obligations of cities, obligations of domestic and foreign companies meeting specified rating requirements, and asset-backed securities meeting specified rating requirements, as described in subdivisions (b)(1) through (6) of the statute.

Additionally authorizes the State Treasurer to invest funds deposited in the Trust Funds pursuant to subdivision (b)(6c), which allows domestic and foreign investment in obligations, debt securities, and asset-backed securities that do not meet the requirements of subdivisions (b)(1) through (6); excludes these investments from the 7.5% cap placed on the market value of all invested assets of Retirement Systems under the subdivision. Additionally authorizes the State Treasurer to invest funds deposited in the Trust Funds pursuant to subdivision (b)(8), in a strategy composed primarily of equity securities traded on a public securities exchange or market organized and regulated pursuant to the laws of the jurisdiction of the exchange or market and issued by any company incorporated or otherwise created or located within or outside the United States as long as the investments meet the two specified conditions of the subdivision; however, excludes these investments from the 65% cap placed on the market value of all invested assets of Retirement Systems under the subdivision. Authorizes the State Treasurer to require a minimum deposit of up to \$100,000 and assess reasonable fees of up to 15 basis points per annum to defray administration costs as a condition of making an investment pursuant to subdivisions (b)(6c) and (b)(8).

Amends GS 159B-18 to authorize the investment of funds deposited in the Trust Funds as provided in GS 147-69.2(b6), as enacted. Further describes the Trust Funds.

Intro. by Newton.

Catawba, GS 147, GS 159B

[View summary](#)

Banking and Finance, Environment, Energy, Government, State Agencies, Department of State Treasurer

S 324 (2021-2022) [STUDENT-ATHLETE COMPENSATION/STUDY](#). Filed Mar 18 2021, *AN ACT TO PERMIT A STUDENT-ATHLETE TO RECEIVE COMPENSATION FOR THE USE OF HIS OR HER NAME, IMAGE, AND LIKENESS IN RELATION TO AN ATHLETIC PROGRAM AND TO PROHIBIT CERTAIN CONDUCT IN RESPONSE TO A STUDENT-ATHLETE RECEIVING COMPENSATION OR REPRESENTATION FROM AN AGENT AND TO ESTABLISH THE STUDY COMMITTEE ON STUDENT-ATHLETE COMPENSATION.*

Enacts Article 38, Student-Athlete Compensation, of GS Chapter 116. States legislative findings and sets forth three defined terms.

Permits student-athletes to receive compensation for the use of the student-athlete's name, image, or likeness related to an athletic program at an institution of higher education, which is defined to include a constituent institution of UNC or a private college or university in the State. Defines athletic program to mean a sport program played at the collegiate level for which eligibility requirements for participation by a student-athlete are established by a national association for the promotion or regulation of intercollegiate athletics. Further, allows student-athletes to contract for athlete agent or attorney representation pursuant to state and federal law.

Prohibits an institution of higher education or an athletic group or organization with authority over intercollegiate athletics from providing a prospective student-athlete with compensation in relation to his or her name, image, or likeness; excludes scholarships.

Details specified retaliatory actions prohibited to be taken by institutions of higher education or groups or organizations with authority over intercollegiate athletics in response to a student-athlete taking action permitted by the statute. Prohibited actions include those taken against the student-athlete and the athletic team.

Establishes requirements regarding contracts entered into by student-athletes for compensation, including that there is no conflict with the team contract and disclosure of the compensation contract to a designated official for the institution of higher education. Requires the institution of higher education to disclose to the student-athlete or his or her representative any conflict identified in the compensation contract and the team contract. Further, prohibits a team contract from preventing a student-athlete from using the athlete's name, image, and likeness for a commercial purpose when the athlete is not engaged in official team activities.

Amends GS 78C-94 to modify the standard form of agency contract provided for student-athletes, conforming to the authorities now provided in new Article 38, GS Chapter 116. Makes conforming repeal of GS 78C-98(b)(6).

The above provisions are effective January 1, 2024, and apply to contracts entered into on or after that date.

Effective when the act becomes law, establishes the 18-member NC Study Committee on Student-Athlete Compensation (Committee). Details Committee membership and appointment, chairs, and meetings. Charges the Committee with studying and making recommendations on ensuring implementation of a fair and equitable system of compensation for student-athletes. Requires consideration of at least five specified factors, including (1) whether receiving compensation will impact eligibility for scholarships or other financial assistance for student-athletes and (2) whether there continues to be significant limitations related to rules of athletic associations, conferences, or other groups or organizations with authority over intercollegiate athletics. Provides for member compensation and committee powers, expenses, staffing, and meeting location.

