Introduction

This document is a compilation of summaries for each filed version, amendment, committee substitute, and conference report associated with the local and public bills that became law during the North Carolina General Assembly’s 2013 session. These summaries—and those for all other bills, including the many that did not become law—were produced daily during the session by the UNC School of Government’s Legislative Reporting Service (LRS) and made available to subscribers on its website, the Daily Bulletin Online. LRS has provided this digesting service to the General Assembly in various formats since 1935.

Navigation

The table of contents for all 418 session laws begins on page iii. They are listed in numerical order, which reflects the order in which their associated bills became law. Immediately following the table of contents, starting on page 1, summaries appear in chronological order for each session law, beginning with the summary of the filed version of the original bill and ending with the bill’s enactment into law. (These are the same summaries that appear on the bill pages of the LRS website.) The short title and bill number for each associated bill appear below the session law number at the top of each entry. Note that each bill number is hyperlinked to its individual bill profile page on the General Assembly’s website; you can use the profile page to access the full text of the enacted session law.

There are several ways to locate a specific session law within the document:

- **Find**: Select the “Find” function in the Edit menu, then type in the session law number (e.g., “2013-74”) or associated bill number (e.g., “H 315”) and press Enter. Similarly, you can type all or part of the associated bill title, if known. The “Find” function also can be accessed via a keyboard shortcut: Control+F in a Windows operating system or Command+F in a Mac operating system.

- **Table of Contents**: The table of contents lists a page number for every session law.

- **Bookmarks**: The bookmarks panel on the left side of the screen is arranged in 10-law increments to allow you to jump quickly to a small range of summaries in the text.

Notes

- “AB” in a bill’s short title indicates that the bill was requested by a state agency (“Agency Bill”).
- “As title indicates” or similar phrasing in a summary refers to a bill’s long title, which appears in the final summary for each session law and is usually accompanied by the law’s enacted and effective dates. However, the long title may have changed as the draft legislation was considered, debated, and modified during its progress from bill to law.

- LRS did not summarize the full Appropriations Act of 2013 (Senate Bill 402/Session Law 2013-360) because of the length of this budget proposal and because the General Assembly made supplemental information available about the bill’s contents. However, LRS did summarize floor amendments to the bill. For more information about the Appropriations Act, its Conference Report, and other key documents from the 2013 session, see the General Assembly’s news archive.
• A previously-released version of this document—dated August 1, 2013—included 38 bills ratified by the General Assembly that were awaiting action by the governor. Those 38 bills eventually became session laws 381 through 418.

For questions about this document, please contact David Brown of the School of Government at (919) 843-2032 or brown@sog.unc.edu.
<table>
<thead>
<tr>
<th>Session Law</th>
<th>Bill Number</th>
<th>Short Title/Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-1</td>
<td>S 14</td>
<td>Increase Access To Career/Technical Ed.</td>
<td>1</td>
</tr>
<tr>
<td>2013-2</td>
<td>H 4</td>
<td>UI Fund Solvency &amp; Program Changes.</td>
<td>2</td>
</tr>
<tr>
<td>2013-3</td>
<td>H 66</td>
<td>Captivity License and Permit Amendments.-AB</td>
<td>5</td>
</tr>
<tr>
<td>2013-4</td>
<td>H 5</td>
<td>Temporary Funding/Group Homes &amp; SCUs.</td>
<td>6</td>
</tr>
<tr>
<td>2013-5</td>
<td>S 4</td>
<td>No N.C. Exchange/No Medicaid Expansion.</td>
<td>7</td>
</tr>
<tr>
<td>2013-6</td>
<td>H 19</td>
<td>Respect our Fallen Heroes.</td>
<td>9</td>
</tr>
<tr>
<td>2013-7</td>
<td>H 37</td>
<td>Cleveland Co. Property Transfer.</td>
<td>9</td>
</tr>
<tr>
<td>2013-8</td>
<td>S 95</td>
<td>Tabor City Election.</td>
<td>10</td>
</tr>
<tr>
<td>2013-9</td>
<td>H 77</td>
<td>Board of Law Examiners/Update Expense Law.</td>
<td>10</td>
</tr>
<tr>
<td>2013-10</td>
<td>H 82</td>
<td>IRC Update.</td>
<td>10</td>
</tr>
<tr>
<td>2013-11</td>
<td>H 23</td>
<td>Digital Learning Competencies/School Emp'ees.</td>
<td>12</td>
</tr>
<tr>
<td>2013-12</td>
<td>H 44</td>
<td>Transition to Digital Learning in Schools.</td>
<td>13</td>
</tr>
<tr>
<td>2013-13</td>
<td>H 33</td>
<td>Cleveland/Polk/Rutherford Trapping Repeal.</td>
<td>13</td>
</tr>
<tr>
<td>2013-14</td>
<td>S 72</td>
<td>Amend UCC Article 4A/Funds Transfers.</td>
<td>13</td>
</tr>
<tr>
<td>2013-15</td>
<td>S 50</td>
<td>Discharged Veterans/Identity Theft Protection.</td>
<td>14</td>
</tr>
<tr>
<td>2013-16</td>
<td>H 180</td>
<td>Mechanics Liens/Technical Corrections.</td>
<td>15</td>
</tr>
<tr>
<td>2013-17</td>
<td>S 84</td>
<td>Cancel Aircraft Lien W/Surety Bond Deposit.</td>
<td>18</td>
</tr>
<tr>
<td>2013-18</td>
<td>S 45</td>
<td>Incapacity to Proceed Amendments.</td>
<td>18</td>
</tr>
<tr>
<td>2013-19</td>
<td>S 97</td>
<td>Property Tax/Deannexation.</td>
<td>20</td>
</tr>
<tr>
<td>2013-20</td>
<td>S 44</td>
<td>Workers Comp Coverage/Public Records.</td>
<td>20</td>
</tr>
<tr>
<td>2013-21</td>
<td>H 270</td>
<td>Ronda Recall.</td>
<td>21</td>
</tr>
<tr>
<td>2013-22</td>
<td>S 11</td>
<td>Establish Organ Donation Month.</td>
<td>22</td>
</tr>
<tr>
<td>2013-23</td>
<td>S 20</td>
<td>Good Samaritan Law/Naloxone Access.</td>
<td>22</td>
</tr>
<tr>
<td>2013-25</td>
<td>S 24</td>
<td>Construction/Demolition Landfill Siting.</td>
<td>25</td>
</tr>
<tr>
<td>2013-26</td>
<td>H 193</td>
<td>Expand Uses for Meck Ct/Charlotte Local Taxes.</td>
<td>26</td>
</tr>
<tr>
<td>2013-27</td>
<td>H 139</td>
<td>Adopt Uniform Deployed Parent Cust/Visit. Act.</td>
<td>27</td>
</tr>
<tr>
<td>Session Law</td>
<td>Bill Number</td>
<td>Short Title/Description</td>
<td>Page</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------</td>
<td>-----------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>2013-28</td>
<td>S 123</td>
<td>Clarify Sex Offender Residence Law.</td>
<td>29</td>
</tr>
<tr>
<td>2013-29</td>
<td>S 175</td>
<td>Banking Laws Clarifications/Corrections.</td>
<td>29</td>
</tr>
<tr>
<td>2013-30</td>
<td>H 224</td>
<td>Asheville ETJ and Annexation.</td>
<td>33</td>
</tr>
<tr>
<td>2013-31</td>
<td>H 222</td>
<td>Buncombe County/Use Design-Build Methods.</td>
<td>35</td>
</tr>
<tr>
<td>2013-32</td>
<td>S 56</td>
<td>Wallace/Satellite Annexations.</td>
<td>36</td>
</tr>
<tr>
<td>2013-33</td>
<td>S 122</td>
<td>Sex Trafficking/Sex Offender Registration.</td>
<td>36</td>
</tr>
<tr>
<td>2013-34</td>
<td>S 228</td>
<td>HOAs/Lim. Com. Elements/Amend of Declaration.</td>
<td>37</td>
</tr>
<tr>
<td>2013-35</td>
<td>H 75</td>
<td>Kilah's Law/Increase Child Abuse Penalties.</td>
<td>37</td>
</tr>
<tr>
<td>2013-36</td>
<td>S 148</td>
<td>Exempt Certain Steel Tubing/Electrical K'ors.</td>
<td>38</td>
</tr>
<tr>
<td>2013-37</td>
<td>S 75</td>
<td>Onslow Public-Private Partnership.</td>
<td>38</td>
</tr>
<tr>
<td>2013-38</td>
<td>S 152</td>
<td>Correct Tech. Error in Burgaw Occupancy Tax.</td>
<td>39</td>
</tr>
<tr>
<td>2013-39</td>
<td>H 506</td>
<td>Weddington/Fire Dept Agreements.</td>
<td>40</td>
</tr>
<tr>
<td>2013-40</td>
<td>H 555</td>
<td>Design-Build/Buncombe.</td>
<td>40</td>
</tr>
<tr>
<td>2013-41</td>
<td>H 388</td>
<td>Assigned Counsel/Amend and Clarify.-AB</td>
<td>41</td>
</tr>
<tr>
<td>2013-42</td>
<td>S 369</td>
<td>Name Change Requirements for Minors.</td>
<td>41</td>
</tr>
<tr>
<td>2013-43</td>
<td>S 240</td>
<td>Develop Rules for Release of Path Materials.</td>
<td>43</td>
</tr>
<tr>
<td>2013-44</td>
<td>S 456</td>
<td>Designate Primary Stroke Centers.</td>
<td>43</td>
</tr>
<tr>
<td>2013-45</td>
<td>S 98</td>
<td>Require Pulse Oximetry Newborn Screening.</td>
<td>45</td>
</tr>
<tr>
<td>2013-46</td>
<td>H 247</td>
<td>Freedom to Negotiate Health Care Rates.</td>
<td>45</td>
</tr>
<tr>
<td>2013-47</td>
<td>S 117</td>
<td>Lily's Law.</td>
<td>46</td>
</tr>
<tr>
<td>2013-48</td>
<td>H 314</td>
<td>Ayden Charter/Terms of Office Extended.</td>
<td>47</td>
</tr>
<tr>
<td>2013-49</td>
<td>S 83</td>
<td>Encourage Volunteer Care in Free Clinics.</td>
<td>47</td>
</tr>
<tr>
<td>2013-50</td>
<td>H 488</td>
<td>Regionalization of Public Utilities.</td>
<td>48</td>
</tr>
<tr>
<td>2013-51</td>
<td>H 484</td>
<td>Permitting of Wind Energy Facilities.</td>
<td>52</td>
</tr>
<tr>
<td>2013-52</td>
<td>H 149</td>
<td>Caylee's Law/Report Missing Children.</td>
<td>56</td>
</tr>
<tr>
<td>2013-53</td>
<td>S 91</td>
<td>Prohibit Expunction Inquiry.</td>
<td>58</td>
</tr>
<tr>
<td>2013-54</td>
<td>H 119</td>
<td>Natural Gas/Rate Adjustment Mechanism.</td>
<td>61</td>
</tr>
<tr>
<td>2013-55</td>
<td>H 706</td>
<td>Preserve Landfill Space.</td>
<td>61</td>
</tr>
<tr>
<td>Session Law</td>
<td>Bill Number</td>
<td>Short Title/Description</td>
<td>Page</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------</td>
<td>-------------------------</td>
<td>------</td>
</tr>
<tr>
<td>2013-56</td>
<td>H 980</td>
<td>Medicaid/2012-2013 Additional Appropriations.</td>
<td>62</td>
</tr>
<tr>
<td>2013-57</td>
<td>S 189</td>
<td>Amend Law Defining Home Schools.</td>
<td>63</td>
</tr>
<tr>
<td>2013-58</td>
<td>S 430</td>
<td>Clarify Electric Load Control Process.</td>
<td>64</td>
</tr>
<tr>
<td>2013-59</td>
<td>H 254</td>
<td>Zoning Changes/Notice to Military Bases.</td>
<td>65</td>
</tr>
<tr>
<td>2013-60</td>
<td>S 269</td>
<td>Salisbury/Deannex Rowan Cty Airport Property.</td>
<td>66</td>
</tr>
<tr>
<td>2013-61</td>
<td>H 545</td>
<td>Modify Henderson Co. Occupancy Tax.</td>
<td>66</td>
</tr>
<tr>
<td>2013-62</td>
<td>H 671</td>
<td>Mills River/Deannexation.</td>
<td>67</td>
</tr>
<tr>
<td>2013-63</td>
<td>S 234</td>
<td>Hunter Education/Apprentice Permit.</td>
<td>68</td>
</tr>
<tr>
<td>2013-64</td>
<td>S 258</td>
<td>Asheboro/Charter Amendments.</td>
<td>69</td>
</tr>
<tr>
<td>2013-65</td>
<td>H 252</td>
<td>Asheville Transfers.</td>
<td>70</td>
</tr>
<tr>
<td>2013-66</td>
<td>H 517</td>
<td>Rockingham/No Right-of-Way Spotlighting.</td>
<td>70</td>
</tr>
<tr>
<td>2013-67</td>
<td>S 67</td>
<td>Surry Comm. College/Yadkin Cty. Land Transfer.</td>
<td>71</td>
</tr>
<tr>
<td>2013-68</td>
<td>S 257</td>
<td>Alamance/Guilford County Boundary.</td>
<td>72</td>
</tr>
<tr>
<td>2013-69</td>
<td>S 268</td>
<td>Sunset Beach/Canal Dredging/Maintenance Fee.</td>
<td>72</td>
</tr>
<tr>
<td>2013-70</td>
<td>H 456</td>
<td>DV Fatality Review Team/Mecklenburg Co.</td>
<td>73</td>
</tr>
<tr>
<td>2013-71</td>
<td>H 146</td>
<td>Back to Basics.</td>
<td>74</td>
</tr>
<tr>
<td>2013-72</td>
<td>H 903</td>
<td>UNC &amp; Comm. College Credit Transfers.</td>
<td>75</td>
</tr>
<tr>
<td>2013-73</td>
<td>H 449</td>
<td>State Contracts/Furniture.</td>
<td>75</td>
</tr>
<tr>
<td>2013-74</td>
<td>H 315</td>
<td>Plastics Labeling Requirements.</td>
<td>76</td>
</tr>
<tr>
<td>2013-75</td>
<td>H 774</td>
<td>Building Code Exclusion/Primitive Structures.</td>
<td>77</td>
</tr>
<tr>
<td>2013-76</td>
<td>H 829</td>
<td>Sale of Growlers by Certain ABC Permittees.</td>
<td>78</td>
</tr>
<tr>
<td>2013-77</td>
<td>H 687</td>
<td>Homeless Shelters/Remove Age Limits.</td>
<td>78</td>
</tr>
<tr>
<td>2013-78</td>
<td>S 129</td>
<td>Limit State Facilities Finance Act Debt.</td>
<td>79</td>
</tr>
<tr>
<td>2013-79</td>
<td>H 410</td>
<td>Cancel Title to Manufactured Home.</td>
<td>80</td>
</tr>
<tr>
<td>2013-80</td>
<td>H 591</td>
<td>Reporting and Terms for Long. Data Board.</td>
<td>81</td>
</tr>
<tr>
<td>2013-81</td>
<td>H 32</td>
<td>Increase Year's Allowance.</td>
<td>82</td>
</tr>
<tr>
<td>2013-82</td>
<td>H 480</td>
<td>Environmental Permitting Reform.</td>
<td>82</td>
</tr>
<tr>
<td>2013-83</td>
<td>H 610</td>
<td>Modify Requirements for In-Stand Beer Sales.</td>
<td>84</td>
</tr>
<tr>
<td>Session Law</td>
<td>Bill Number</td>
<td>Short Title/Description</td>
<td>Page</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------</td>
<td>----------------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>2013-84</td>
<td>H 821</td>
<td>Triad Farmers Mkt/Rename for Sen. Bob Shaw.</td>
<td>85</td>
</tr>
<tr>
<td>2013-85</td>
<td>S 208</td>
<td>Effective Operation of 1915(b)/(c) Waiver.</td>
<td>85</td>
</tr>
<tr>
<td>2013-86</td>
<td>S 460</td>
<td>Rail Corridor Lease/City of Belmont.</td>
<td>91</td>
</tr>
<tr>
<td>2013-87</td>
<td>S 603</td>
<td>Clarify Issuance of Plates/Certificates Law.-AB</td>
<td>92</td>
</tr>
<tr>
<td>2013-88</td>
<td>S 634</td>
<td>Increase Penalties/Utilities Theft.</td>
<td>92</td>
</tr>
<tr>
<td>2013-89</td>
<td>S 210</td>
<td>Authorize Chief Magistrates.</td>
<td>93</td>
</tr>
<tr>
<td>2013-90</td>
<td>S 252</td>
<td>Increase Penalty/Controlled Substance Crimes.</td>
<td>94</td>
</tr>
<tr>
<td>2013-91</td>
<td>S 279</td>
<td>Estates/Trusts/Guardianship Amendments.</td>
<td>94</td>
</tr>
<tr>
<td>2013-92</td>
<td>S 433</td>
<td>Prevent Pay for Weight Exceeding Allowance.</td>
<td>100</td>
</tr>
<tr>
<td>2013-93</td>
<td>H 114</td>
<td>No SS# Req/Absolute Divorce.</td>
<td>100</td>
</tr>
<tr>
<td>2013-94</td>
<td>H 10</td>
<td>Remove Route Restriction for NC 540 Loop.</td>
<td>101</td>
</tr>
<tr>
<td>2013-95</td>
<td>H 25</td>
<td>Amend Felony Breaking or Entering.</td>
<td>102</td>
</tr>
<tr>
<td>2013-96</td>
<td>H 125</td>
<td>Public Agency Computer Code Not Public Record.</td>
<td>103</td>
</tr>
<tr>
<td>2013-97</td>
<td>H 142</td>
<td>Provide Access to Campus Police Records.</td>
<td>103</td>
</tr>
<tr>
<td>2013-98</td>
<td>H 301</td>
<td>Clarifying Changes/Engineers/Surveyors Laws.</td>
<td>104</td>
</tr>
<tr>
<td>2013-99</td>
<td>H 368</td>
<td>Bd. of Agriculture Forestry/Nursery Appts.-AB</td>
<td>105</td>
</tr>
<tr>
<td>2013-100</td>
<td>H 581</td>
<td>Trophy Wildlife Sale Permit.</td>
<td>106</td>
</tr>
<tr>
<td>2013-101</td>
<td>H 361</td>
<td>Justice Reinvestment Technical Corrections.-AB</td>
<td>106</td>
</tr>
<tr>
<td>2013-102</td>
<td>H 383</td>
<td>Amend Grain Dealer Licensing Laws.-AB</td>
<td>107</td>
</tr>
<tr>
<td>2013-103</td>
<td>H 384</td>
<td>Amend Definitions/Property Classif./Equ. Dist.</td>
<td>108</td>
</tr>
<tr>
<td>2013-104</td>
<td>H 407</td>
<td>Trustee-Atty Fee/Foreclosures/Clerk Approval.</td>
<td>109</td>
</tr>
<tr>
<td>2013-105</td>
<td>H 532</td>
<td>No Drinking in EMS &amp; Law Enforcement Vehicles.</td>
<td>109</td>
</tr>
<tr>
<td>2013-106</td>
<td>H 710</td>
<td>Water Utility Recovery.</td>
<td>110</td>
</tr>
<tr>
<td>2013-107</td>
<td>H 788</td>
<td>Water/Sewer Authority/Rate Flexibility.</td>
<td>111</td>
</tr>
<tr>
<td>2013-108</td>
<td>H 789</td>
<td>USTs Eligible for Brownfields.</td>
<td>111</td>
</tr>
<tr>
<td>2013-109</td>
<td>H 813</td>
<td>Ban Synthetic Cannabinoids.</td>
<td>112</td>
</tr>
<tr>
<td>2013-110</td>
<td>S 325</td>
<td>Wake County School Board Districts.</td>
<td>113</td>
</tr>
<tr>
<td>2013-111</td>
<td>H 68</td>
<td>Establish Ombudsman/Foster Care/Gaston County.</td>
<td>116</td>
</tr>
<tr>
<td>Session Law</td>
<td>Bill Number</td>
<td>Short Title/Description</td>
<td>Page</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------</td>
<td>-------------------------</td>
<td>------</td>
</tr>
<tr>
<td>2013-112</td>
<td>H 501</td>
<td>Buncombe Cty/Community College Projects.</td>
<td>116</td>
</tr>
<tr>
<td>2013-113</td>
<td>S 128</td>
<td>Carrboro Office of Alderman.</td>
<td>117</td>
</tr>
<tr>
<td>2013-114</td>
<td>H 533</td>
<td>Detention of Mentally Ill in Facility.</td>
<td>118</td>
</tr>
<tr>
<td>2013-115</td>
<td>S 111</td>
<td>Clinton/Use Design-Build Method.</td>
<td>120</td>
</tr>
<tr>
<td>2013-116</td>
<td>H 473</td>
<td>NC Captive Insurance Act.</td>
<td>120</td>
</tr>
<tr>
<td>2013-117</td>
<td>H 88</td>
<td>Lien Agents/Technical Corrections.</td>
<td>122</td>
</tr>
<tr>
<td>2013-118</td>
<td>H 120</td>
<td>Blding Codes: Local Consistency/Exempt Cable.</td>
<td>125</td>
</tr>
<tr>
<td>2013-119</td>
<td>H 317</td>
<td>Improve Ed. for Children Who Are Deaf.</td>
<td>127</td>
</tr>
<tr>
<td>2013-120</td>
<td>H 211</td>
<td>Weight Limits/Animal Feed Trucks.</td>
<td>128</td>
</tr>
<tr>
<td>2013-121</td>
<td>H 279</td>
<td>Transfer Environmental Permits.</td>
<td>128</td>
</tr>
<tr>
<td>2013-122</td>
<td>H 396</td>
<td>Enact Private Well Water Education Act.-AB</td>
<td>130</td>
</tr>
<tr>
<td>2013-123</td>
<td>H 24</td>
<td>DV/Abuser Treatment Program/Amendments.</td>
<td>131</td>
</tr>
<tr>
<td>2013-124</td>
<td>H 29</td>
<td>Methamphetamine/Offense/Penalties.</td>
<td>132</td>
</tr>
<tr>
<td>2013-125</td>
<td>H 157</td>
<td>Limit Use of Highway Fund Credit Balance.</td>
<td>133</td>
</tr>
<tr>
<td>2013-126</td>
<td>H 276</td>
<td>Zoning/Board of Adjustment Changes.</td>
<td>134</td>
</tr>
<tr>
<td>2013-127</td>
<td>H 278</td>
<td>HOAs/Voluntary Prelitigation Mediation.</td>
<td>137</td>
</tr>
<tr>
<td>2013-128</td>
<td>H 289</td>
<td>State Computer Equipment/Buy Refurbished.</td>
<td>139</td>
</tr>
<tr>
<td>2013-129</td>
<td>H 350</td>
<td>Court Improvem't Project Juv Law Changes.-AB</td>
<td>140</td>
</tr>
<tr>
<td>2013-130</td>
<td>H 439</td>
<td>Economic Development Jobsites Program.</td>
<td>145</td>
</tr>
<tr>
<td>2013-131</td>
<td>H 505</td>
<td>Extend DSWC Animal Waste Inspections.</td>
<td>146</td>
</tr>
<tr>
<td>2013-132</td>
<td>H 515</td>
<td>Amend Credit Union Laws.</td>
<td>147</td>
</tr>
<tr>
<td>2013-133</td>
<td>H 611</td>
<td>Suspension Removed When Eligibility Met.</td>
<td>149</td>
</tr>
<tr>
<td>2013-134</td>
<td>H 623</td>
<td>Modify Weight Limits for Line Trucks.</td>
<td>149</td>
</tr>
<tr>
<td>2013-135</td>
<td>H 629</td>
<td>Amend Definition of Special Purpose Project.</td>
<td>150</td>
</tr>
<tr>
<td>2013-136</td>
<td>H 650</td>
<td>Guaranty Association Act Amendments.</td>
<td>151</td>
</tr>
<tr>
<td>2013-137</td>
<td>H 684</td>
<td>Increase Driveway Safety on Curvy Roads.</td>
<td>152</td>
</tr>
<tr>
<td>2013-139</td>
<td>H 762</td>
<td>Amend Certain Bail Bond Procedures.</td>
<td>154</td>
</tr>
<tr>
<td>Session Law</td>
<td>Bill Number</td>
<td>Short Title/Description</td>
<td>Page</td>
</tr>
<tr>
<td>------------</td>
<td>-------------</td>
<td>----------------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>2013-140</td>
<td>H 763</td>
<td>Allow Alimony/Post Sep Supp During Marriage.</td>
<td>154</td>
</tr>
<tr>
<td>2013-141</td>
<td>H 765</td>
<td>Jury Instructions for School Budget Dispute.</td>
<td>155</td>
</tr>
<tr>
<td>2013-142</td>
<td>S 9</td>
<td>Utilities/Design/Survey Location Services.</td>
<td>156</td>
</tr>
<tr>
<td>2013-143</td>
<td>S 36</td>
<td>APA Technical/Clarifying Chges.</td>
<td>158</td>
</tr>
<tr>
<td>2013-144</td>
<td>S 124</td>
<td>Shoot Gun Inside/To Incite Fear.</td>
<td>160</td>
</tr>
<tr>
<td>2013-145</td>
<td>S 137</td>
<td>Prohibit Co-pay Waiver/Medicaid Providers.</td>
<td>160</td>
</tr>
<tr>
<td>2013-146</td>
<td>S 156</td>
<td>Clarify LEC Procedures/TC.</td>
<td>162</td>
</tr>
<tr>
<td>2013-147</td>
<td>H 850</td>
<td>Possession of Needles/Tell Law Officer.</td>
<td>163</td>
</tr>
<tr>
<td>2013-148</td>
<td>H 879</td>
<td>Grand Jurors/Service.</td>
<td>163</td>
</tr>
<tr>
<td>2013-149</td>
<td>H 892</td>
<td>No Fiscal Note for Rule Repeal.</td>
<td>164</td>
</tr>
<tr>
<td>2013-150</td>
<td>S 207</td>
<td>Maintaining Water &amp; Sewer Fiscal Health.</td>
<td>165</td>
</tr>
<tr>
<td>2013-151</td>
<td>S 211</td>
<td>Cities/Public Nuisance Notice.</td>
<td>166</td>
</tr>
<tr>
<td>2013-152</td>
<td>S 222</td>
<td>Revise Controlled Substances Reporting.</td>
<td>166</td>
</tr>
<tr>
<td>2013-153</td>
<td>S 239</td>
<td>Amend NC Business Corporation Act.</td>
<td>168</td>
</tr>
<tr>
<td>2013-154</td>
<td>S 306</td>
<td>Capital Punishment/Amendments.</td>
<td>171</td>
</tr>
<tr>
<td>2013-155</td>
<td>S 387</td>
<td>Forest Service Changes/Bedding Law ROE.</td>
<td>174</td>
</tr>
<tr>
<td>2013-156</td>
<td>S 411</td>
<td>Ethics Requirements for MPOs/RPOs.</td>
<td>176</td>
</tr>
<tr>
<td>2013-158</td>
<td>S 443</td>
<td>Disposition of Abandoned Firearms.</td>
<td>189</td>
</tr>
<tr>
<td>2013-159</td>
<td>S 452</td>
<td>Jurisdictional Amts/Arbitration/Sm Claims Ct.</td>
<td>191</td>
</tr>
<tr>
<td>2013-160</td>
<td>S 468</td>
<td>Align Inspections W/Installer Licensing.</td>
<td>192</td>
</tr>
<tr>
<td>2013-161</td>
<td>S 486</td>
<td>Pertussis Education &amp; Awareness.</td>
<td>193</td>
</tr>
<tr>
<td>2013-162</td>
<td>S 489</td>
<td>Consumer Finance Act Amendments.</td>
<td>194</td>
</tr>
<tr>
<td>2013-163</td>
<td>S 520</td>
<td>WC/Record Full IC Hearings.</td>
<td>197</td>
</tr>
<tr>
<td>2013-164</td>
<td>S 528</td>
<td>Clarify Petit Juror Oath.</td>
<td>198</td>
</tr>
<tr>
<td>2013-165</td>
<td>S 530</td>
<td>Prohibit E-Cigarette Sales to Minors.</td>
<td>198</td>
</tr>
<tr>
<td>2013-166</td>
<td>S 539</td>
<td>Jury List/Date of Birth Information.</td>
<td>200</td>
</tr>
<tr>
<td>2013-167</td>
<td>S 542</td>
<td>Drug Testing For LTC Applicants &amp; Employees.</td>
<td>201</td>
</tr>
<tr>
<td>Session Law</td>
<td>Bill Number</td>
<td>Short Title/Description</td>
<td>Page</td>
</tr>
<tr>
<td>------------</td>
<td>-------------</td>
<td>---------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>2013-168</td>
<td>S 545</td>
<td>Master Meters/Landlord-Tenant Agreement.</td>
<td>202</td>
</tr>
<tr>
<td>2013-169</td>
<td>S 583</td>
<td>Metal Theft Statute Amendments.</td>
<td>202</td>
</tr>
<tr>
<td>2013-170</td>
<td>S 584</td>
<td>Amend False Liens Law.</td>
<td>203</td>
</tr>
<tr>
<td>2013-171</td>
<td>S 630</td>
<td>Evidence &amp; DNA Expunction Laws.-AB</td>
<td>204</td>
</tr>
<tr>
<td>2013-172</td>
<td>H 140</td>
<td>City of Lowell / Regulate Utility Vehicles.</td>
<td>205</td>
</tr>
<tr>
<td>2013-173</td>
<td>H 305</td>
<td>Chapel Hill/Economic Development Projects.</td>
<td>205</td>
</tr>
<tr>
<td>2013-174</td>
<td>H 326</td>
<td>Rutherford County Condemnation Consent.</td>
<td>206</td>
</tr>
<tr>
<td>2013-175</td>
<td>H 354</td>
<td>2 County Commissioners May Serve/AB Tech. Bd.</td>
<td>206</td>
</tr>
<tr>
<td>2013-176</td>
<td>H 408</td>
<td>Beaufort/Right-of-Way Safety.</td>
<td>206</td>
</tr>
<tr>
<td>2013-177</td>
<td>H 427</td>
<td>Middlesex/Extend Mayor's Term to Four Years.</td>
<td>207</td>
</tr>
<tr>
<td>2013-178</td>
<td>H 562</td>
<td>Cramerton Charter Revisal.</td>
<td>208</td>
</tr>
<tr>
<td>2013-179</td>
<td>H 229</td>
<td>Holden Beach/Canal Dredging District Fee.</td>
<td>209</td>
</tr>
<tr>
<td>2013-180</td>
<td>H 234</td>
<td>Clarify Pender County ABC Laws.</td>
<td>209</td>
</tr>
<tr>
<td>2013-181</td>
<td>H 290</td>
<td>Rutherford Airport Authority.</td>
<td>210</td>
</tr>
<tr>
<td>2013-182</td>
<td>H 294</td>
<td>Authority to Remove Abandoned Vessels.</td>
<td>211</td>
</tr>
<tr>
<td>2013-183</td>
<td>H 817</td>
<td>Strategic Transportation Investments.</td>
<td>211</td>
</tr>
<tr>
<td>2013-184</td>
<td>H 336</td>
<td>Continuing Budget Authority.</td>
<td>222</td>
</tr>
<tr>
<td>2013-185</td>
<td>H 664</td>
<td>Cell Tower Deployment Act.</td>
<td>225</td>
</tr>
<tr>
<td>2013-186</td>
<td>H 60</td>
<td>Transfer of Indian Cultural Center Property.</td>
<td>228</td>
</tr>
<tr>
<td>2013-187</td>
<td>H 223</td>
<td>Electric Membership Corps/Member Control.</td>
<td>229</td>
</tr>
<tr>
<td>2013-188</td>
<td>H 390</td>
<td>State IT Governance Changes.-AB</td>
<td>230</td>
</tr>
<tr>
<td>2013-189</td>
<td>H 830</td>
<td>Adopt State Symbols.</td>
<td>231</td>
</tr>
<tr>
<td>2013-190</td>
<td>S 8</td>
<td>Increase Fine for Vehicle Removal.</td>
<td>232</td>
</tr>
<tr>
<td>2013-191</td>
<td>S 25</td>
<td>Hunting &amp; Fishing/Active Duty Military.</td>
<td>232</td>
</tr>
<tr>
<td>2013-192</td>
<td>S 336</td>
<td>Collaboration Among State Diabetes Programs.</td>
<td>232</td>
</tr>
<tr>
<td>2013-193</td>
<td>S 358</td>
<td>Guaranteed Asset Protection Waivers.</td>
<td>233</td>
</tr>
<tr>
<td>2013-194</td>
<td>S 285</td>
<td>DWI Cases/No ILAC Required.</td>
<td>235</td>
</tr>
<tr>
<td>2013-195</td>
<td>S 461</td>
<td>CDL Changes.</td>
<td>237</td>
</tr>
<tr>
<td>Session Law</td>
<td>Bill Number</td>
<td>Short Title/Description</td>
<td>Page</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------</td>
<td>-------------------------</td>
<td>------</td>
</tr>
<tr>
<td>2013-196</td>
<td>S 494</td>
<td>Community Service/Post-Release Supervision.</td>
<td>237</td>
</tr>
<tr>
<td>2013-197</td>
<td>S 639</td>
<td>Bd. of Agriculture Modifications.</td>
<td>238</td>
</tr>
<tr>
<td>2013-198</td>
<td>H 219</td>
<td>Update References/Child Born Out of Wedlock.</td>
<td>238</td>
</tr>
<tr>
<td>2013-199</td>
<td>H 240</td>
<td>Insurance Technical/Clarifying Changes.-AB</td>
<td>239</td>
</tr>
<tr>
<td>2013-200</td>
<td>H 248</td>
<td>Taxpayer Debt Information Act.</td>
<td>243</td>
</tr>
<tr>
<td>2013-201</td>
<td>H 322</td>
<td>CDL Requirements/Military Experience.</td>
<td>245</td>
</tr>
<tr>
<td>2013-202</td>
<td>H 331</td>
<td>HOAs/Uniform Lien Procedure.</td>
<td>246</td>
</tr>
<tr>
<td>2013-203</td>
<td>H 891</td>
<td>Exploitation of Srs/Freeze Defendant's Assets.</td>
<td>249</td>
</tr>
<tr>
<td>2013-204</td>
<td>H 332</td>
<td>Notary Act/Satisfaction of Security Interests.</td>
<td>250</td>
</tr>
<tr>
<td>2013-205</td>
<td>H 333</td>
<td>Sex Offender Residency/Regis. Amendments.</td>
<td>254</td>
</tr>
<tr>
<td>2013-206</td>
<td>H 433</td>
<td>Land Use Surrounding Military Installations.</td>
<td>255</td>
</tr>
<tr>
<td>2013-207</td>
<td>H 459</td>