Requires the Committee to report to the 2021 Regular Session of the NCGA by May 15, 2022. Terminates the Committee upon the earlier of its filing a final report or May 15, 2022.

Intro. by Lowe, Murdock, Nickel.

[STUDY, GS 78C, GS 116](#)

[View summary](#)

[Business and Commerce, Courts/Judiciary, Civil, Civil Law, Education, Higher Education, Government, General Assembly, State Agencies, UNC System](#)

S 325 (2021-2022) [TAMIL PONGAL STATE HOLIDAY](#). Filed Mar 18 2021, *AN ACT TO ESTABLISH JANUARY FOURTEENTH OF EACH YEAR AS TAMIL PONGAL DAY IN NORTH CAROLINA.*

Enacts new GS 103-16 designating January 14th as Tamil Pongal Day.

Intro. by Nickel, Mohammed.

GS 103

[View summary](#)

Government, Cultural Resources and Museums

S 326 (2021-2022) **ELECTION INTEGRITY ACT**. Filed Mar 18 2021, *AN ACT TO PROHIBIT THE STATE BOARD OF ELECTIONS AND COUNTY BOARDS OF ELECTIONS FROM ACCEPTING PRIVATE MONETARY DONATIONS FOR CERTAIN PURPOSES, TO AMEND THE DATE BY WHICH A VOTER MUST REQUEST AN ABSENTEE BALLOT AND DATE BY WHICH A MAIL-IN ABSENTEE BALLOT MUST BE RECEIVED, AND TO APPROPRIATE FUNDS TO ESTABLISH A PROGRAM TO IDENTIFY AND ASSIST VOTERS NEEDING PHOTO IDENTIFICATION.*

Enacts GS 163-22(s) and GS 163-33(17) to specify that GS Chapter 163 does not grant authority to the State Board of Elections (State Board) or county boards of elections (county boards) to accept private monetary donations for the purpose of administering elections or employing individuals on a temporary basis, respectively.

Changes the deadline for county boards of elections to receive a completed request form for an absentee ballot application and absentee ballots under GS 163-230.1, to 5:00 p.m. on the second Tuesday before the election (currently the Tuesday before the election). Makes conforming changes.

Amends GS 163-231(b) to no longer authorize the transmission of executed absentee ballots to county boards if the ballots are postmarked with a date on or before the date of the statewide primary or general election or county bond election and received by the county board of elections by within three days after the election by 5:00 p.m. Makes conforming changes to GS 163-89(a) regarding challenges to absentee ballots, and GS 163-234 regarding counting absentee ballots.

Modifies the county boards' duty to prepare a certified list of absentee ballots received on or after election day pursuant to GS 163-232.1. Now requires the list to contain all absentee ballots returned to the county board to be counted, which have been approved by the county board and not included on the certified list of executed absentee ballots received before 5:00 p.m. on the day before the election, and which have been received by the county board by 5:00 p.m. on the day of the statewide primary or general election or county bond election. Makes conforming changes to the county chairman's certification of the list.

The above provisions are effective when the act becomes law and applies to elections held on or after that date.

Appropriates \$5 million from the General Fund to the State Board for 2021-22 to establish a program to identify individuals in the state who need a photo ID to vote in person. Requires including a mobile component to visit identified individuals to ensure a photo ID is created for those voters. Effective July 1, 2022.

Intro. by Daniel, Newton, Hise.

APPROP, GS 163

[View summary](#)

Government, Budget/Appropriations, Elections, Local Government

LOCAL/HOUSE BILLS

H 94 (2021-2022) **GRAHAM COUNTY OCCUPANCY TAX**. Filed Feb 16 2021, *AN ACT TO CREATE GRAHAM COUNTY DISTRICT G AND AUTHORIZE THE LEVY OF AN OCCUPANCY TAX IN THE DISTRICT.*

House committee substitute amends the 1st edition as follows.

Regarding the 3% room occupancy tax the newly created Graham County District G is authorized to levy under the act, no longer explicitly exempts accommodations furnished by nonprofit charitable, educational, or religious institutions or nonprofit organizations when furnished in furtherance of their nonprofit purpose from the tax.

Makes formatting changes.

Intro. by Gillespie.