<td>Chronic Care Coordination Act.</td>
<td>259</td>
</tr>
<tr>
<td>2013-208</td>
<td>H 587</td>
<td>Alternate ACT/PLAN for Certain Students.</td>
<td>259</td>
</tr>
<tr>
<td>2013-209</td>
<td>H 597</td>
<td>Bail Bondsman/Official Shield.</td>
<td>261</td>
</tr>
<tr>
<td>2013-210</td>
<td>H 641</td>
<td>Amend Conditional Discharge/1st Drug Offense.</td>
<td>262</td>
</tr>
<tr>
<td>2013-211</td>
<td>H 686</td>
<td>NC Seafood Park/Name Change.</td>
<td>263</td>
</tr>
<tr>
<td>2013-212</td>
<td>H 261</td>
<td>Kannapolis/Deannexation.</td>
<td>264</td>
</tr>
<tr>
<td>2013-213</td>
<td>H 421</td>
<td>Marshville Deannexation.</td>
<td>265</td>
</tr>
<tr>
<td>2013-214</td>
<td>H 526</td>
<td>Chadbourn Voluntary Annexation.</td>
<td>265</td>
</tr>
<tr>
<td>2013-215</td>
<td>H 567</td>
<td>Lumberton Deannexation.</td>
<td>266</td>
</tr>
<tr>
<td>2013-216</td>
<td>H 143</td>
<td>Eden Payment in Lieu of Taxes.</td>
<td>266</td>
</tr>
<tr>
<td>2013-217</td>
<td>H 302</td>
<td>Repeal Kannapolis Annexation.</td>
<td>267</td>
</tr>
<tr>
<td>2013-218</td>
<td>H 409</td>
<td>Shelby Deannexation.</td>
<td>267</td>
</tr>
<tr>
<td>2013-219</td>
<td>H 412</td>
<td>Eden/Duke Energy/Annexation Agreement.</td>
<td>268</td>
</tr>
<tr>
<td>2013-220</td>
<td>H 490</td>
<td>Lee County Elections.</td>
<td>268</td>
</tr>
<tr>
<td>2013-221</td>
<td>H 544</td>
<td>Wilmington Charter/Civil Service Commission.</td>
<td>269</td>
</tr>
<tr>
<td>2013-222</td>
<td>H 551</td>
<td>Amend Wilmington Firefighters' Relief Fund.</td>
<td>269</td>
</tr>
<tr>
<td>2013-223</td>
<td>H 553</td>
<td>Amend Carteret Co. Occupancy Tax.</td>
<td>270</td>
</tr>
<tr>
<td>Session Law</td>
<td>Bill Number</td>
<td>Short Title/Description</td>
<td>Page</td>
</tr>
<tr>
<td>------------</td>
<td>-------------</td>
<td>----------------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>2013-224</td>
<td>H 743</td>
<td>UI Laws Administrative Changes.</td>
<td>271</td>
</tr>
<tr>
<td>2013-225</td>
<td>H 343</td>
<td>Courts/Procedure and Fee Amendments.-AB</td>
<td>274</td>
</tr>
<tr>
<td>2013-226</td>
<td>S 168</td>
<td>Clarify Education Reporting Requirements.</td>
<td>276</td>
</tr>
<tr>
<td>2013-227</td>
<td>S 613</td>
<td>Create Military Affairs Commission.</td>
<td>279</td>
</tr>
<tr>
<td>2013-228</td>
<td>S 205</td>
<td>Eliminate Unnecessary Testing/Animal Waste.</td>
<td>282</td>
</tr>
<tr>
<td>2013-229</td>
<td>S 264</td>
<td>Abate Nuisances/Drug Sales From Stores.</td>
<td>282</td>
</tr>
<tr>
<td>2013-230</td>
<td>S 377</td>
<td>Suspend Truck Inspection/Severe Weather.</td>
<td>284</td>
</tr>
<tr>
<td>2013-231</td>
<td>S 568</td>
<td>Bioptic Lenses for Drivers License Tests.</td>
<td>285</td>
</tr>
<tr>
<td>2013-232</td>
<td>S 635</td>
<td>Transmission Line Ownership.</td>
<td>286</td>
</tr>
<tr>
<td>2013-233</td>
<td>S 712</td>
<td>ID Card for Homebound Persons.</td>
<td>287</td>
</tr>
<tr>
<td>2013-234</td>
<td>H 56</td>
<td>Amend State Contract Review Laws.</td>
<td>288</td>
</tr>
<tr>
<td>2013-235</td>
<td>H 57</td>
<td>Child Nutrition Program Solvency and Support.</td>
<td>294</td>
</tr>
<tr>
<td>2013-236</td>
<td>H 147</td>
<td>Amend Adoption Laws.</td>
<td>295</td>
</tr>
<tr>
<td>2013-237</td>
<td>H 209</td>
<td>DV Orders/Findings Not Required.</td>
<td>297</td>
</tr>
<tr>
<td>2013-238</td>
<td>H 220</td>
<td>Designate NC Fragile X Awareness Day.</td>
<td>298</td>
</tr>
<tr>
<td>2013-239</td>
<td>H 243</td>
<td>Liens/Self-Service Storage Facilities.</td>
<td>299</td>
</tr>
<tr>
<td>2013-240</td>
<td>H 249</td>
<td>Substitute Teacher Deduction/Personal Leave.</td>
<td>301</td>
</tr>
<tr>
<td>2013-241</td>
<td>H 626</td>
<td>Notify Law Enforcement of Towed Vehicles.</td>
<td>301</td>
</tr>
<tr>
<td>2013-242</td>
<td>H 628</td>
<td>Protect/Promote Locally Sourced Bldg. Mtrl's.</td>
<td>303</td>
</tr>
<tr>
<td>2013-243</td>
<td>H 656</td>
<td>Forfeiture for Speeding to Elude Revisions.</td>
<td>304</td>
</tr>
<tr>
<td>2013-244</td>
<td>H 784</td>
<td>Worthless Check/Present Cashed Check.</td>
<td>307</td>
</tr>
<tr>
<td>2013-245</td>
<td>H 785</td>
<td>Cost-Sharing/Transportation Improvements.</td>
<td>308</td>
</tr>
<tr>
<td>2013-246</td>
<td>H 832</td>
<td>Expand Pharmacists' Immunizing Authority.</td>
<td>311</td>
</tr>
<tr>
<td>2013-247</td>
<td>H 868</td>
<td>Resid. School Changes.</td>
<td>313</td>
</tr>
<tr>
<td>2013-248</td>
<td>S 177</td>
<td>Hookerton/Maysville Satellite Annexations.</td>
<td>315</td>
</tr>
<tr>
<td>2013-249</td>
<td>H 196</td>
<td>WS/FC School Board Vacancies.</td>
<td>315</td>
</tr>
<tr>
<td>2013-250</td>
<td>H 318</td>
<td>Winston-Salem/Seismic Codes.</td>
<td>316</td>
</tr>
<tr>
<td>2013-251</td>
<td>H 334</td>
<td>Buncombe Cty Lottery Fund Use Expansion.</td>
<td>316</td>
</tr>
<tr>
<td>Session Law</td>
<td>Bill Number</td>
<td>Short Title/Description</td>
<td>Page</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------</td>
<td>-------------------------</td>
<td>------</td>
</tr>
<tr>
<td>2013-253</td>
<td>H 404</td>
<td>Camden Local Stormwater Fees.</td>
<td>318</td>
</tr>
<tr>
<td>2013-254</td>
<td>H 441</td>
<td>Robeson County Drainage District.</td>
<td>318</td>
</tr>
<tr>
<td>2013-255</td>
<td>H 529</td>
<td>Edgecombe County Occupancy Tax Authorization.</td>
<td>319</td>
</tr>
<tr>
<td>2013-256</td>
<td>H 107</td>
<td>Eastern Region/Disbursement of Funds.</td>
<td>320</td>
</tr>
<tr>
<td>2013-257</td>
<td>H 546</td>
<td>Roanoke Rapids Graded School District.</td>
<td>321</td>
</tr>
<tr>
<td>2013-258</td>
<td>H 543</td>
<td>Guardianship Roles of MHDDSA Providers.</td>
<td>321</td>
</tr>
<tr>
<td>2013-259</td>
<td>S 490</td>
<td>Exclude Custom Software from Property Tax.</td>
<td>322</td>
</tr>
<tr>
<td>2013-261</td>
<td>H 468</td>
<td>High Point Elections/Tryon Charter Amendments.</td>
<td>324</td>
</tr>
<tr>
<td>2013-262</td>
<td>H 418</td>
<td>Buncombe Culture &amp; Rec. Authority.</td>
<td>325</td>
</tr>
<tr>
<td>2013-263</td>
<td>H 512</td>
<td>Central Carolina Com. Coll. Trustee Elections.</td>
<td>328</td>
</tr>
<tr>
<td>2013-264</td>
<td>H 538</td>
<td>Apex Land Use Changes.</td>
<td>328</td>
</tr>
<tr>
<td>2013-265</td>
<td>S 638</td>
<td>NC Farm Act of 2013.</td>
<td>329</td>
</tr>
<tr>
<td>2013-266</td>
<td>H 192</td>
<td>Allow ROW Usage in Central Business Districts.</td>
<td>335</td>
</tr>
<tr>
<td>2013-267</td>
<td>H 110</td>
<td>Public Contracts/Project Labor.</td>
<td>336</td>
</tr>
<tr>
<td>2013-268</td>
<td>H 767</td>
<td>Corporal Pruitt Rainey Brass to Class Act.</td>
<td>338</td>
</tr>
<tr>
<td>2013-269</td>
<td>S 229</td>
<td>Ocean Isle Beach/Sea Turtle Sanctuary.</td>
<td>339</td>
</tr>
<tr>
<td>2013-271</td>
<td>H 537</td>
<td>Edenton-Chowan Sch. Bd. Terms.</td>
<td>342</td>
</tr>
<tr>
<td>2013-272</td>
<td>S 81</td>
<td>Charlotte Douglas International Airport.</td>
<td>342</td>
</tr>
<tr>
<td>2013-273</td>
<td>H 895</td>
<td>UNC/MAHEC/Honor Rep. Mary Nesbitt.</td>
<td>348</td>
</tr>
<tr>
<td>2013-274</td>
<td>H 982</td>
<td>Modify Medicaid Subrogation Statute.</td>
<td>348</td>
</tr>
<tr>
<td>2013-275</td>
<td>H 783</td>
<td>Pyrotechnics Technical and Conforming Changes.</td>
<td>350</td>
</tr>
<tr>
<td>2013-276</td>
<td>H 137</td>
<td>Reward Amt/Arrest of Fugitive From Justice.</td>
<td>352</td>
</tr>
<tr>
<td>2013-277</td>
<td>H 161</td>
<td>Mandatory Retirement Age for Magistrates.</td>
<td>352</td>
</tr>
<tr>
<td>2013-278</td>
<td>H 168</td>
<td>Divison of Atty's Fees in Workers' Comp.</td>
<td>353</td>
</tr>
<tr>
<td>2013-279</td>
<td>H 176</td>
<td>Charter School Election.</td>
<td>354</td>
</tr>
<tr>
<td>Session Law</td>
<td>Bill Number</td>
<td>Short Title/Description</td>
<td>Page</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------</td>
<td>----------------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>2013-280</td>
<td>H 214</td>
<td>Amend Real Estate License Law/Records.</td>
<td>354</td>
</tr>
<tr>
<td>2013-281</td>
<td>H 257</td>
<td>Unclaimed Property Program Improvements.</td>
<td>355</td>
</tr>
<tr>
<td>2013-282</td>
<td>H 241</td>
<td>Blue Monday Shad Fry.</td>
<td>356</td>
</tr>
<tr>
<td>2013-283</td>
<td>H 296</td>
<td>Omnibus Wildlife Resources Commission Act.</td>
<td>356</td>
</tr>
<tr>
<td>2013-284</td>
<td>H 327</td>
<td>Fire and Rescue Pension Revisions of 2013.-AB</td>
<td>361</td>
</tr>
<tr>
<td>2013-285</td>
<td>H 340</td>
<td>Limited Lines Travel Insurance.</td>
<td>364</td>
</tr>
<tr>
<td>2013-286</td>
<td>H 345</td>
<td>Increase Penalties for Misuse of 911 System.</td>
<td>365</td>
</tr>
<tr>
<td>2013-287</td>
<td>H 357</td>
<td>Retirement Governance Changes Act of 2013.-AB</td>
<td>367</td>
</tr>
<tr>
<td>2013-288</td>
<td>H 358</td>
<td>Retirement Technical Corrections.-AB</td>
<td>369</td>
</tr>
<tr>
<td>2013-289</td>
<td>H 362</td>
<td>Dept. of Public Safety Changes.-AB</td>
<td>371</td>
</tr>
<tr>
<td>2013-290</td>
<td>H 371</td>
<td>Chiropractic Assistant Certification/Fee.-AB</td>
<td>374</td>
</tr>
<tr>
<td>2013-291</td>
<td>H 391</td>
<td>Volunteer Service in Retirement.</td>
<td>375</td>
</tr>
<tr>
<td>2013-292</td>
<td>H 402</td>
<td>TRICARE Supplement for Flex Accounts.</td>
<td>375</td>
</tr>
<tr>
<td>2013-294</td>
<td>S 174</td>
<td>Disapprove Industrial Commission Rules.</td>
<td>379</td>
</tr>
<tr>
<td>2013-295</td>
<td>S 231</td>
<td>Modify Duties/Advisory Council on Indian Educ.</td>
<td>381</td>
</tr>
<tr>
<td>2013-296</td>
<td>S 248</td>
<td>Choice of Hearing Aid Specialist.</td>
<td>383</td>
</tr>
<tr>
<td>2013-297</td>
<td>S 280</td>
<td>DCR/Historic Sites/Fees.</td>
<td>384</td>
</tr>
<tr>
<td>2013-298</td>
<td>S 316</td>
<td>Pretrial Release/Rebuttable Presumption.</td>
<td>385</td>
</tr>
<tr>
<td>2013-299</td>
<td>S 378</td>
<td>Assess Propane Dealers/Distributors.</td>
<td>386</td>
</tr>
<tr>
<td>2013-300</td>
<td>S 399</td>
<td>Criminal Defendant May Waive Jury Trial.</td>
<td>387</td>
</tr>
<tr>
<td>2013-301</td>
<td>S 465</td>
<td>Prohibit Use of Tax Zapper Software.</td>
<td>389</td>
</tr>
<tr>
<td>2013-302</td>
<td>S 717</td>
<td>MV Safety Inspector/MV Licensing Law Changes.</td>
<td>389</td>
</tr>
<tr>
<td>2013-303</td>
<td>H 450</td>
<td>Criminal Contempt/Bail Procedure.</td>
<td>393</td>
</tr>
<tr>
<td>2013-304</td>
<td>H 462</td>
<td>Increase Family Court Fee.</td>
<td>393</td>
</tr>
<tr>
<td>2013-305</td>
<td>H 474</td>
<td>Redeposit Govt. Funds Into Ins. Deposit Acct.</td>
<td>394</td>
</tr>
<tr>
<td>2013-306</td>
<td>H 492</td>
<td>Safeguard Qualified Individuals-Medicaid PCS.</td>
<td>394</td>
</tr>
<tr>
<td>2013-307</td>
<td>S 132</td>
<td>Health Curriculum/Preterm Birth.</td>
<td>396</td>
</tr>
<tr>
<td>Session Law</td>
<td>Bill Number</td>
<td>Short Title/Description</td>
<td>Page</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------</td>
<td>-------------------------</td>
<td>------</td>
</tr>
<tr>
<td>2013-308</td>
<td>H 635</td>
<td>Involuntary Commitment Custody Orders.</td>
<td>398</td>
</tr>
<tr>
<td>2013-309</td>
<td>H 683</td>
<td>Commonsense Consumption Act.</td>
<td>399</td>
</tr>
<tr>
<td>2013-310</td>
<td>H 754</td>
<td>Lease Purchase of Real Property/Comm. Coll.</td>
<td>401</td>
</tr>
<tr>
<td>2013-311</td>
<td>H 816</td>
<td>Tobacco Growers Assessment Act.</td>
<td>401</td>
</tr>
<tr>
<td>2013-312</td>
<td>H 828</td>
<td>Update Physical Therapy Practice Act.</td>
<td>403</td>
</tr>
<tr>
<td>2013-313</td>
<td>H 917</td>
<td>Adopt Dublin Peanut Festival.</td>
<td>405</td>
</tr>
<tr>
<td>2013-314</td>
<td>H 614</td>
<td>NC Agriculture and Forestry Act.</td>
<td>406</td>
</tr>
<tr>
<td>2013-315</td>
<td>H 191</td>
<td>Grifton/Deannexation.</td>
<td>408</td>
</tr>
<tr>
<td>2013-316</td>
<td>H 998</td>
<td>Tax Simplification and Reduction Act.</td>
<td>408</td>
</tr>
<tr>
<td>2013-317</td>
<td>H 186</td>
<td>Towns Enforce Noise Ordinances/Lake Norman.</td>
<td>436</td>
</tr>
<tr>
<td>2013-318</td>
<td>H 523</td>
<td>Pitt Co. Bd. of Education.</td>
<td>437</td>
</tr>
<tr>
<td>2013-319</td>
<td>H 530</td>
<td>Buncombe MPO Membership.</td>
<td>439</td>
</tr>
<tr>
<td>2013-320</td>
<td>H 870</td>
<td>Duplin County Boards of Comms. and Educ.</td>
<td>440</td>
</tr>
<tr>
<td>2013-321</td>
<td>H 467</td>
<td>Breast Density Notification &amp; Awareness.</td>
<td>441</td>
</tr>
<tr>
<td>2013-322</td>
<td>S 444</td>
<td>UNC/Cherokee Language.</td>
<td>442</td>
</tr>
<tr>
<td>2013-323</td>
<td>H 26</td>
<td>Strengthen Laws/Vehicle Theft.</td>
<td>443</td>
</tr>
<tr>
<td>2013-324</td>
<td>H 232</td>
<td>State Health Plan/Statutory Changes.-AB</td>
<td>445</td>
</tr>
<tr>
<td>2013-325</td>
<td>H 255</td>
<td>UNC Tuition Surcharge/Advance Notice.</td>
<td>447</td>
</tr>
<tr>
<td>2013-326</td>
<td>H 510</td>
<td>Foster Care Children's Bill of Rights.</td>
<td>448</td>
</tr>
<tr>
<td>2013-327</td>
<td>H 616</td>
<td>Transitional Mortgage Loan Originator.</td>
<td>449</td>
</tr>
<tr>
<td>2013-328</td>
<td>H 636</td>
<td>Creek Name Change.</td>
<td>450</td>
</tr>
<tr>
<td>2013-329</td>
<td>H 700</td>
<td>Omnibus State IT Governance Changes.</td>
<td>451</td>
</tr>
<tr>
<td>2013-330</td>
<td>S 73</td>
<td>Local Workforce Dev./Dislocated Workers.</td>
<td>453</td>
</tr>
<tr>
<td>2013-331</td>
<td>H 646</td>
<td>Airports Exempt From Local Tree Ordinances.</td>
<td>454</td>
</tr>
<tr>
<td>2013-332</td>
<td>H 662</td>
<td>Limited License/Install Backflow Assemblies.</td>
<td>454</td>
</tr>
<tr>
<td>2013-333</td>
<td>H 701</td>
<td>IT Purchasing/Convenience Contracts.</td>
<td>455</td>
</tr>
<tr>
<td>2013-334</td>
<td>H 802</td>
<td>Landlord/Tenant/Shorten Eviction Time.</td>
<td>456</td>
</tr>
<tr>
<td>2013-335</td>
<td>H 796</td>
<td>Exempt Certain Columbariums/Cemetery Act.</td>
<td>460</td>
</tr>
<tr>
<td>Session Law</td>
<td>Bill Number</td>
<td>Short Title/Description</td>
<td>Page</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------</td>
<td>-----------------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>2013-336</td>
<td>S 43</td>
<td>Study Savings for Administration of Claims.</td>
<td>460</td>
</tr>
<tr>
<td>2013-337</td>
<td>S 140</td>
<td>Financial Exploitation of Older Adults.</td>
<td>461</td>
</tr>
<tr>
<td>2013-338</td>
<td>S 200</td>
<td>Extend Time For Forensic Accreditation.</td>
<td>465</td>
</tr>
<tr>
<td>2013-339</td>
<td>S 223</td>
<td>Severance &amp; Relocation For Area Directors.</td>
<td>466</td>
</tr>
<tr>
<td>2013-340</td>
<td>S 372</td>
<td>Omnibus County Legislation.</td>
<td>466</td>
</tr>
<tr>
<td>2013-341</td>
<td>S 407</td>
<td>Electronic Vehicle Lien/Title.</td>
<td>469</td>
</tr>
<tr>
<td>2013-342</td>
<td>S 386</td>
<td>Board of Agriculture Swine Appt.</td>
<td>471</td>
</tr>
<tr>
<td>2013-343</td>
<td>S 406</td>
<td>Repeal Laws Denied Section 5 Preclearance.</td>
<td>472</td>
</tr>
<tr>
<td>2013-344</td>
<td>S 454</td>
<td>Registration of Petroleum Device Technicians.-AB</td>
<td>473</td>
</tr>
<tr>
<td>2013-345</td>
<td>S 455</td>
<td>Increased Penalty/Seed Law Violations.-AB</td>
<td>473</td>
</tr>
<tr>
<td>2013-346</td>
<td>S 488</td>
<td>Amend Nursing Home Administrator Act/Fees.</td>
<td>474</td>
</tr>
<tr>
<td>2013-347</td>
<td>S 505</td>
<td>Clarify Agricultural Zoning.</td>
<td>476</td>
</tr>
<tr>
<td>2013-348</td>
<td>S 659</td>
<td>MAP 21 Conforming Revisions.-AB</td>
<td>477</td>
</tr>
<tr>
<td>2013-349</td>
<td>S 344</td>
<td>Vintage Auto Inspections.</td>
<td>478</td>
</tr>
<tr>
<td>2013-350</td>
<td>H 491</td>
<td>School Resource Officers/Lee County.</td>
<td>479</td>
</tr>
<tr>
<td>2013-351</td>
<td>H 493</td>
<td>Robbinsville/Graham Occupancy Tax.</td>
<td>480</td>
</tr>
<tr>
<td>2013-352</td>
<td>H 195</td>
<td>Cornelius/Extend Use of Design-Build.</td>
<td>481</td>
</tr>
<tr>
<td>2013-353</td>
<td>H 669</td>
<td>2013 Appointments Bill.</td>
<td>482</td>
</tr>
<tr>
<td>2013-354</td>
<td>H 1015</td>
<td>Bessemer City Annexation.</td>
<td>483</td>
</tr>
<tr>
<td>2013-355</td>
<td>S 337</td>
<td>NC Charter School Advisory Board.</td>
<td>483</td>
</tr>
<tr>
<td>2013-356</td>
<td>H 194</td>
<td>Allow PAVE Certification/Veterinary License.</td>
<td>492</td>
</tr>
<tr>
<td>2013-357</td>
<td>H 649</td>
<td>Small Group Health Ins. Technical Changes.</td>
<td>493</td>
</tr>
<tr>
<td>2013-358</td>
<td>S 380</td>
<td>Charlotte Douglas Int'l Airport Commission.</td>
<td>497</td>
</tr>
<tr>
<td>2013-359</td>
<td>H 250</td>
<td>Charter School Enrollment &amp; Charter Revisions.</td>
<td>500</td>
</tr>
<tr>
<td>2013-360</td>
<td>S 402</td>
<td>Appropriations Act of 2013.</td>
<td>503</td>
</tr>
<tr>
<td>2013-361</td>
<td>S 317</td>
<td>Guilford and Stanly Election Systems.</td>
<td>510</td>
</tr>
<tr>
<td>2013-362</td>
<td>S 159</td>
<td>Require Certain General Reappraisals.</td>
<td>513</td>
</tr>
<tr>
<td>2013-363</td>
<td>H 112</td>
<td>Modifications/2013 Appropriations Act.</td>
<td>515</td>
</tr>
<tr>
<td>Session Law</td>
<td>Bill Number</td>
<td>Short Title/Description</td>
<td>Page</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------</td>
<td>------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>2013-364</td>
<td>H 269</td>
<td>Children w/Disabilities Scholarship Grants.</td>
<td>525</td>
</tr>
<tr>
<td>2013-365</td>
<td>S 76</td>
<td>Domestic Energy Jobs Act.</td>
<td>528</td>
</tr>
<tr>
<td>2013-366</td>
<td>S 353</td>
<td>Health and Safety Law Changes.</td>
<td>539</td>
</tr>
<tr>
<td>2013-367</td>
<td>S 379</td>
<td>Exp. of Natural Gas &amp; Propane for Agriculture.</td>
<td>543</td>
</tr>
<tr>
<td>2013-368</td>
<td>S 683</td>
<td>Safe Harbor/Victims of Human Trafficking.</td>
<td>544</td>
</tr>
<tr>
<td>2013-369</td>
<td>H 937</td>
<td>Amend Various Firearms Laws.</td>
<td>557</td>
</tr>
<tr>
<td>2013-370</td>
<td>S 18</td>
<td>Amend Locksmith License Act/Raise Fee Ceiling.</td>
<td>564</td>
</tr>
<tr>
<td>2013-371</td>
<td>S 103</td>
<td>Amend Assessments for Infrastructure Needs.</td>
<td>566</td>
</tr>
<tr>
<td>2013-372</td>
<td>S 305</td>
<td>DMV Commission Contract Changes.</td>
<td>567</td>
</tr>
<tr>
<td>2013-373</td>
<td>S 354</td>
<td>Revise Auditor’s Responsibilities.-AB</td>
<td>569</td>
</tr>
<tr>
<td>2013-374</td>
<td>S 381</td>
<td>State to Convey Gates Correctional Facility.</td>
<td>570</td>
</tr>
<tr>
<td>2013-376</td>
<td>S 571</td>
<td>Authorize Various Special Plates.</td>
<td>572</td>
</tr>
<tr>
<td>2013-377</td>
<td>S 626</td>
<td>Recodify Animal Shelter Law.</td>
<td>575</td>
</tr>
<tr>
<td>2013-378</td>
<td>H 399</td>
<td>Amend Laws Pertaining to DHHS.-AB</td>
<td>577</td>
</tr>
<tr>
<td>2013-379</td>
<td>H 675</td>
<td>Amend Pharmacy Laws.</td>
<td>581</td>
</tr>
<tr>
<td>2013-380</td>
<td>H 936</td>
<td>Wildlife Poacher Reward Fund.</td>
<td>583</td>
</tr>
<tr>
<td>2013-381</td>
<td>H 589</td>
<td>VIVA/Election Reform.</td>
<td>585</td>
</tr>
<tr>
<td>2013-382</td>
<td>H 834</td>
<td>Modern State Human Resources Management/RTR.</td>
<td>608</td>
</tr>
<tr>
<td>2013-383</td>
<td>S 71</td>
<td>Amend Irrigation Contractors Licensing Laws.</td>
<td>618</td>
</tr>
<tr>
<td>2013-384</td>
<td>S 151</td>
<td>Coastal Policy Reform Act of 2013.</td>
<td>620</td>
</tr>
<tr>
<td>2013-385</td>
<td>S 182</td>
<td>Limit Appeals to Superior Court.</td>
<td>625</td>
</tr>
<tr>
<td>2013-386</td>
<td>S 315</td>
<td>Municipal Services.</td>
<td>628</td>
</tr>
<tr>
<td>2013-387</td>
<td>S 321</td>
<td>Inmate Costs/Ct.Appt./Notaries.</td>
<td>631</td>
</tr>
<tr>
<td>2013-388</td>
<td>S 341</td>
<td>Amend Interbasin Transfer Law.</td>
<td>636</td>
</tr>
<tr>
<td>2013-389</td>
<td>S 368</td>
<td>County/Sheriff Fee Changes/Felony Escape.</td>
<td>639</td>
</tr>
<tr>
<td>2013-390</td>
<td>S 409</td>
<td>Assess Costs/Restraining Orders.</td>
<td>640</td>
</tr>
<tr>
<td>2013-391</td>
<td>S 420</td>
<td>UI Laws Administrative Changes.</td>
<td>643</td>
</tr>
<tr>
<td>Session Law</td>
<td>Bill Number</td>
<td>Short Title/Description</td>
<td>Page</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------</td>
<td>-------------------------</td>
<td>------</td>
</tr>
<tr>
<td>2013-392</td>
<td>S 470</td>
<td>No Beer/Wine if Permit Revoked or Suspended.</td>
<td>645</td>
</tr>
<tr>
<td>2013-393</td>
<td>S 473</td>
<td>Health Cost Transp/Speaker and PPT Standing.</td>
<td>646</td>
</tr>
<tr>
<td>2013-394</td>
<td>S 480</td>
<td>UNC Capital Improvement Projects.</td>
<td>654</td>
</tr>
<tr>
<td>2013-396</td>
<td>S 547</td>
<td>Energy Savings Contracting Amendments.</td>
<td>659</td>
</tr>
<tr>
<td>2013-397</td>
<td>S 553</td>
<td>LME/MCO Enrollee Grievances &amp; Appeals.</td>
<td>661</td>
</tr>
<tr>
<td>2013-398</td>
<td>S 558</td>
<td>Treasurer's Investments.</td>
<td>667</td>
</tr>
<tr>
<td>2013-399</td>
<td>H 692</td>
<td>Amend Predatory Lending Law.</td>
<td>669</td>
</tr>
<tr>
<td>2013-400</td>
<td>H 727</td>
<td>Alt. Procedure for Obtaining Salvage Title.</td>
<td>671</td>
</tr>
<tr>
<td>2013-401</td>
<td>H 857</td>
<td>Public Contracts/Construction Methods/DB/P3.</td>
<td>672</td>
</tr>
<tr>
<td>2013-402</td>
<td>H 552</td>
<td>Remove Area from County Service District.</td>
<td>678</td>
</tr>
<tr>
<td>2013-403</td>
<td>H 565</td>
<td>Amend Real Estate Appraisers' Laws/Fees.</td>
<td>678</td>
</tr>
<tr>
<td>2013-404</td>
<td>H 652</td>
<td>Modify Judicial Discipline.</td>
<td>682</td>
</tr>
<tr>
<td>2013-405</td>
<td>H 359</td>
<td>Retirement Administrative Changes Act of 2013.</td>
<td>683</td>
</tr>
<tr>
<td>2013-406</td>
<td>H 417</td>
<td>Modify Internal Auditing Statutes.</td>
<td>687</td>
</tr>
<tr>
<td>2013-407</td>
<td>H 476</td>
<td>Rewrite Underground Damage Prevention Act.</td>
<td>689</td>
</tr>
<tr>
<td>2013-408</td>
<td>H 135</td>
<td>Adjust Landfill Permit Fee Timing.</td>
<td>694</td>
</tr>
<tr>
<td>2013-409</td>
<td>H 321</td>
<td>Amend Local Solid Waste Planning.</td>
<td>695</td>
</tr>
<tr>
<td>2013-410</td>
<td>H 92</td>
<td>GSC Technical Corrections 2013.</td>
<td>696</td>
</tr>
<tr>
<td>2013-411</td>
<td>H 122</td>
<td>Amend Interlocutory Appeals/Family Law.</td>
<td>705</td>
</tr>
<tr>
<td>2013-412</td>
<td>H 293</td>
<td>Mortgages/S.A.F.E. Act.</td>
<td>707</td>
</tr>
<tr>
<td>2013-413</td>
<td>H 74</td>
<td>Regulatory Reform Act of 2013.</td>
<td>708</td>
</tr>
<tr>
<td>2013-415</td>
<td>H 15</td>
<td>Various Emergency Management Changes.</td>
<td>737</td>
</tr>
<tr>
<td>2013-416</td>
<td>H 522</td>
<td>Foreign Laws/Protect Constitutional Rights.</td>
<td>738</td>
</tr>
<tr>
<td>2013-417</td>
<td>H 392</td>
<td>Warrant Status/Drug Screen Public Assist.</td>
<td>740</td>
</tr>
<tr>
<td>2013-418</td>
<td>H 786</td>
<td>RECLAIM NC Act.</td>
<td>746</td>
</tr>
</tbody>
</table>
SL 2013-1

INCREASE ACCESS TO CAREER/TECHNICAL ED.

Bill S 14

Summary date: Jan 30 2013

Amends GS 115C-12 as the title indicates. Directs the State Board of Education (SBE) to report annually on the impact of awarding the career and college endorsements on high school graduation, college acceptance and remediation, and post high school employment rates beginning September 1, 2016.

Requires that the SBE make these endorsements available to students who graduate from high school beginning with the 2014-15 school year. Amends GS 115C-296.7(d) to specify that the SBE identify local school administrative units with unmet recruitment needs for career and technical education teachers. Additionally directs the SBE to increase accessibility to the licensure process for career and technical education teachers while maintaining quality of instruction, to develop strategies to increase the number of students engaging in career and technical education, and to increase the enrollment of students in coursework leading to skills in occupations that have a high number of employment opportunities.

Includes requirements specifying when the SBE is to make reports to the Joint Legislative Education Oversight Committee on its progress with the teacher licensure and student enrollment goals.

Summary date: Feb 6 2013

Senate committee substitute makes the following changes to the 1st edition. Amends proposed subdivision (40) in GS 115C-12 to delete "grades accomplished in each course" as a high school diploma endorsement criteria and replace with "overall grade point average." Directs the State Board of Education (Board) to report annually on the endorsements; removes from codification but retains requirement that Board submit report by September 1, 2016 and annually thereafter. Modifies directive that the Board and the State Board of Community Colleges develop strategies to increase the number of high school students (previously specified freshmen and sophomores) in occupations with high employment opportunities. Makes a conforming change.

Summary date: Feb 18 2013

A BILL TO BE ENTITLED AN ACT TO DIRECT THE STATE BOARD OF EDUCATION TO DEVELOP CAREER AND COLLEGE ENDORSEMENTS FOR HIGH SCHOOL DIPLOMAS, INCREASE ACCESS TO CAREER AND TECHNICAL EDUCATION TEACHERS IN PUBLIC SCHOOLS, AND TO WORK WITH THE STATE BOARD OF COMMUNITY COLLEGES TO INCREASE THE NUMBER OF STUDENTS ENROLLING IN CAREER AND TECHNICAL EDUCATION IN HIGH NEED EMPLOYMENT AREAS.

SL 2013-2

UI FUND SOLVENCY & PROGRAM CHANGES.

Bill H 4

Summary date: Jan 30 2013

Acknowledges that the General Assembly needs to review and analyze the impact of changes to North Carolina tax laws and unemployment insurance laws in response to the American Taxpayer Relief Act of 2012, signed into law as of January 2, 2013. Makes numerous changes to GS Chapter 96, Employment Security Law.

Makes organizational and clarifying changes to GS 96-5 (created the Employment Security Administration Fund). Deletes language specifying that the Security Administration Fund (Fund), except as otherwise provided in Chapter 96, is subject to the State Budget Act (GS Chapter 143C) and the Personnel Act (GS 126-1 et. seq.). Enacts new subsection (a1) to clarify the use of moneys in the Fund. Requires the replacement of lost or improperly expended moneys received from the Secretary of Labor under Title III of the Social Security Act but deletes replacement requirement regarding unencumbered balances in the Fund or any moneys made available to the state via the Wagner-Peyser Act or matching funds made available as a result of the Wagner-Peyser Act. Effective July 1, 2013.

Effective July 1, 2013, deletes subsections (c) and (d) of GS 96-5 and essentially replaces those subsections with new GS 96-5.1 to clarify the accrual of moneys to the Special Employment Security Administration Fund and the use of moneys in the Fund. Deletes (f) concerning the Employment Security Reserve Fund.

Amends subsection (d) of GS 96-6 regarding the management of funds upon the discontinuance of the Unemployment Trust Fund (UTF). Provides that if the UTF ceases to exist, revenues in the UTF may be invested (was, shall be) in bonds or interest bearing obligations of the United States or other investments as specified. Provides that the treasurer may (was, shall) dispose of securities or other properties belonging to the Fund only under the direction of the Secretary of the Department of Commerce (Secretary). Makes additional clarifying changes. Effective July 1, 2013.

Enacts new GS 96-6.1 in Article 1, GS Chapter 96 to create a special fund, the Employment Security Reserve Fund, consisting of revenues received from the tax imposed under GS 96-19.34. Limits the use of the Reserve Funds to the listed purposes. Caps the balance in the Reserve Fund at $50 million or the amount of interest paid the previous September on advances under Title XII of the Social Security Act. Directs that any amount exceeding the cap must be transferred to the Unemployment Insurance Fund. Effective July 1, 2013.

Requires the Office of State Budget and Management (OSBM), in conjunction with the Office of the State Controller and the Department of Commerce (Department), to transfer and allocate any unencumbered cash balance as of June 30, 2013 from the Worker Training Trust Fund and the Training and Employment Account to the Unemployment Insurance Fund (UI Fund). Directs that each of the
special funds be closed after the transfer of funds. Appropriates $10 million from the Special Employment Security Administration Fund to the UI Fund for the 2013-14 fiscal year to be used to make principal payments on advances from the federal government under Title XII of the Social Security Act to the UI Fund to pay unemployment compensation benefits. Specifies factors that must be considered in determining the appropriate number and location of offices under the Department’s Division of Workforce Solutions. Effective July 1, 2013.

Recodifies and repeals the existing provisions of Article 2 (Unemployment Division) of GS Chapter 96. Requires that employers report and remit contributions and the 20% tax on contributions as required under Article 2 of GS Chapter 96 as it existed on January 1, 2013. Recodifies the following statutes as indicated: 96-15 (96-19.80), 96-15.1 (96-19.82), 96-15.2 (96-19.83), 96-16 (96-19.81), 96-17 (96-19.84), 96-18 (96-19.90) and 96-19 (96-19.92).

Adds a new Article 2A, Unemployment Insurance Division, which rewrites, reorganizes, clarifies, and modernizes repealed Article 2 of GS Chapter 96. Includes definitions for terms as they apply in GS Chapter 96.

Enacts new GS 96-19.3 defining employment and what constitutes employment services, also specifies what services do not constitute employment as defined in the statute. Enacts new GS 96-19.4 to provide an expansive definition as to what constitutes an employer. Defines initial unemployment, unemployed, and separation payments in new GS 96-19.6. Effective July 1, 2013.

Ties the minimum and maximum number of weeks allowed for a UI claim filed during a six-month base period to the seasonal adjusted statewide unemployment rate used in that base period. Specifies that one six-month base period begins on January 1 and the other base period begins on July 1. Provides additional criteria for determining the unemployment rate in use and calculating the minimum and maximum number of weeks of UI benefits. Sets the maximum weekly benefit amount at $350.00. Makes additional programmatic changes. Includes guidelines for state and federal extended benefit period and eligibility criteria for extended benefits. Provides for the attachment and garnishment of fraudulent overpayments. Effective July 1, 2013.

Establishes the eight-member Joint Legislative Oversight Committee on Unemployment Insurance, consisting of four members appointed by the Speaker of the House of Representatives and four members appointed by the President Pro Tempore of the Senate. Provides for the operation and staffing of the Committee. Directs the Committee to study and review all unemployment insurance matters, workforce development programs, and reemployment assistance efforts of the state.

Provides that the Committee may report its findings and recommendations to any regular session of the General Assembly. This provision is effective when it becomes law and expires July 1, 2023.

Enacts new GS 96-19.30 regarding payment of contributions by an employer and new GS 96-19.31 regarding an updated employer’s rate of contribution to the UI Fund effective as of January 1, 2014 and applies to taxable years on or after that date. Provides that all other provisions of proposed Article 2A of GS Chapter 96 effective on July 1, 2013.
Except as otherwise indicated, this act is effective when it becomes law.

**Summary date:** Feb 25 2013

House Committee Substitute makes the following changes to the 1st edition.

Makes organizational changes to GS Chapter 96. Moves the definitions from Article 2 of GS Chapter 96 to Article 1. Puts the definitions in alphabetical order, cross-references many of the definitions to their meaning under the Federal Unemployment Tax Act (FUTA), and deletes definitions that are not needed.

Identifies the four funds used to administer GS Chapter 96 with names to more accurately reflect their purpose: (1) Unemployment Insurance Fund, (2) Unemployment Insurance Reserve Fund, (3) Employment Security Administration Fund, and (4) Supplemental Employment Security Administration Fund.

The 1st edition created a new Article 2A in Chapter 96; repealed the existing provisions of Article 2, *Unemployment Insurance Division*; and recodified statutes that were previously in Article 2 under new Article 2A. The PCS reinserts Article 2 and renames it as *Contributions and Payments by Employers*. Amends Article 2 of Chapter 96 and repeals the current stepped tax schedules that determine an employer’s State Unemployment Tax Act (SUTA) contribution rate and replaces the schedules with an equation based on a reserve ratio.

Amends proposed Article 2A from the 1st edition to now cover *Administration and Collection of Contributions*; deletes the recodification of statutory provisions previously in new Article 2A in Chapter 96; and places provisions previously in new Article 2A in a new Article 2B, *Administration of Employer Accounts*.

Further reorganizes recodified statutes placed in proposed Article 2A in the 1st edition, moving some of those provisions to a new Article 2C in Chapter 96 with the heading *Benefits Payable for Unemployment Compensation* and some to a new Article 2D in Chapter 96 with the heading *Administration of Benefits*.

Makes additional conforming changes.

 Adds a new Article 12R, *Joint Legislative Oversight Committee on Unemployment insurance*, in GS Chapter 120 (creation of committee in the 1st edition was uncodified). Provides that Article 12R expires as of July 1, 2023.

Removes provisions providing for the transfer of funds to the Unemployment Insurance (UI) Fund and the appropriation of funds from the Special Employment Security Administration Fund to the UI Fund to make principal payments on the debt to the Federal government for advances to pay unemployment compensation benefits.

Declares the act effective as of July 1, 2013 (was, when the act becomes law). Clarifies that changes made by the act to unemployment benefits apply to claims filed on or after July 1, 2013. Provides that changes made by the act to require an account balance by an employer that is a governmental entity or
a nonprofit organization and that elects to finance benefits by making reimbursement payments in lieu of contributions apply to advance payments payable for calendar quarters beginning on or after July 1, 2013. Changes made by the act to the determination and application of the contribution rate apply to contributions payable for calendar quarters beginning on or after January 1, 2014.