[Graham](#)

[View summary](#)

[Government, Tax](#)

H 164 (2021-2022) [GREENSBORO/DEANNEXATION](#). Filed Feb 25 2021, *AN ACT TO REMOVE CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE CITY OF GREENSBORO AND TO REMOVE THE CAP ON SATELLITE ANNEXATIONS FOR THE TOWN OF ROCKWELL.*

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

Adds a new section as follows. Amends GS 160A-58.1 to remove the cap on satellite annexations for the Town of Rockwell.

Makes conforming technical changes. Makes conforming changes to the act's titles.

Intro. by Hardister.

[Guilford, Rowan](#)

[View summary](#)

[Government, Local Government](#)

ACTIONS ON BILLS

PUBLIC BILLS

H 70: HISTORIC SCHOOL PRESERVATION ACT.

House: Reptd Fav Com Substitute

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

H 84: SEX OFFENDER PREMISES RESTRICTIONS.

House: Regular Message Sent To Senate

Senate: Regular Message Received From House

Senate: Passed 1st Reading

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

H 91: REDUCE REG. TO HELP CHILDREN WITH AUTISM.

House: Regular Message Sent To Senate

Senate: Regular Message Received From House

Senate: Passed 1st Reading

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

H 181: WILDLIFE RESOURCES COMM'N. AMENDMENTS.-AB

House: Serial Referral To Marine Resources and Aqua Culture Stricken

House: Serial Referral To Finance Stricken

H 243: UNC LEGISLATIVE PRIORITIES/COVID-19 IMPACTS.

House: Reptd Fav Com Substitute

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

H 260: FEES FOR ADVANCED PLACEMENT COURSES/UNC. (NEW)

House: Reptd Fav Com Substitute

House: Re-ref Com On Appropriations

H 320: MODERNIZE REMOTE BUSINESS ACCESS.

House: Passed 1st Reading

House: Ref to the Com on Judiciary 1, if favorable, Rules, Calendar, and Operations of the House

H 321: RESTORATION OF LAW AND ORDER ACT.

House: Passed 1st Reading

House: Ref to the Com on Judiciary 1, if favorable, State Personnel, if favorable, Rules, Calendar, and Operations of the House

H 323: MILITARY READINESS AND RURAL RESILIENCE ACT.

House: Passed 1st Reading

House: Ref to the Com on Finance, if favorable, Rules, Calendar, and Operations of the House

H 324: PLAN A FOR CHARTER SCHOOLS.

House: Passed 1st Reading

House: Ref To Com On Rules, Calendar, and Operations of the House

H 325: 2021 OMNIBUS CORONAVIRUS RELIEF ACT.

House: Passed 1st Reading

House: Ref to the Com on Appropriations, if favorable, Rules, Calendar, and Operations of the House

H 326: ENOUGH/GAMING MACHINES.

House: Passed 1st Reading

House: Ref to the Com on Commerce, if favorable, Judiciary 1, if favorable, Rules, Calendar, and Operations of the House

H 327: UPDATE LEGISLATIVE REVIEW OF RULES PROCESS.

House: Passed 1st Reading

House: Ref to the Com on Judiciary 2, if favorable, Rules, Calendar, and Operations of the House

H 328: ALLOW TRADE OR EXCHANGE OF SPIRITUOUS LIQUOR.

House: Passed 1st Reading

House: Ref to the Com on Judiciary 1, if favorable, Alcoholic Beverage Control, if favorable, Rules, Calendar, and Operations of the House

H 329: CHIROPRACTIC CARE COPAYMENT PARITY.

House: Passed 1st Reading

House: Ref to the Com on Health, if favorable, Insurance, if favorable, Rules, Calendar, and Operations of the House

H 336: ADOPT OSPREY STATE RAPTOR.

House: Filed

H 337: CONST. AMENDMENT/REPEAL LITERACY TEST.

House: Filed

H 338: CAIN CENTER FOR THE ARTS FUNDS.

House: Filed

H 339: PDN WORKFORCE STABILITY/MEDICAID.

House: Filed

H 340: ADVISORY COUNCIL ON PANS & PANDAS.

House: Filed

S 69: DMV LICENSING REQ/AUTH. VENDOR FOR ROAD TESTS.

Senate: Reptd Fav

S 103: REDUCE REG. TO HELP CHILDREN WITH AUTISM.

House: Passed 1st Reading

House: Ref To Com On Rules, Calendar, and Operations of the House

S 114: DES COVID MODIFICATIONS AND TECHNICAL CHANGES.

House: Reptd Fav Com Substitute

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

S 228: ALLOW EMPLOYERS TO OFFER EPO BENEFIT PLANS.