Summary date: Feb 25 2013

A BILL TO BE ENTITLED AN ACT TO ADDRESS THE UNEMPLOYMENT INSURANCE DEBT AND TO FOCUS NORTH CAROLINA’S UNEMPLOYMENT INSURANCE PROGRAM ON PUTTING CLAIMANTS BACK TO WORK. Enacted February 19, 2013. Effective July 1, 2013.

SL 2013-3

CAPTIVITY LICENSE AND PERMIT AMENDMENTS.-AB

Bill H 66

Summary date: Feb 4 2013

Amends GS 113-274(c) to clarify that the Wildlife Resources Commission may issue a captivity permit for the possession of wild animals or wild birds for scientific, educational, or exhibition purposes. Makes conforming changes to GS 113-272.5(a) (concerning captivity licenses).

Summary date: Feb 6 2013

House committee substitute to the 1st edition makes the following changes. Amends GS 113-272.5(a) (captivity licenses) and GS 113-274(c) (captivity permits) to clarify that licenses and permits may also be issued for the possession of wild animals and wild birds for other purposes.

Summary date: Feb 13 2013

House amendment #1 makes the following changes to the 2nd edition.

Provides that Article 1 (Civil Remedy for Protection of Animals) of GS Chapter 19A does not apply to a licensed sportsman who captures a wild animal for use or display in an annual, seasonal, or cultural event, providing that the animal is captured from the wild and returned to the wild at or near the place where it was captured. Amends GS 19A-2 to specify that for any action filed under GS Chapter 19A, venue must be in Superior Court in the county where any violation is alleged to have occurred.

Renumbered the bill sections accordingly.

Summary date: Mar 11 2013
A BILL TO BE ENTITLED AN ACT TO AMEND THE LAW PROVIDING FOR THE ISSUANCE OF CAPTIVITY LICENSES AND PERMITS BY THE WILDLIFE RESOURCES COMMISSION. Enacted March 6, 2013. Effective March 6, 2013.

SL 2013-4

TEMPORARY FUNDING/GROUP HOMES & SCUs.

Bill H 5

Summary date: Jan 30 2013

Directs the Department of Health and Human Services (DHHS) to provide a temporary, monthly payment to a group home for a resident made ineligible for Medicaid-covered personal care services following an assessment conducted before December 31, 2012, under changes made in 2012. Defines a group home as a facility that (1) is licensed under GS Chapter 122C, (2) meets the specified definition of a supervised living facility, and (3) serves adults with a primary diagnosis of mental illness or developmental disability, but who may also have other diagnoses. Requires DHHS to use funds in the Transitions to Community Living Fund for the payments. Details the amount and other requirements for the payments, which will be provided beginning February 1, 2013, and will expire on June 30, 2013.

Summary date: Feb 20 2013

Senate committee substitute makes following changes to 1st edition. Requires Department of Health and Human Service (Department) to provide temporary monthly assistance to a group home on behalf of a resident who was eligible for Medicaid-covered personal care services (PCS) before January 1, 2013, but is determined to be ineligible on or after January 1, 2013. Specifies that payments are only to be made from the $39.7 million appropriated in 2012-13 for assistance to adult care homes as they transition into the State's Transitions to Community Living Initiative. Adds new provisions directing Department to provide temporary, monthly payment to a licensed special care unit on behalf of a resident who was eligible for PCS before January 1, 2013, and is determined to be eligible for PCs on or after January 1, 2013. Details the amount and other requirements for the payments, which will be provided beginning March 1, 2013, and ending June 30, 2013.

Requires the Department to provide temporary monthly assistance to an adult care home on behalf of a resident who (1) was eligible for PCS before January 1, 2013; (2) completed an independent assessment process, regardless of whether it was completed before December 31, 2012; and (3) is determined to be ineligible for PCS on or after January 1, 2013, due to changes made in 2012.

In order to comply with federal requirements and a settlement agreement with the U.S. Department of Justice, directs General Assembly not to appropriate State funds for 2013-14 or 2014-15 for the Transitions to Community Living Initiative or for the purposes of providing temporary, monthly assistance as set forth in the act.
Makes conforming amendments to title and other technical changes.

Provisions of act providing for temporary, monthly payments are effective when the act becomes law and expire June 30, 2013. Remainder of act is effective when it becomes law.

**Summary date:** Feb 21 2013

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

Establishes that the amount of temporary financial assistance payments will not exceed $694 per month for group home residents that become ineligible for Medicaid-covered PCS on or after January 1, 2013 (was, after an independent assessment conducted prior to December 31, 2012) due to changes in specified PCS eligibility criteria.

**Summary date:** Mar 7 2013

AN ACT REQUIRING THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO PROVIDE TEMPORARY, SHORT-TERM FINANCIAL ASSISTANCE TO (1) GROUP HOMES SERVING RESIDENTS DETERMINED NOT TO BE ELIGIBLE FOR MEDICAID-COVERED PERSONAL CARE SERVICES AS A RESULT OF CHANGES TO ELIGIBILITY CRITERIA THAT BECAME EFFECTIVE ON JANUARY 1, 2013, AND (2) SPECIAL CARE UNITS SERVING RESIDENTS WHO QUALIFY FOR MEDICAID-COVERED PERSONAL CARE SERVICES ON OR AFTER JANUARY 1, 2013. Enacted March 6, 2013. Effective March 6, 2013.

**SL 2013-5**

**NO N.C. EXCHANGE/NO MEDICAID EXPANSION.**

**Bill S 4**

**Summary date:** Jan 30 2013

As title indicates. Repeals language in the 2011 Appropriations Act stating intention to establish a state health exchange in compliance with the Patient Protection and Affordable Care Act (ACA). Repeals GS 58-2-40(10), which granted authority to the Commissioner of Insurance to administer the ACA. States that the General Assembly will define the state's amount of interaction with the federally-facilitated Health Benefit Exchange (Exchange). Provides that the State will no longer draw down Exchange-related grant funds, and requires the Department of Insurance and the Department of Health and Human Services (DHHS) to stop all expenditures funded by specified Exchange-related grants. Requires DHHS to confirm that the NC Families Accessing Services through Technology system will provide Medicaid eligibility determinations for the federal Exchange. States that the General Assembly reserves the authority to decide whether or not to expand Medicaid eligibility under the ACA.

**Summary date:** Jan 31 2013
Senate committee substitute makes the following change to the 1st edition. Provides that North Carolina will not expand Medicaid eligibility under the Patient Protection and Affordable Care Act (previously reserved authority for the General Assembly to determine).

**Summary date:** Feb 12 2013

House committee substitute makes the following changes to 2nd edition. Directs the Department of Health and Human Services to seek available federal Medicaid funding at the 90/10 match rate for NC FAST to provide Medicaid eligibility determinations for the federal health benefit exchange if (1) funds for the state match exist from prior appropriations for NC FAST and (2) the total amount of the state match does not exceed $5 million. States that such Medicaid funding in 2012-13 is not subject to specified consultation requirements in the 2011 Appropriations Act for grant awards. Makes a conforming change.

**Summary date:** Feb 25 2013

Conference report recommends the following changes to the 3rd edition to reconcile matters in controversy.

Appropriates to the Department of Insurance, for fiscal year 2012-13, up to $11 million of funds from a 2013 Exchange-related grant award. Provides that the funds are to be used to reimburse the state for expenses allowed under the grant for either of the following: (1) technology and personnel expenses incurred before the effective date of this act or (2) personnel expenses, if any, that are associated with ceasing the expenditures funded by the Exchange-related grants and occurred after the effective date of this act.

Directs the Department of Health and Human Services (DHHS) to seek available federal Medicaid funding at the 90/10 match rate for North Carolina Families Accessing Services through Technology (NC FAST) to provide Medicaid eligibility determinations for the federal health benefit exchange if (1) funds for the state match are available from existing (was, prior) appropriations for NC FAST and (2) the total amount of the state match does not exceed $5 million. Appropriates the Medicaid funding for NC FAST obtained in fiscal year 2012-13 to DHHS for fiscal year 2012-13 to develop NC FAST’s ability to provide Medicaid eligibility determinations for the federally facilitated Health Benefit Exchange (was, provided that such Medicaid funding in 2012-13 is not subject to specified consultation requirements in the 2011 Appropriations Act for grant awards).

**Summary date:** Mar 7 2013

A BILL TO BE ENTITLED AN ACT (1) TO CLARIFY THE STATE’S INTENT NOT TO OPERATE A STATE-RUN OR "PARTNERSHIP" HEALTH BENEFIT EXCHANGE, (2) TO PROVIDE THAT FUTURE MEDICAID ELIGIBILITY DETERMINATIONS WILL BE MADE BY THE STATE RATHER THAN THE FEDERALLY FACILITATED EXCHANGE, AND (3) TO REJECT THE AFFORDABLE CARE ACT’S OPTIONAL MEDICAID EXPANSION. Enacted March 6, 2013. Effective March 6, 2013.
SL 2013-6

RESPECT OUR FALLEN HEROES.

Bill H 19

Summary date: Jan 30 2013

Amends GS 14-288.4, which lists types of disorderly conduct, to provide that demonstrating as described within 500 feet (was, 300 feet) of the ceremonial site for any funeral or memorial service two hours (was, one hour) before or after, or during the service constitutes disorderly conduct. Makes the first offense of this provision a Class 1 misdemeanor (was, Class 2 misdemeanor), a second offense a Class I felony (was, Class 1 misdemeanor), and a third or subsequent offense a Class H felony (was, Class I felony). Applies to offenses committed on or after December 1, 2013.

Summary date: Mar 7 2013

A BILL TO BE ENTITLED AN ACT TO HONOR FALLEN HEROES BY STRENGTHENING THE LAW THAT PROHIBITS DISORDERLY CONDUCT AT A FUNERAL, MEMORIAL SERVICE, OR PROCESSIONAL ROUTE. Enacted March 6, 2013. Effective December 1, 2013.

SL 2013-7

CLEVELAND CO. PROPERTY TRANSFER.

Bill H 37

Summary date: Jan 31 2013

As title indicates, authorizes Cleveland County to convey described property to Pinnacle Classical Academy to operate a public school, including a charter school. Permits the county to include a reversionary clause in the conveyance document.

Summary date: Feb 14 2013

House committee substitute makes the following change to 1st edition. Modifies the description of the property to be conveyed.

Summary date: Mar 7 2013

A BILL TO BE ENTITLED AN ACT AUTHORIZING CLEVELAND COUNTY TO CONVEY CERTAIN DESCRIBED PROPERTY BY GIFT, PRIVATE SALE, OR LONG-TERM LEASE. Enacted March 7, 2013. Effective March 7, 2013.
SL 2013-8

TABOR CITY ELECTION.

Bill S 95

Summary date: Feb 18 2013

Identical to H 106, filed 2/14/13.

As title indicates, amends GS 160A-63 to set out a revised election procedure to fill midterm vacancies in Tabor City. Provides that the procedure expires December 31, 2013.

Summary date: Mar 12 2013

A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR AN ELECTION PROCEDURE FOR MIDTERM VACANCIES IN TABOR CITY. Enacted March 12, 2013. Effective March 12, 2013.

SL 2013-9

BOARD OF LAW EXAMINERS/UPDATE EXPENSE LAW.

Bill H 77

Summary date: Feb 6 2013

Amends GS 84-26 to provide as title indicates.

Summary date: Mar 13 2013


SL 2013-10

IRC UPDATE.

Bill H 82

Summary date: Feb 7 2013

Amends GS 105-228.90(b)(1b) by changing the reference to the Internal Revenue Code (IRC) from that enacted as of January 1, 2012, to that enacted as of January 1, 2013. This change makes recent
amendments to the Internal Revenue Code applicable to state law to the extent that it tracks federal tax law. Additionally, amends GS 105-130.5(a)(15b), GS 105-130.5(b)(21b), GS 105-134.6(c)(8b), and GS 105-134.6(b)(17b) to update the reference to the Internal Revenue Code enacted as of January 1, 2013.

Makes multiple changes to GS 105-130.5 and GS 105-134.6 regarding adjustments and deductions to federal taxable income in determining state net income.

Amends GS 105-129.16G (work opportunity tax credit) to provide that the credit allowed under this section for employee positions located in North Carolina is 3% of the amount of credit allowed under the IRC for wages paid during taxable year 2013 and 6% for all other taxable years (was, 6% for all taxable years).

Adds new subdivision (16) to GS 105-134.6(c) to decouple the state tax code from the extension of the federal deduction under section 207 of the American Tax Relief Act of 2012. Also amends GS 105-134.6(c) to decouple the state tax code from the extension of the income exclusion under section 208 of the American Taxpayer Relief Act of 2012.

Amends GS 105-134.6(d)(2) to prohibit the specified deduction if the taxpayer has claimed the Hope Scholarship credit, the Lifetime Learning credit, or the American Opportunity tax credit instead of a deduction for qualified tuition and expenses.

Amends GS 105-151.31 (earned income tax credit) to provide that the credit allowed under this section against the tax imposed by this Part is 4.5% of the credit for which the individual qualified under section 32 of the IRC for taxable year 2013 and 5% for all other taxable years (was, 5% for all taxable years).

Amends GS 105-151.32 (credit for adoption expenses) to provide that the credit allowed under this section is equal to 30% of the amount of credit allowed under section 36C (was, Section 23) of the IRC for taxable year 2013 and 50% for all other taxable years (was, 50% for all taxable years).

Effective when the act becomes law, except as otherwise provided, and applies to the estates of decedents dying on or after January 1, 2012. Notwithstanding the provisions of this act. any amendments to the IRC enacted after January 1, 2012, that increase North Carolina taxable income for the 2012 taxable year become effective for taxable years beginning on or after January 1, 2013.

Summary date: Feb 13 2013

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

Summary date: Mar 13 2013

Amends GS 115C-12 by adding a new subdivision (40) as the title indicates. Requires that the State Board of Education include digital competencies and related required professional development as an integral component of initial licensure and licensure renewal requirements for teachers and administrators, beginning with the 2017-18 school year.

Summary date: Feb 13 2013

House committee substitute makes the following changes to 1st edition. Deletes amendments to GS 115C-12, which added the duty to develop and implement digital competency standards to the list of State Board of Education responsibilities in that statute. Amends GS 115C-296 (concerning personnel programs and licensure standards) to direct the State Board of Education (SBE) and the UNC Board of Governors to require students in teacher preparation programs to demonstrate digital teaching and learning competencies. Makes organizational changes to clarify licensure standards and teacher education programs. Requires at least two continuing education credits in digital teaching and learning as a license renewal requirement. Makes a conforming change to subsection (c1) and to GS 115C-284, requiring similar competencies for lateral entry teachers and students in school administration preparation programs. Makes clarifying changes to the bill title. Effective July 1, 2017, and applicable to the 2017-18 school year.

Effective when the act becomes law, directs the SBE to develop digital teaching and learning competencies for schools, teachers, and administrators.

Summary date: Mar 6 2013

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

Deletes the requirement that teacher licensure renewal must include at least two continuing education credits in high-quality, integrated digital teaching and learning. Instead, requires only that digital teaching and learning be integrated into the requirements for licensure renewal.

Summary date: Jul 10 2013

A BILL TO BE ENTITLED AN ACT DIRECTING THE STATE BOARD OF EDUCATION TO DEVELOP AND IMPLEMENT DIGITAL TEACHING AND LEARNING STANDARDS FOR TEACHERS AND SCHOOL ADMINISTRATORS. Enacted March 15, 2013. Sections 1 and 2 are effective July 1, 2017, and apply beginning with the 2017-18 school year. The remainder is effective March 15, 2013.
SL 2013-12

TRANSITION TO DIGITAL LEARNING IN SCHOOLS.

Bill H 44

Summary date: Jan 31 2013

Declares that it is the intent of the General Assembly to transition funding for traditional and digital textbooks to funding for digital textbooks, instructional resources, and other digital materials effective for all students by 2017.

Summary date: Mar 20 2013

A BILL TO BE ENTITLED AN ACT STATING THE INTENT OF THE GENERAL ASSEMBLY TO TRANSITION FROM FUNDING TEXTBOOKS TO FUNDING DIGITAL LEARNING IN THE PUBLIC SCHOOLS, AS RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION STUDY COMMITTEE ON DIGITAL LEARNING ENVIRONMENTS IN PUBLIC SCHOOLS. Enacted March 15, 2013. Effective March 15, 2013.

SL 2013-13

CLEVELAND/POLK/RUTHERFORD TRAPPING REPEAL.

Bill H 33

Summary date: Jan 31 2013

As title indicates.

Summary date: Feb 25 2013

House committee substitute makes the following change to the 1st edition. Amends SL 1977-765 to delete Cleveland County from the list of counties where the use of certain types of animal traps under specified conditions is prohibited.

Summary date: Mar 20 2013


SL 2013-14

AMEND UCC ARTICLE 4A/FUNDS TRANSFERS.
Bill S 72

Summary date: Feb 7 2013

Identical to H 78, filed 2-06-13.

Amends GS 25-4A-108, providing that Article 4A (Funds Transfers) of the Uniform Commercial Code applies to a remittance transfer as defined in the Electronic Fund Transfer Act (Act) unless the transfer is an electronic fund transfer. Specifies that the Act governs in a conflict with Article 4A. Makes a conforming change.

Summary date: Mar 25 2013

A BILL TO BE ENTITLED AN ACT TO AMEND UNIFORM COMMERCIAL CODE ARTICLE 4A, FUNDS TRANSFERS, TO CONTINUE THE APPLICABILITY OF THAT ARTICLE TO REMITTANCE TRANSFERS THAT ARE NOT ELECTRONIC FUND TRANSFERS, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION. Enacted March 22, 2013. Effective March 22, 2013.

SL 2013-15

DISCHARGED VETERANS/IDENTITY THEFT PROTECTION.

Bill S 50

Summary date: Feb 5 2013

Under current law, military discharge documents are a public record; however, the discharge documents are exempt from public inspection except as specifically permitted in GS 47-113.2(b), which defines terms as used in this statute.

Extends the exception to permit public inspection of the discharge documents to also apply to subsection (m) of GS 47-113.2, which provides that subsection (e) does not apply to images of military discharge documents that have been on file for over 80 years (was, 50 years).

Under current law GS 47-113.2(e) specifies prohibitions against making available a copy of military discharge documents or any information from those documents available after the effective date of this section other than under the exemptions in subsections (b) or (h) of the statute. Under current law, subsection (h) deals with the adoption of request forms to implement the provisions of this statute.

Provides that the act is effective when it becomes law and that it applies to the release of discharge documents after the effective date and to the release of any other information from those documents after that date.

Summary date: Feb 12 2013
Senate committee substitute makes the following changes to the 1st edition. Makes technical changes.

**Summary date:** Mar 28 2013


**SL 2013-16**

**MECHANICS LIENS/TECHNICAL CORRECTIONS.**

**Bill H 180**

**Summary date:** Feb 27 2013

Amends GS 44A-11.1 (Lien agent; designation and duties) clarifying information required for notice of designation of lien agent. States that lien agent is not agent of owner for receiving Claim of Lien on Real Property. Provides for designation of successor lien agent in event of death, resignation or loss of license by the lien agent. Specifies that closing attorneys must make written request to lien agents for attorney to meet professional obligations.

Amends GS 44A-11.2 (Identification of lien agent; notice to lien agent; effect of notice) stating that a potential lien claimant may include one that has furnished labor, materials, rental equipment, or professional design services. Adds notice by internet web site as acceptable form of written notice to lien agent. Clarifies that lien agent shall include name and address of applicable contractor and design professional in response to persons requesting information about persons who have given notice to lien agent. Adds that Notice to Lien Agent does not satisfy service or filing requirements for a Claim of Lien on Real Property. Clarifies that the conditions for perfecting a claim of lien on real property apply to improvements to real property subject to the lien agent designation requirements. Provides that a potential lien claimant may perfect a claim of lien if a specified Notice to Lien Agent is received by lien agent within 15 days of the claimant first furnishing labor or materials or, for specified claimants, within 15 days of receiving lien agent's contact information. Adds that, in the case of a mortgage or deed of trust recorded prior to perfecting a lien, the lien is subordinate unless the mortgage or deed of trust was for the benefit of an affiliate or relative, or unless a Notice to Lien Agent was received under certain specified circumstances.

Amends GS 44A-19 (Notice of claim of lien upon funds) permitting a copy of notice of claim of lien upon funds to be filed with the clerk of superior court in certain circumstances.

Amends GS 44A-20 (Duties and liability of obligor) referencing related sections for claimant actions for perfecting a claim of lien and waiving claimant rights.
Amends GS 44A-23 (Contractor’s claim of lien on real property) clarifying the date to be used when a subcontractor completes a claim of lien.

Amends GS 44A-27 (Actions on payment bonds; service of notice) clarifying a contractor’s obligation to provide a copy of a payment bond to a claimant making a request.

Amends GS 58-26-45 (Registration as a lien agent) concerning obligations of a lien agent to provide written notice to design professionals identified by the owner. Sets fees for lien agent services at $25 for one- and two-family dwellings and $50 for all other improvements to real property.

Effective April 1, 2013.

**Summary date:** Mar 6 2013

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

Amends GS 44A-11.1, stating that the article is applicable to any improvement to real property for which the costs of the undertaking are $30,000 or more at the time of the original building permit or in cases in which no building permit is required at the time the contract for the improvements is entered into by the owner.

Amends GS 44A-11.2, changing GS 44A-11.2(b1) to GS 44A-11.2(c), and changing language to state that potential lien claimants making requests who did not receive the lien agent contact information, and who has not furnished labor, labor, materials, rental equipment, or professional design or surveying services at the site of the improvements, or who last furnished labor, materials, rental equipment, or professional design or surveying services at the site of the improvements prior to the posting of the contact information for the lien agent, have no obligation to give notice to the lien agent until the claimant has received the contact information from the owner.

Adds that an internet web site approved by the designated lien agent to transmit information is an acceptable form of written notice to the designated lien agent.

Provides in GS 44A-11.2(n)(i) that a potential lien claimant may perfect a claim of lien if a Notice to Lien Agent is received by the specified lien agent no later than 15 days after first furnishing labor or materials.

Deletes that, for specified claimants, they may perfect a lien if they submit a Notice to Lien Agent within 15 days of receiving the lien agent's contact information or within 15 days of being designated as the lien agent.

Makes technical, conforming, and clarifying changes throughout GS 44A-11.2.

Amends GS 44A-23, making technical and conforming changes.

Amends GS 58-26-45, making technical and conforming changes.
Amends Section 8 of the act, the implementation clause, to provide that Sections 1, 2, 4, 5, and 7 of the act apply to improvements to real property affected for which the first furnishing of labor or materials at the site of the improvements is on or after April 1, 2013. Section 3 applies to notices of claims of lien filed on or after April 1, 2013. Section 6 applies to improvements to real property for which the first building permit is obtained on or after April 1, 2013.

**Summary date:** Mar 12 2013

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

Makes technical changes.

Amends GS 44A-20(d), adding that a lien waiver signed by the contractor prior to a subcontractor's perfecting its lien claim on real property in accordance with GS 44A-11 waives the contractor's right to enforce the contractor's lien claim on real property (previously, a lien waiver signed by the contractor prior to the occurrence of all of the actions specified in GS 44A-23(a1) and GS 44A-23(b)(5), waives the subcontractor's right).

Amends GS 44A-23(a1), providing that no action of the contractor will be effective to prejudice the rights of a first tier subcontractor without that subcontractor's written consent once the first tier subcontractor has perfected its lien claim on real property in accordance with GS 44A-11 (previously, no action of the contractor will be effective to prejudice the rights of a subcontractor without his or her written consent upon three specified occurrences).

Amends GS 44A-23(a1), deleting GS 44A-23(a1)(1-3).

Amends GS 44A-23(b)(5), providing that no action of the contractor will be effective to prejudice the rights of the second or third tier subcontractor without that subcontractor's written consent once the second or third tier subcontractor has perfected his or her lien claim on real property in accordance with GS 44A-11 (previously, no action of the contractor will be effective to prejudice the rights of the second or third tier subcontractor without his or her written consent, upon the occurrence of three specified occurrences).

Amends GS 58-26-45(b)(2), providing that upon the receipt of the notice of designation by the owner pursuant to GS 44A-11.1, a lien agent will have the duty to receive notices to a lien agent delivered by potential lien claimants pursuant to GS 44A-11.2 (previously, to receive notices to a lien agent delivered by potential lien claimants pursuant to GS 44A-11.2 and copies of notices of claim of lien upon funds delivered by potential lien claimants pursuant to GS 44A-23(a1)(3) or GS 44A-23(b)(5)(c).

**Summary date:** Mar 28 2013

A BILL TO BE ENTITLED AN ACT TO MAKE VARIOUS TECHNICAL CORRECTIONS TO THE LAWS GOVERNING MECHANICS LIENS. Enacted March 28, 2013. Effective April 1, 2013.
SL 2013-17

CANCEL AIRCRAFT LIEN W/SURETY BOND DEPOSIT.

Bill S 84

Summary date: Feb 13 2013

Amends GS 44A-75 as the title indicates. Additionally provides that upon the deposit of the surety bond in the specified amount, the lien holder or the lien holder’s agent is to release the aircraft to the owner, if the lien holder has possession of the aircraft. Effective when the act becomes law and applies to liens perfected under Article 5 of GS Chapter 44A on or after that date.

Summary date: Feb 27 2013

Senate committee substitute to the 1st edition makes a clarifying change in the effective date provision by specifying the applicable Article.

Summary date: Mar 28 2013


SL 2013-18

INCAPACITY TO PROCEED AMENDMENTS.

Bill S 45

Summary date: Feb 4 2013

Amends GS 15A-1002 (determination of incapacity to proceed; temporary commitment; orders) to clarify that the court may appoint a medical expert or evaluator to examine a defendant charged with a misdemeanor or felony and return a report on the defendant's mental health. Allows the court to call the appointed expert to testify at the hearing, with or without the request of either party. Clarifies that a judge must find that an examination is more appropriate to determine capacity when a defendant is ordered to a state facility without an examination (current law makes this provision applicable only to felony charges). Permits the court to order the defendant to a state facility to determine the defendant's capacity at any time in the case of a defendant charged with a felony (current provision also applies to defendants charged with misdemeanors who have been examined). Requires a judge ordering an examination to order the release of confidential information to the examiner, after providing reasonable notice and an opportunity to be heard to the defendant. Requires the court order to include findings of fact to support the determination of the defendant's capacity to proceed. Allows stipulation by the
parties to capacity to proceed only. Sets out requirements and timelines to provide examination reports to the court.

Amends GS 15A-1004(c) to add that the court must order that the defendant be examined to determine whether the defendant has the capacity to proceed before being released from custody. Amends GS 15A-1007 (supplemental hearings) to clarify applicable timelines after a defendant gains capacity to proceed. Makes conforming and clarifying changes to GS 15A-1006. Amends GS 15A-1008 (dismissal) to require (rather than permit) the court to dismiss charges at the earliest of three specified occurrences when the defendant lacks capacity to proceed. Adds provisions related to the circumstances of dismissal, including the allowance to refile charges. Makes a conforming change to repeal GS 15A-1009 (dismissal with leave when defendant incapable of proceeding). Makes additional clarifying changes. Amends GS 122C-54(b) to require examination reports submitted by a facility to include any treatment recommendation and an opinion on the likelihood that the defendant will gain the capacity to proceed. Enacts new GS 122C-278 (reexamination for capacity to proceed prior to discharge) to provide that a respondent who is involuntarily committed to either inpatient or outpatient treatment under GS Chapter 122C cannot be discharged from custody or the outpatient case terminated until the person has been examined for capacity to proceed and a report has been filed with the clerk of court in compliance with GS 15A-1002.

Makes the statutory amendments effective December 1, 2013.

Directs the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services (Commission) to adopt rules by December 1, 2013, to require appointed forensic evaluators to meet specified standards. Directs the Commission to adopt guidelines, by December 1, 2013, for the treatment of involuntarily committed persons following a determination of incapacity to proceed.

**Summary date:** Mar 14 2013

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

Makes technical changes.

Amends GS 15A-1008(a2) (Dismissal of charges), adding the following occurrence to those that are considered in determining when a defendant's charges are to be dismissed: when as a result of incarceration, involuntary commitment to an inpatient facility, or other court-ordered confinement, the defendant has been substantially deprived of his liberty (was, when the defendant has been substantially deprived of his liberty) in excess of the specified time frame.

**Summary date:** Apr 4 2013

AN ACT TO AMEND THE LAWS GOVERNING INCAPACITY TO PROCEED. Enacted April 3, 2013. Sections 1 through 8 are effective December 1, 2013. The remainder is effective April 3, 2013.
SP 2013-19

PROPERTY TAX/DEANNEXATION.

Bill S 97

Summary date: Feb 18 2013

Amends Article 12 of GS Chapter 105 by enacting new, GS 105-282.2, requiring a municipality to release or refund any property taxes levied on property within that municipality’s corporate limits for six months or less prior to deannexation if no notice of the tax has yet been sent to the taxpayer; eligible taxpayers are not required to apply for the refund or release which must be made pursuant to Article 27 of GS Chapter 105. Effective when the act becomes law.

Summary date: Feb 28 2013

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

Makes an organizational change. Previous edition added a new section GS 105-282.2 to GS Chapter 105, Article 12. Deletes new section GS 105-282.2 and recodifies the section as a new subsection (e) to GS 105-380 under Article 27, Refunds and Remedies. Also modifies the content to provide that the release (was, release or refund) be made in accordance with the provisions of Article 27. Sets this subsection to expire on July 1, 2016.

Summary date: Apr 4 2013

A BILL TO BE ENTITLED AN ACT TO REQUIRE RELEASE OF PROPERTY TAXES IN ANY AREA THAT WAS PART OF A MUNICIPALITY FOR SIX MONTHS OR LESS AND THEN DEANNEXED. Enacted April 3, 2013. Effective April 3, 2013.

SL 2013-20

WORKERS COMP COVERAGE/PUBLIC RECORDS.

Bill S 44

Summary date: Feb 4 2013

Amends GS 58-36-17 to permit the NC Industrial Commission to disclose the following data related to workers' compensation insurance policies, in addition to policy effective dates, cancellation dates, and reinstatement dates: employer name and address; carrier name, address, and phone number; and policy number. Disclosure applies to policies that become effective on or after January 1, 2012.

Summary date: Feb 26 2013

Senate committee substitute makes the following changes to the 1st edition.
Deletes permissible disclosure applicability date of only workers' compensation policies effective on or after January 1, 2012. Disclosure of permitted policy data and information under GS 58-36-17 now applies to all workers' compensation policies, regardless of policy effective date.

**Summary date:** Apr 4 2013


**SL 2013-21**

**RONDA RECALL.**

**Bill H 270**

**Summary date:** Mar 11 2013


Amends the charter of the Town of Ronda (Town) to allow the recall of the mayor and board of commissioners only if approved in a referendum during the election conducted on November 5, 2013. Requires a recall petition to be filed with the town clerk that bears signatures of at least 50% of the registered voters of the Town. The county board of elections will then verify the signatures of the petition, certifying its sufficiency to the governing body. The governing body must adopt a resolution calling for a recall election to be held between 60 and 120 days of the certification. Each petition can only contain the name of one officer to be recalled. However, multiple qualified petitions can be simultaneously filed with the town clerk. If a majority of the votes cast are for the officer's recall, the officer is removed on the date the board of elections certifies the results of the election. Vacancies created by a recall will be filled pursuant to GS 160A-63. A removed officer cannot be appointed or reappointed to any elective office during the remainder of the unexpired term. Petitions cannot be filed during the first six months of the officer's term or the last six months before the expiration of the officer's term. No more than one recall election can be held for an officer during a single term.

**Summary date:** Apr 4 2013

A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A REFERENDUM IN THE TOWN OF RONDA ON THE ISSUE OF WHETHER OR NOT VOTERS OF THAT TOWN SHOULD BE ABLE TO RECALL FROM OFFICE THE ELECTED OFFICERS OF THAT TOWN. Enacted April 4, 2013. Effective April 4, 2013.
SL 2013-22

ESTABLISH ORGAN DONATION MONTH.

Bill S 11

**Summary date:** Jan 30 2013

Enacts new GS 103-12, as title indicates.

**Summary date:** Mar 5 2013

Senate committee substitute to the 1st edition makes the following changes. Deletes, adds to, and amends the whereas clauses. Amends proposed GS 103-12 to designate April as Organ Donation Awareness/Donate Life Month (was, Organ Donation Awareness Month). Makes a conforming change to the act's long title.

**Summary date:** Apr 11 2013

A BILL TO BE ENTITLED AN ACT TO DESIGNATE THE MONTH OF APRIL OF EACH YEAR AS ORGAN DONATION AWARENESS/DONATE LIFE MONTH AND TO PROVIDE THAT THE ACT SHALL BE ENTITLED DUFFY'S LAW. Enacted April 9, 2013. Effective April 9, 2013.

SL 2013-23

GOOD SAMARITAN LAW/NALOXONE ACCESS.

Bill S 20

**Summary date:** Jan 30 2013

Enacts new GS 90-96.2 to state that a person who seeks medical assistance for another person experiencing a drug-related overdose, as defined, will not be prosecuted for the listed violations if the evidence for prosecution was obtained due to seeking medical assistance. Also prohibits prosecution of a person experiencing an overdose who needs medical assistance, as specified. Enacts new GS 90-106.2 to provide immunity to practitioners who prescribe or distribute an opioid antagonist (which is used to treat a drug overdose), as defined, to certain persons, and to recipients who administer the opioid antagonist to another. Applies to offenses committed on or after December 1, 2013.

**Summary date:** Mar 4 2013

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

Amends GS 90-106.2 as follows.
Adds language that permits a practitioner, that is prescribing, dispensing, or distributing an opioid antagonist, to require the receipt of a written communication that provides a factual basis for concluding that the person seeking the opioid antagonist is at risk of an opiate-related overdose or that a person who is not at risk of experiencing the overdose but is seeking the opioid antagonist is a family member, friend, or other person and is in the position to help a person at risk of experiencing the opiate-related overdose.

Adds language defining evidence of the use of reasonable care in administering an opioid antagonist as the receipt of basic instruction and information on how to administer the opioid antagonist.

Amends the act's effective date, changing it to apply new GS 90-96.2 to persons needing or seeking medical assistance on or after December 1, 2013, and GS 90-106.2 as becoming effective December 1, 2013 and applying to persons prescribing, dispensing, distributing, or administering an opioid antagonist on or after that date.

**Summary date:** Mar 5 2013

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

Amends GS 90-106.2 to no longer allow practitioners to dispense or distribute an opioid antagonist and no longer provide immunity from civil or criminal liability if they do dispense or distribute the antagonist. Makes conforming changes.

Makes conforming changes to the long title.

**Summary date:** Mar 20 2013

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

Amends GS 90-96.2, adding language that states that a person acting in good faith who seeks medical assistance for an individual experiencing a drug-related overdose, and who did not physically supply the drugs to the person experiencing the drug-related overdose, shall not be prosecuted (previously, there was no language about the person helping the overdose victim having to not be the one who supplied the drugs) for specified offenses.

Changes effective date of act; now becomes effective when the act becomes law (previously, there were different effective and application dates).

**Summary date:** Mar 27 2013

House amendment #1 makes the following changes to the 4th edition.

Changes long title.

Adds new section 3, enacting GS 18B-302.2 (*Medical treatment; limited immunity*), providing limited immunity for the prosecution of possession or consumption of alcoholic beverages for people under the age of 21 when the person was seeking medical assistance for another individual and that act was the
sole reason law enforcement became aware of the violation. Immunity applies when the person acted in good faith, used his or her own name when contacting authorities, and remained with the individual needing medical assistance.

House amendment #2 makes the following changes to the 4th edition.

Deletes the language in GS 90-96.2 that states an individual cannot receive limited liability if he or she physically supplied the drugs.

Summary date: Apr 11 2013

A BILL ENTITLED AN ACT TO PROVIDE LIMITED IMMUNITY FROM PROSECUTION FOR (1) CERTAIN DRUG-RELATED OFFENSES COMMITTED BY AN INDIVIDUAL WHO SEEKS MEDICAL ASSISTANCE FOR A PERSON EXPERIENCING A DRUG-RELATED OVERDOSE AND (2) CERTAIN DRUG-RELATED OFFENSES COMMITTED BY AN INDIVIDUAL EXPERIENCING A DRUG-RELATED OVERDOSE AND IN NEED OF MEDICAL ASSISTANCE; TO PROVIDE IMMUNITY FROM CIVIL OR CRIMINAL LIABILITY FOR (1) PRACTITIONERS WHO PRESCRIBE AN OPIOID ANTAGONIST TO CERTAIN THIRD PARTIES AND (2) CERTAIN INDIVIDUALS WHO ADMINISTER AN OPIOID ANTAGONIST TO A PERSON EXPERIENCING A DRUG-RELATED OVERDOSE; AND TO PROVIDE LIMITED IMMUNITY FROM PROSECUTION FOR CERTAIN ALCOHOL-RELATED OFFENSES COMMITTED BY PERSONS UNDER THE AGE OF 21 WHO SEEK MEDICAL ASSISTANCE FOR ANOTHER PERSON. Enacted April 9, 2013. Effective April 9, 2013.

SL 2013-24

USE OF CRIMINAL HISTORY RECORDS BY LIC. BDS.

Bill S 33

Summary date: Jan 31 2013

Enacts new GS 93B-8.1 as the title indicates. Provides definitions for the following terms as they apply in this section: (1) applicant, (2) board, (3) criminal history records, and (4) licensee.

Prohibits an occupational licensing board (board), as defined in GS 93B-1, from automatically denying licensure because of an applicant's criminal record, unless the law governing the particular licensing board provides otherwise. Identifies factors that a board authorized to deny a license to an applicant based on an applicant's criminal record must consider in determining whether to deny a license to an applicant.

Authorizes a board to deny a license to an applicant who refuses to consent to a criminal history check or the use of fingerprints or other identifying information required by the State or National Repositories of Criminal Histories.

Summary date: Mar 4 2013
Senate committee substitute to the 1st edition makes the following changes.

Amends GS 93B-8.1(b) to add written documents, including character references, to the factors that may be considered by a board when deciding whether to deny a license because of an applicant’s criminal conviction or commission of a crime involving fraud or moral turpitude. Further amends GS 93B-8.1 to provide that the section does not apply to the NC Criminal Justice Education and Training Standards Commission and the NC Sheriff’s Education and Training Standards Commission.

Summary date: Mar 27 2013

House amendment makes the following changes to the 2nd edition. Changes the effective date from when the act becomes law to July 1, 2013, and applies to applications for licensure submitted on or after that date.

Summary date: Apr 11 2013

A BILL TO BE ENTITLED AN ACT TO REQUIRE THAT OCCUPATIONAL LICENSING BOARDS CONSIDER CERTAIN FACTORS BEFORE DENYING LICENSES TO APPLICANTS WITH CRIMINAL RECORDS, AS RECOMMENDED BY THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE. Enacted April 9, 2013. Effective July 1, 2013.