Senate: Withdrawn From Com

Senate: Re-ref to Commerce and Insurance. If fav, re-ref to Health Care. If fav, re-ref to Rules and Operations of the Senate

S 308: BUILDING CODE INSPECTION REFORM.

Senate: Withdrawn From Com

Senate: Re-ref to Agriculture, Energy, and Environment. If fav, re-ref to Rules and Operations of the Senate

S 313: PROPERTY FINDER DEFINITION AND GOVERNANCE.

Senate: Passed 1st Reading

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

S 314: UNCLAIMED PROPERTY DIVISION AMENDMENTS.-AB

Senate: Passed 1st Reading

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

Senate: Withdrawn From Com

Senate: Re-ref to Pensions and Retirement and Aging. If fav, re-ref to Rules and Operations of the Senate

S 315: ALLOW SELF-INSURANCE AS PROOF OF FIN. RESP.

Senate: Passed 1st Reading

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

S 316: GEN. CONTRACTORS/PLUMBING/ELECTR. EXEMPT.

Senate: Passed 1st Reading

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

S 317: MARINE FISHERIES REFORM.

Senate: Passed 1st Reading

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

Senate: Withdrawn From Com

Senate: Re-ref to Agriculture, Energy, and Environment. If fav, re-ref to Rules and Operations of the Senate

S 318: DESIGNATE OVERDOSE AWARENESS DAY.

Senate: Passed 1st Reading

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

S 319: LOCAL GOV'T UNITS/SYSTEM DEVELOPMENT FEES.

Senate: Passed 1st Reading

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

S 320: 2021 UNEMPLOYMENT INSURANCE REFORM.

Senate: Passed 1st Reading

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

S 321: AMEND NC CONTROLLED SUBSTANCES ACT.

Senate: Filed

S 322: 2021 REVENUE LAWS CHANGES.*Senate: Filed***S 323: JOINT MUNICIPAL POWER AGENCIES/INVESTMENTS.***Senate: Filed***S 324: STUDENT-ATHLETE COMPENSATION/STUDY.***Senate: Filed***S 325: TAMIL PONGAL STATE HOLIDAY.***Senate: Filed***S 326: ELECTION INTEGRITY ACT.***Senate: Filed***LOCAL BILLS****H 23: UTV REGULATION/CERTAIN TOWNS. (NEW)***House: Regular Message Sent To Senate**Senate: Regular Message Received From House**Senate: Passed 1st Reading**Senate: Ref To Com On Rules and Operations of the Senate***H 30: TOWN OF SOUTHERN SHORES/EMINENT DOMAIN.***House: Regular Message Sent To Senate**Senate: Regular Message Received From House**Senate: Passed 1st Reading**Senate: Ref To Com On Rules and Operations of the Senate***H 94: GRAHAM COUNTY OCCUPANCY TAX.***House: Reptd Fav Com Substitute**House: Re-ref Com On Rules, Calendar, and Operations of the House***H 164: GREENSBORO/DEANNEXATION.***House: Reptd Fav Com Substitute**House: Ruled Material**House: Re-ref Com On Rules, Calendar, and Operations of the House***H 319: COVID IMPACT ON CRAVEN COUNTY SCHOOL CALENDAR.***House: Passed 1st Reading**House: Ref to the Com on Education - K-12, if favorable, Local Government, if favorable, Rules, Calendar, and Operations of the House***H 322: LIMIT ABC LICENSE REQUIREMENTS.***House: Passed 1st Reading**House: Ref to the Com on Alcoholic Beverage Control, if favorable, Local Government, if favorable, Rules, Calendar, and Operations of the House***S 122: TOWN OF SPRUCE PINE/DEANNEXATION.***Senate: Regular Message Sent To House**House: Regular Message Received From Senate***S 171: BELVILLE/WINGATE SAT. ANNEX./OTHER DEANNEX. (NEW)***House: Passed 1st Reading**House: Ref To Com On Rules, Calendar, and Operations of the House*

S 192: CITY OF HICKORY/PLANNING COMMISSION.*Senate: Reptd Fav***S 232: STUDENTS, PARENTS, COMMUNITY RIGHTS ACT.***Senate: Reptd Fav***S 256: STUDENTS, PARENTS, COMMUNITY RIGHTS ACT.***Senate: Reptd Fav***S 260: MOORESVILLE TOURISM DEVELOPMENT AUTH. CHANGE.***Senate: Reptd Fav*

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