SL 2013-25

CONSTRUCTION/DEMOLITION LANDFILL SITING.

Bill S 24

Summary date: Jan 31 2013

Amends GS 130A-295.6(d) (concerning requirements for sanitary landfills) to provide as title indicates. Addresses the issuance of permits by the Department of Environment and Natural Resources for the construction of a disposal unit of a sanitary landfill that is located within 500 feet of the outermost boundary of a State gameland owned, leased, or managed by the Wildlife Resources Commission when three specified conditions related to the use and location of the unit are met.

Summary date: Mar 5 2013

Senate committee substitute makes the following changes to the 1st edition. Makes clarifying and technical changes to GS 130A-295.6. Amends the effective date provision to provide that the act applies to any application for a permit for a sanitary landfill for the disposal of construction and demolition debris waste pending on the date that the act becomes law, or submitted on or after the date that the act becomes law.

Summary date: Apr 11 2013
A BILL TO BE ENTITLED AN ACT TO AMEND THE GAMELAND BUFFER REQUIREMENT APPLICABLE TO SANITARY LANDFILLS FOR THE DISPOSAL OF CONSTRUCTION AND DEMOLITION DEBRIS WASTE UNDER CERTAIN CONDITIONS. Enacted April 9, 2013. Effective April 9, 2013, and applies to permit applications pending or submitted on or after that date.

SL 2013-26

EXPAND USES FOR MECK CT/CHARLOTTE LOCAL TAXES.

Bill H 193

Summary date: Feb 28 2013

Amends Section 9(a) of Part IV of SL 1983-908, as amended, as the title indicates. Provides that the collected tax is distributed to Charlotte for facilities, eliminating the restriction that the collected tax was to be used for Convention Center facilities. Adds new subsections (d) and (e) to specify additional uses for the collected tax include (1) paying costs for constructing, renovating, and maintaining public places that can seat 60,000 or more and are used for professional sporting events and (2) to pay costs of constructing, renovating, and maintaining amateur sports facilities, including ancillary, associated facilities located in the City of Charlotte.

Summary date: Mar 26 2013

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

Amends Section (2)d of Section 9(a) of Part IV of Chapter 908 of the 1983 Session Laws, expanding the uses of 3% of the gross occupancy tax receipts and the entire proceeds of the prepared food and beverage tax in Mecklenburg County and the City of Charlotte to include paying the costs of acquiring, constructing, financing, renovating, maintaining, and controlling traffic for a "professional sports facility" located in the City of Charlotte. Further describes and defines what a professional sports facility is (previously, only referred to places that were used for professional sporting events). Makes technical and clarifying changes. Adds the ability to use funds to acquire and finance amateur sports facilities in the City of Charlotte.

Enacts new section to Chapter 5 of the Charter of the City of Charlotte, providing that the Charlotte Regional Visitors Authority has no power or duties with respect to City owned improvements or equipment in a privately owned professional sports facility.

Summary date: Apr 15 2013

A BILL TO BE ENTITLED AN ACT TO EXPAND THE PERMISSIBLE USES OF THE LOCAL MECKLENBURG COUNTY AND CITY OF CHARLOTTE LOCAL TAXES. Enacted April 15, 2013. Effective April 15, 2013.
ADOPT UNIFORM DEPLOYED PARENT CUST/VISIT. ACT.

Bill H 139

Summary date: Mar 6 2013

Repeals GS 50-13.7A regarding custody and visitation when a custodial parent receives temporary duty, deployment, or mobilization orders from the military. Amends GS Chapter 50A to enact new Article 3, the Uniform Deployed Parents Custody and Visitation Act.

Provides definitions for terms as they apply in New Article 3. Defines deployment as the movement or mobilization of a service member to a location for more than 90 days but less than 18 months, due to an official order that (1) is designated as unaccompanied, (2) does not authorize dependent travel, or (3) otherwise does not allow the movement of family members to that location. Includes remedies for noncompliance with the requirements of this Article or a court order issued under this Article, allowing the court to assess reasonable attorneys' fees and costs against the opposing party and other appropriate relief. Specifies that a court must have jurisdiction under the Uniform Child-Custody Jurisdiction and Enforcement Act (UCCJEA) to issue an order regarding custodial responsibility under new Article 3. Specifies when the residency of a deploying parent is not changed by reason of the deployment for the duration of the deployment, and that this section does not prohibit a court from exercising temporary emergency jurisdiction under the UCCJEA.

Includes provisions requiring a deploying parent to provide notice of a pending deployment to the other parent within seven days of receiving the deployment notice. Also requires notice of any change of address by the parent to whom custody has been assigned during a deployment.

Allows parents to enter into a temporary agreement granting custodial responsibility during deployment. Defines the nature of the authority granted by the temporary agreement.

Allows for modification by mutual consent of the parents regarding the custodial responsibility agreement made under this Article.

Permits a custodial parent to transfer custodial responsibility to an adult non-parent via a power of attorney if the other parent does not have custodial responsibility or if an existing court order prohibits contact between the child and the other parent. Requires that the power of attorney be filed in any court that has an existing custody order or child support order concerning the child.

Specifies guidelines covering proceedings for a temporary custody order. Directs the court to hold an expedited hearing if a motion for custody is filed before the deploying parent is deployed. Allows testimony by electronic means if a party or witness is not reasonably available to personally appear.

Also covers the following matters: (1) the effect of a prior judicial decree or agreement on custodial proceedings under this section, (2) the granting of caretaking or decision-making authority to a non-
parent, (3) granting of limited contact to a non-parent, and (4) the nature of the authority created by a court order.

Declares that a custody order granted under this Article is temporary and delineates the custody provisions with which the temporary order must comply. Authorizes the court to enter a temporary child support order consistent with the laws of North Carolina if the court has jurisdiction under the Uniform Interstate Family Support Act under GS Chapter 52C.

Provides guidelines and conditions under which a court may modify or terminate the assignment of custody to a non-parent.

Permits a temporary custodial responsibility agreement created under this Article to be terminated by the deploying parent and the other parent signing an agreement to terminate. Provides a schedule for the termination or a temporary agreement in the absence of an agreement to terminate.

Also allows for termination of a temporary custody agreement under this Article by operation of law and by a consent agreement. Also provides for visitation before the termination of a temporary custody agreement.

Directs that this Article should be applied and construed to promote uniformity of the law with respect to its subject matter among states that enact it. Provides that this Article modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 USC Section 7001, et. seq. but does not modify, limit, or supersede section 101(c) of that act, 15 USC Section 7001(c), or authorize electronic delivery of any of the notices described in section 103(b) of that act, 15 USC Section 7003(b).

Provides that nothing in this proposed Article 3 of GS Chapter 50A is to affect the validity of a temporary court order for custodial responsibility during a military deployment entered into before the effective date of this act.

Directs the Revisor of Statutes to add as annotations to the published General Statutes all relevant parts of the Official Comment to the Uniform Deployed Parents Custody and Visitation Act as the Revisor deems appropriate.

Makes a conforming change to GS 50-13.2. Also adds a new subdivision (f) to this statute to provide that in a custody proceeding for a minor child of a service member, a court may not consider a parent's past deployment or possible future deployment as the only basis for determining the best interest of the child. Does allow the court to consider any significant impact of the parent's past or possible future deployment on the best interest of the child.

Summary date: Apr 2 2013

Senate committee substitute to the 1st edition makes the following changes. Changes the act's effective date to October 1, 2013.
Summary date: Apr 17 2013


SL 2013-28

CLARIFY SEX OFFENDER RESIDENCE LAW.

Bill S 123

Summary date: Feb 21 2013

GS 14-208.16(a) prohibits a registered sex offender from knowingly residing within 1,000 feet of any public or nonpublic school or childcare center. This bill amends the subsection to clarify that it applies to any registrant who did not establish his or her residence prior to August 16, 2006.

Summary date: Apr 17 2013

A BILL TO BE ENTITLED AN ACT TO CLARIFY THE EXISTING LAW PERTAINING TO SEX OFFENDERS RESIDING NEAR SCHOOLS OR DAY CARE CENTERS. Enacted April 16, 2013. Effective April 16, 2013.

SL 2013-29

BANKING LAWS CLARIFICATIONS/CORRECTIONS.

Bill S 175

Summary date: Mar 12 2013

Section #1

Makes clarifying and technical changes to GS 53C-1-4, Definitions and application of terms, specifically to the following definitions: bank, control, lower-tier subsidiary, public member, subsidiary. Adds new term to definitions, consumer finance licensee, defined as an individual associated with a licensee as that term is defined in GS 53-165(h).

Section #2

Makes technical changes to GS 53C-2-1(d).

Section #3

Amends GS 53C-2-2(d), giving the Commissioner of Banks (Commissioner) power to exercise any jurisdiction, supervise, regulate, examine, or also enforce any banking law (previously, only had power
to do this with state consumer protection laws or federal laws for which the Commissioner had enforcement jurisdiction).

Section #4

Amends GS 53C-4-5(c), Qualifications of bank directors, clarifying that after a director's election or appointment, the director must do the following:

(1) Consent to the jurisdiction of the Commissioner and the General Court of Justice for the State of North Carolina in any action or proceeding brought by the Commissioner.

(2) Consent to venue in Wake County.

(3) Appoint the Commissioner as the director's agent for service of process and authorize and instruct the Commissioner or the Commissioner's duly appointed deputy or agent to accept service of process for the director, unless the director appoints an agent.

Also adds language stating that when service of legal process in an action or proceeding brought by the Commissioner is made on a director, the Commissioner will, within three business days, give notice to the director of such service and acceptance of service of process by depositing a copy of the process served and accepted, together with any pleading, order, or other item accompanying the process, with a designated delivery service as defined in 26 U.S.C. § 7502(f)(2) and directed to the director's last known address in the Commissioner's records.

The Commissioner will also keep records of the day and hour of service of process, any pleading, order, or other item accompanying service of process. Additionally, the consent and appointment described above is irrevocable and will not be affected by the termination of the director's service as a director. A director may also appoint an agent for service of such process in Wake County.

Section #5

Amends GS 53C-4-11(c), adding balances maintained at any federal reserve bank, either directly or on a pass-through basis, to meet federal reserve system reserve requirements to the list of liquid reserves types available to establish and put toward the required level of reserve fund.

Section #6

Amends GS 53C by adding new GS 53C-4-13, Immediate report of changes in directors and certain officers, requiring banks to report to the Commissioner any changes in its directors, president, CEO, CFO, chief loan officer, or chief credit officer by close of the second day on which the bank is open for business following such change(s).

Section #7

Makes technical changes to GS 53C-5-1(d). Also gives banks authority to appeal an application denial by the Commissioner, pursuant to GS 53C-2-6.
Section #8

Amends GS 53C-5-2, Investment authority, deleting the requirement that investments by banks or bank subsidiaries receive the same accounting and regulatory treatment as required by the bank's federal supervisor. Gives a bank's board-authorized committee the authority to make investments. Makes technical and clarifying changes. Gives the bank the authority to appeal an objection by the Commissioner pursuant to GS 53C-2-6.

Expands the capital and asset categories that are eligible toward being counted as a bank's capital upon which the 10% investment limitation is calculated against for investments in non-government backed bonds or debt obligations. GS 53C-5-2 now allows to be counted those portions of the bank's allowance for loan and lease losses, deferred tax assets, and intangible assets that are excluded from the bank's capital under federal law (was, investments in non-government backed bonds or debt obligations could not exceed 10% of a bank's required capital), plus the bank's capital.

Section #9

Amends GS 53C-6-1(b) expanding, identical to above section #8, the capital and asset categories that are eligible toward being counted as a bank's capital upon which the 15% investment limitation for total loans and extensions of credit outstanding at one time and not fully secured to include those portions of the bank's allowance for loan and lease losses, deferred tax assets, and intangible assets that are excluded from the bank's capital under federal law or the amount permitted for national banks in North Carolina by statute or by regulation of the comptroller of the currency (was, total loans and investments could not exceed 15% of the capital of the bank).

Also expands, identical to above, asset categories that are eligible toward being counted as a bank's capital upon which the 10% limitation for secured total loans and extensions of credit that are fully secured can be calculated to include those portions of the bank's allowance for loan and lease losses, deferred tax assets, and intangible assets that are excluded from the bank's capital under federal law or the amount permitted for national banks in North Carolina by statute or by regulation of the comptroller of the currency (was, secured total loans and extensions of credit could not exceed 10% of the capital of the bank).

Section #10

Amends GS 53C-6-1, by adding a new subsection, GS 53C-6-1(e), giving banks the power to, by resolution passed by their boards of directors or board-authorized committees, request the Commissioner to suspend the limitations on loans as set in the statute, as they apply to the bank's books or in a way the bank desires to modify in a manner not otherwise permitted by the limitations. Commissioner may approve or deny the request.

Section #11

Amends GS 53C-6-6(j), making technical and clarifying changes.
Section #12

Amends GS 53C-6-7 by adding a new subsection that states payable on death accounts created under GS 53-146.2 prior to October 1, 2012, are now governed by GS 53C-6-7, and any reference to GS 53-146.2 should be understood to refer to GS 53C-6-7.

Section #13

Amends GS 53C-6-8, stating that attorneys-in-fact for incapacitated or incompetent principals acting pursuant to a durable power of attorney can terminate an agent's authority to act on or behalf of the principal with respect to personal agency accounts. Makes technical changes.

Section #14

Amends GS 53C-7-101, Control transactions, deleting the requirement that each bank will report to the Commissioner any changes in its directors, president, CEO, CFO, chief loan officer, or chief credit officer by the close of the second day on which the holding company is open for business following such change(s). This requirement is now contained in GS 53C-4-13, as noted in Section #6 above.

Creates new subsection GS 53C-7-101(c)(5a), adding the following transaction, an acquisition of control over voting shares exempt from the prior approval requirements set forth in section 3 of the Bank Holding Company Act, to the list of transactions that do not constitute a control transaction requiring the prior approval of the Commissioner.

Section #15

Amends GS 53C-7-102(c) making a technical change, replacing a reference to GS 53C-2-8 with GS 53C-2-7(b).

Section #16

Amends GS 53C-7-205 by making clarifying and technical changes.

Section #17

Amends GS 53C-7-207 adding language that states that a bank proposing to do any of the listed proposed combinations in GS 53C-7-207(a), must give prior written notice to the Commissioner that provides detail of the proposed combination (was, with the approval of the Commissioner).

Allows the combination to be completed if the Commissioner does not object within 30 days of notice. Commissioner may extend the 30-day window if needed. While the period is extended, the banks or subsidiaries cannot proceed with the proposed combination. Banks have the right to appeal an objection by the Commissioner.

Creates three conditions where, if met, the prior written notice requirement above is not needed for proposed combinations. Under existing law, the written notice requirement is not applicable to a
combination of a subsidiary and another company when the subsidiary is not the resulting entity, or for a combination of two or more subsidiaries of the same bank.

Section #18

Repeals GS 53C-7-208 (Fiduciary powers and liabilities of combining banks).

Section #19

Amends 53C-9-403, adding the requirement that a new trustee will be appointed in the manner provided in GS 36C-7-704 or other applicable law. Deletes the requirement for the entry of an order by the clerk of superior court to terminate the bank as a trustee in lieu of a duly appointed trustee.

Section #20

Amends GS 153C-10-102(c) adding an acquisition of control over voting securities in a transaction subject to approval under section 3 of the Bank Holding Company Act to the list of transactions that do not constitute a control transaction, requiring the prior approval of the Commissioner.

Section #21

Makes technical and clarifying changes to GS 53C-10-301.

Section #22

Makes technical changes to GS-53-366(a). Also makes authorized trust institutions subject to GS Chapter 53C, more specifically GS 53C-2-7(b).

Summary date: Mar 19 2013

Senate committee substitute to the 1st edition makes the following changes. Corrects a subsection reference in GS 53C-7-207(a).

Summary date: Apr 17 2013

A BILL TO BE ENTITLED AN ACT TO MAKE TECHNICAL CORRECTIONS AND CLARIFICATIONS TO CHAPTER 53C OF THE GENERAL STATUTES. Enacted April 16, 2013. Effective April 16, 2013.

SL 2013-30

ASHEVILLE ETJ AND ANNEXATION.

Bill H 224

Summary date: Mar 5 2013
Amends GS 160A-360, *Territorial Jurisdiction*, by preventing the City of Asheville from having authority to exercise any power under this section. The relinquishment of authority will be effective April 1, 2013, after which the regulations and powers of enforcement previously applicable under GS 160A-360 will remain in effect until Buncombe County has adopted the regulation or a period of 60 days has elapsed following the effective date above, whichever is sooner.

The City of Asheville will not complete, initiate, or begin any annexation proceeding under GS 160A-360.

Only applies to the City of Asheville. Expires on December 31, 2025.

**Summary date:** Mar 18 2013

House committee substitute to the 1st edition makes the following changes. Provides that the city regulations and powers of enforcement remain in effect until the earlier of (1) Buncombe County adopting the regulation or (2) a period of 120 (was, 60) days has elapsed following the effective date of the act.

Adds that Buncombe County has the authority to appoint one resident residing within one mile of the Asheville municipal limits to serve on the planning board and the board of adjustment of Asheville as if GS 160A-362 applied.

Clarifies that Asheville may not begin any annexation proceeding under Part 7 of Article 4A of GS Chapter 160A.

**Summary date:** Apr 2 2013

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

Provides that Buncombe County will have the authority to continue to appoint residents of the County who reside within one mile of the municipal limits of the City of Asheville, as if GS 160A-362 (Extraterritorial representation) applied, with two appointees to serve on Asheville's planning board and two appointees to serve on Asheville's board of adjustment.

**Summary date:** Apr 3 2013

House amendment to the 3rd edition provides that the City of Asheville's relinquishment of authority is effective when the act becomes law (was, effective April 1, 2013).

**Summary date:** Apr 17 2013

A BILL TO BE ENTITLED AN ACT TO MAKE VARIOUS AMENDMENTS TO CHAPTER 160A OF THE GENERAL STATUTES WITH RESPECT TO THE CITY OF ASHEVILLE. Enacted April 17, 2013. Effective April 17, 2013, except as otherwise provided.
A BILL TO BE ENTITLED AN ACT TO ALLOW BUNCOMBE COUNTY TO USE THE DESIGN-BUILD METHOD OF CONSTRUCTION. Enacted April 23, 2013. Effective April 23, 2013, and expires June 30, 2016.
SL 2013-32

WALLACE/SATELLITE ANNEXATIONS.

Bill S 56

Summary date: Feb 18 2013

As the title indicates. Applies only to the town of Wallace.

Summary date: Apr 25 2013

A BILL TO BE ENTITLED AN ACT AMENDING A LOCAL ACT FOR THE TOWN OF WALLACE THAT REMOVED CERTAIN RESTRICTIONS ON SATELLITE ANNEXATIONS FOR THE TOWN. Enacted April 24, 2013. Effective April 24, 2013.

SL 2013-33

SEX TRAFFICKING/SEX OFFENDER REGISTRATION.

Bill S 122

Summary date: Feb 20 2013

Amends GS 14-208.6(5) (violations that constitute a sexually violent offense), adding human trafficking, as found in GS 14-43.11, triggering registration under the Sex Offender and Public Protection Registration Program for criminal convictions of human trafficking if (1) the offense is committed against a minor less than 18 years old or (2) the offense is committed against an adult subjected to sexual servitude.

Effective December 1, 2013, for offenses committed on or after that date.

Summary date: Feb 28 2013

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

Changes language in GS 14-208.6(5) to state that registration under the Sex Offender and Public Protection Registration Program is required for criminal convictions if the offense is committed against any person with the intent that they be held in sexual servitude (was, if the offense was committed against an adult subjected to sexual servitude).

Summary date: Apr 25 2013

A BILL TO BE ENTITLED AN ACT TO ADD THE OFFENSE OF HUMAN TRAFFICKING TO THE LIST OF CRIMINAL CONVICTIONS THAT REQUIRE REGISTRATION UNDER THE SEX OFFENDER AND PUBLIC PROTECTION REGISTRATION PROGRAM. Enacted April 24, 2013. Effective December 1, 2013.
SL 2013-34

HOAs/Lim. Com. Elements/Amend of Declaration.

Bill S 228

Summary date: Mar 7 2013

Amends GS 47C-3-107 and GS 47F-3-107 as the title indicates.

Summary date: Mar 26 2013

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

Changes short and long title.

Amends GS 47F-1-104 and GS 47F-2-103, to provide clarifying language that the declaration, bylaws, and articles of incorporation form the legal authority for the planned community to act as provided in their declaration, bylaws, and articles of incorporation and are enforceable by their terms.

Amends GS 47F-2-117, providing that any declaration amendment passed pursuant to the provisions of this section is presumed valid and enforceable. Effective October 1, 2013, applying to any amendment of a planned community declaration recorded on or after that date.

Amends GS 47F-1-102, adding references to GS 47F-1-104, GS 47F-2-103, and GS 47F-2-117 to its applicability section.

Summary date: Apr 25 2013

A BILL TO BE ENTITLED AN ACT PROVIDING THAT A UNIT OWNER IN A CONDOMINIUM AND A LOT OWNER IN A PLANNED COMMUNITY SHALL AFFORD ACCESS THROUGH THE LIMITED COMMON ELEMENT ASSIGNED OR ALLOCATED TO THE OWNER'S UNIT OR LOT TO THE ASSOCIATION AND, WHEN NECESSARY, TO OTHER UNIT OR LOT OWNERS FOR THE PURPOSE OF CONDUCTING MAINTENANCE, REPAIR, OR REPLACEMENT ACTIVITIES AND PROVIDING THAT A UNIT OR LOT OWNER IS LEGALLY RESPONSIBLE FOR DAMAGE TO A LIMITED COMMON ELEMENT CAUSED BY THE UNIT OR LOT OWNER AND CLARIFYING THE LAWS REGARDING THE POWERS AND DUTIES OF A PLANNED COMMUNITY AND AMENDING THE PROCEDURES REGARDING AMENDMENT OF A RECORDED DECLARATION. Enacted April 24, 2013. Section 5 is effective October 1, 2013. The remainder is effective April 24, 2013.

SL 2013-35

KILAH'S LAW/INCREASE CHILD ABUSE PENALTIES.

Bill H 75

Summary date: Feb 6 2013
Amends GS 14-318.4 (felony child abuse) to increase by one degree the penalty for various child abuse felonies. Applies to offenses committed on or after December 1, 2013.

Enacts new subsection (a1) to GS 15A-1382.1, requiring the judgment and the official record to reflect that the case involved child abuse if the defendant is found guilty of an offense involving child abuse or of an offense committed against a minor involving assault or any act of domestic violence. Applies to judgments entered on or after December 1, 2013.

**Summary date:** Apr 25 2013

A BILL TO BE ENTITLED AN ACT TO INCREASE THE PENALTY FOR VARIOUS CRIMINAL OFFENSES OF FELONY CHILD ABUSE AND TO REQUIRE THAT THE OFFICIAL RECORD OF A DEFENDANT CONVICTED OF CHILD ABUSE OR OTHER ASSAULTS AGAINST A MINOR INDICATES THAT THE OFFENSE INVOLVED CHILD ABUSE. Enacted April 24, 2013. Effective December 1, 2013.

**SL 2013-36**

**EXEMPT CERTAIN STEEL TUBING/ELECTRICAL K'ORS.**

**Bill S 148**

**Summary date:** Feb 27 2013

Amends GS 87-43.1, as the title indicates.

**Summary date:** Apr 25 2013

A BILL TO BE ENTITLED AN ACT TO EXEMPT THE BONDING OF CORRUGATED STAINLESS STEEL TUBING (CSST) GAS PIPING SYSTEMS FROM LICENSING REQUIREMENTS UNDER THE LAWS PERTAINING TO ELECTRICAL CONTRACTORS. Enacted April 24, 2013. Effective April 24, 2013.

**SL 2013-37**

**ONSLOW PUBLIC-PRIVATE PARTNERSHIP.**

**Bill S 75**

**Summary date:** Feb 7 2013

As title indicates, authorizes the Onslow County Board of Commissioners to enter into public-private projects, defined as capital projects comprised of one or more buildings or improvements and including both public and private facilities. Sets out requirements for contracts, property acquisition and disposition, and other details related to the projects.
Summary date: Mar 13 2013

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

Adds a number of whereas clauses focused on the inability of Onslow County's current human services facilities to meet the county's human services needs, and the lack of resources to construct new facilities to meet those needs. Adds additional definitions for terms as used in this act and clarifies the definition for a "public-private project." Limits the county's authorization to entering into one public-private project that includes, without limitation, social services, public health, and human services functions. Clarifies that the county may enter into binding contracts with one or more municipalities within the county or one or more private-developers, or both, on or before June 30, 2017.

Requires a private developer to provide a payment bond for construction work in accordance with specifications in the act.

Adds a number of bonding provisions regarding bond requirements for development contracts, action on bonds, bond content, limitations on a surety, a payment bond form and other details and regulations regarding bonds.

Provides that Onslow County can determine its programming needs for human services functions and directs the county to advertise for interested parties to submit qualifications for possible selection as the private developer. Makes additional technical and clarifying changes.

Summary date: May 1 2013

A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE COUNTY OF ONSLOW TO ENTER INTO A PUBLIC-PRIVATE PARTNERSHIP. Enacted May 1, 2013. Effective May 1, 2013.

SL 2013-38

CORRECT TECH. ERROR IN BURGAW OCCUPANCY TAX.

Bill S 152

Summary date: Feb 28 2013

Amends Section 2(a) of SL 2006-167 to require the Burgaw Tourism Development Authority be individuals who are affiliated with businesses that collect the tax in the town of Burgaw and at least one-half (was, three-fourths) of the members be individuals who are currently active in the promotion of travel and tourism in the town.

Summary date: May 1 2013

A BILL TO BE ENTITLED AN ACT TO CORRECT A TECHNICAL ERROR IN THE AUTHORIZATION FOR THE TOWN OF BURGAW TO IMPOSE AN OCCUPANCY TAX. Enacted May 1, 2013. Effective May 1, 2013.
SL 2013-39

WEDDINGTON/FIRE DEPT AGREEMENTS.

Bill H 506

Summary date: Apr 2 2013

As title indicates.

Summary date: Apr 15 2013

House amendment to the 1st edition makes the following changes. Provides that any agreement under the act is binding on and enforceable against the town during the full term of the agreement (was, against the current and future members of the town council).

Summary date: May 2 2013

A BILL TO BE ENTITLED AN ACT AUTHORIZING THE TOWN OF WEDDINGTON TO ENTER INTO LONG-TERM AGREEMENTS WITH VOLUNTEER FIRE DEPARTMENTS TO PROVIDE FIRE PROTECTION SERVICES TO THE CITIZENS OF THE TOWN. Enacted May 2, 2013. Effective May 2, 2013.

SL 2013-40

DESIGN-BUILD/BUNCOMBE.

Bill H 555

Summary date: Apr 3 2013

Provides that despite the provisions of GS 143-128, GS 143-129, GS 143-131, GS 143-132, GS 143-64.31, and GS 143-64.32, Buncombe County is permitted to use the design-build construction method for the construction or renovations of buildings, facilities, and infrastructure owned by the county. Provides additional criteria governing the solicitation of bids and the selection of the best qualified team with whom to contract for the project.

Provides that this act applies only to the demolition and construction of structures for an economic development project at 2154 Hendersonville Road. The act expires June 30, 2016.

Summary date: Apr 23 2013

Senate committee substitute to the 1st edition makes the following changes. Requires that Buncombe County award the contract to the best qualified team, taking into consideration all facets of the project (was, considering time of the completion of the project and the project cost), including compliance with GS 143-128.2.
Summary date: May 2 2013

A BILL TO BE ENTITLED AN ACT TO ALLOW BUNCOMBE COUNTY TO USE THE DESIGN-BUILD METHOD OF CONSTRUCTION. Enacted May 2, 2013. Effective May 2, 2013, and expires June 30, 2016.

SL 2013-41

ASSIGNED COUNSEL/AMEND AND CLARIFY.-AB

Bill H 388

Summary date: Mar 20 2013

Amends GS 7A-455 (Partial indigency; liens; acquittals), providing that upon the termination, revocation, or expiration of the indigent person's probation, the judgment for court costs, as assessed by the court, becomes effective, docketed, and indexed pursuant to GS 1-233 (if later than the date on which the conviction becomes final if the person is not ordered to pay the state for representation).

In all cases where entry of judgment is authorized, whoever rendered services and incurred expenses must make reasonable efforts to obtain the Social Security number of each person against whom judgment has been entered. The Social Security number, a certification that the person has no Social Security number, or a certification that it cannot be obtained with reasonable efforts must accompany each fee application and request.

Summary date: May 6 2013

A BILL TO BE ENTITLED AN ACT TO AMEND THE LAW GOVERNING ASSIGNED COUNSEL IN CASES OF PARTIAL INDIGENCY TO AUTHORIZE JUDGMENTS FOR ATTORNEYS' FEES TO BE DOCKETED UPON THE EXPIRATION OF PROBATION AND TO CLARIFY THE REQUIREMENT FOR A SOCIAL SECURITY NUMBER. Enacted May 2, 2013. Effective May 2, 2013.

SL 2013-42

NAME CHANGE REQUIREMENTS FOR MINORS.

Bill S 369

Summary date: Mar 19 2013

Amends GS 101-2(d), providing that a minor child cannot change his or her name without the consent of both parents, if both parents are living, unless (1) a minor has reached the age of 16 and may file an application to change his or her name with the consent of the parent who has custody of the minor and has supported the minor, without the necessity of obtaining the consent of the other parent, when the
clerk of court is satisfied the other parent has abandoned the child; (2) a parent may file on behalf of the
minor without the consent of the other parent if the other parent has abandoned the child; or (3) the
parent can file without the consent of the other parent when the other parent has been convicted of
felonious or misdemeanor child abuse, taking indecent liberties with a minor, rape or any other sex
offense, incest, assault, communicating a threat, or any other crime of violence.

Clarifies how abandonment of a child can be shown.

Effective October 1, 2013, applying to applications for name changes filed on or after that date.

Summary date: Apr 3 2013

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

Changes long title.

Provides references to the authorizing statutes that allow a legal guardian to file for a minor child name
change, pursuant to GS Chapter 35A, Article 6, as well as a guardian ad litem, pursuant to GS 7B-601.

Provides that a parent may file an application on behalf of the minor without the consent of the other
parent if the other parent has been convicted of certain specified offenses against the minor or a sibling
of the minor (in the previous edition, could only file for a name change if the offense was committed
against the minor). Requires the parent who files on behalf of the minor pursuant to this subdivision to
submit proof of the other parent's conviction to the clerk at the time of filing. Makes clarifying changes.

Amends GS 101-5 (Name change application requirements; grounds for clerk to order or deny name
change; certificate and record), providing that an applicant for a name change must also submit with the
application the results of a state and national criminal history record check conducted within 90 days of
the date of application by the State Bureau of Investigation, the FBI, or a channeler approved by the FBI.
This requirement does not apply to an application to change the name of a minor less than 16 years old.
Provides that if a name change is not a matter of public record pursuant to GS 101-2(c), the clerk will
notify the State Registrar, but the Registrar will not notify the register of deeds in the applicant's county
of birth or the registration office of the state of birth.

Summary date: Apr 18 2013

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

Amends GS 101-2(d), providing that an application to change the name of a minor child may be filed by
the child's guardian ad litem appointed under Rule 17 of the Rules of Civil Procedure (previous edition
stated the name change could be filed by the guardian ad litem pursuant to GS 7B-601).

Summary date: May 9 2013

A BILL TO BE ENTITLED AN ACT TO CLARIFY CERTAIN NAME CHANGE REQUIREMENTS AND AUTHORIZE A
PARENT TO APPLY FOR A NAME CHANGE FOR A MINOR CHILD WITHOUT CONSENT OF THE OTHER

SL 2013-43

DEVELOP RULES FOR RELEASE OF PATH MATERIALS.

Bill S 240

Summary date: Mar 7 2013

Identical to H 168, filed 2/27/13.

As title indicates.

Summary date: Apr 17 2013

The House committee substitute to the 1st edition makes the following changes. Specifies that the NC Medical Board is to enact rules governing the procedures regarding the request for and release of (was, request for) pathological materials made to clinical labs.

Summary date: Apr 23 2013

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

Makes technical changes, replacing the word enact with adopt throughout the act.

Summary date: May 9 2013


SL 2013-44

DESIGNATE PRIMARY STROKE CENTERS.

Bill S 456

Summary date: Mar 26 2013

Enacts new GS 131E-78.5 to prohibit a hospital from advertising or holding itself out as a primary stroke center unless the Department of Health and Human Services (DHHS) has designated it as such. Requires DHHS to designate a hospital as a primary stroke center if DHHS is satisfied that it is certified as a
primary stroke center by the Joint Commission or some other nationally recognized accrediting body requiring conformance to best practices for stroke care. Requires hospitals designated as primary stroke centers to coordinate appropriate care with other licensed hospitals through a formal written agreement and includes issues to be addressed in the agreement. Requires DHHS to keep a list of the primary stroke centers, post the list on the DHHS website, and provide the list to emergency medical service providers annually. Allows DHHS to suspend or revoke a designation as a stroke center, and hospitals may contest any adverse actions by DHHS on the primary stroke center designation. Provides that the statute is not to be construed to (1) establish a standard of medical practice for stroke patients or (2) restrict the authority of any hospital to provide services authorized under its hospital license. Effective October 1, 2013.

**Summary date:** Apr 11 2013

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

Reorganizes the content of the bill. Deletes language which permitted the Department of Health and Human Services (DHHS) to designate a hospital as a primary stroke center if DHHS is satisfied that it is certified as a primary stroke center by some nationally recognized accrediting body requiring conformance to best practices for stroke care.

**Summary date:** Apr 18 2013

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

Amends GS 131E-78.5 (*Designation as primary stroke center*) replacing GS 131E-78.5(a), with language that provides that the Department of Health and Human Services (Department) will designate any hospital licensed under this article that demonstrates to the Department that the hospital is certified by the Joint Commission or another nationally recognized accrediting body that requires compliance with the best practices for stroke care as a primary stroke center. Includes provisions for reporting certification and certification changes.

Amends GS 131E-78.5(d), providing that a licensed hospital cannot advertise or hold itself out as a primary stroke center unless certified as such by the Joint Commission or another nationally recognized accrediting body that requires compliance with the best practices for stroke care in order to be identified as a primary stroke center.

Deletes GS 131E-78.5(e) and (f) concerning the Department's suspension of designation as a primary stroke center.

**Summary date:** May 9 2013

SL 2013-45

REQUIRE PULSE OXIMETRY NEWBORN SCREENING.

Bill S 98

Summary date: Feb 21 2013

As the title indicates. Includes whereas clauses identifying data and statistics to support the expansion of the Newborn Screening Program. Amends GS 130A-125 to require the Newborn Screening Program to include a pulse oximetry screening for each newborn in order to detect congenital heart defects. Directs the Commission for Public Health to adopt temporary and permanent rules to include pulse oximetry screening in the Newborn Screening Program. Specifies issues that must be addressed by the rules governing pulse oximetry screening.

Summary date: Apr 11 2013

Senate amendment makes the following change to the 1st edition.

Clarifies that telemedicine is considered the use of audio and video (previously, described as two-way, real-time interactive audio and video) between places of lesser and greater medical capability or expertise to provide and support health care when distance separates participants.

Summary date: May 9 2013


SL 2013-46

FREEDOM TO NEGOTIATE HEALTH CARE RATES.

Bill H 247

Summary date: Mar 6 2013


Summary date: Mar 27 2013

House Committee Substitute to the 1st edition makes the following changes. Clarifies within the effective date clause (Section 2) that the act and any history of its passage shall not be construed to effect any litigation pending at the time the act becomes effective.
A BILL TO BE ENTITLED AN ACT TO ALLOW HEALTH PROVIDERS AND HEALTH INSURERS TO FREELY NEGOTIATE REIMBURSEMENT RATES BY PROHIBITING CONTRACT PROVISIONS THAT RESTRICT RATE NEGOTIATIONS. Enacted May 8, 2013. Effective October 1, 2013.

SL 2013-47

LILY'S LAW.

Bill S 117

Summary date: Feb 20 2013

Enacts new GS 14-17(c) to provide that it shall constitute murder where a child is born alive but dies as a result of injuries inflicted prior to the child being born alive. Provides that degree of murder shall be determined pursuant to subsections (a) (defining murder in the first degree) and (b) (defining second degree murder).

Effective December 1, 2013, for offenses committed on or after that date.

Summary date: Mar 12 2013

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

Specifies that Article 6A (Unborn Victims) of GS Chapter 14 is included among the statutes that remain applicable to offenses that are not described in this act.

Summary date: Apr 4 2013

House committee substitute to the 3rd edition makes the following changes. Amends GS 14-17(c) to specify that nothing in the subsection is to be construed to apply to an unintentional act or omission committed by the child's birth mother during the pregnancy that culminated in the birth of the child.

Summary date: Apr 25 2013

Conference report makes the following changes to the 4th edition. Removes the provision in GS 14-17(c) that states nothing is to be construed to apply to an unintentional act or omission committed by the child's birth mother during the pregnancy that culminated in the birth of the child from the statute and places this provision in the uncodified portion of the bill.

Summary date: May 9 2013

A BILL TO BE ENTITLED AN ACT TO CODIFY THE COMMON LAW THAT IT IS MURDER WHERE A CHILD WHO IS BORN ALIVE DIES AS THE RESULT OF INJURIES INFLECTED PRIOR TO THE CHILD'S BIRTH, AND TO
Provide that the act shall be entitled "Lily's Law." Enacted May 8, 2013. Effective December 1, 2013.

SL 2013-48

Ayden Charter/Terms of Office Extended.

Bill H 314

Summary date: Mar 13 2013

Identical to S 272, introduced 3/13/13.

Amends the Charter for the Town of Ayden as the title indicates. Amends the election procedures for regular municipal elections to accommodate the transition to the extension of the terms of office. Directs the Town Attorney of Ayden to submit this act to the U.S. Attorney General for pre-clearance under section 5 of the Voting Rights Act of 1965 within 30 days of the act becoming law. Provides if the act is not submitted by the Ayden Town Attorney, then the North Carolina Attorney General is to submit it under GS 120-30.9I.

Summary date: May 9 2013

A bill to be entitled an act extending the terms of office of the mayor and Board of Commissioners of the Town of Ayden from two to four years and providing that the notice of candidacy for office shall be filed with the county board of elections. Enacted May 9, 2013. Effective May 9, 2013.

SL 2013-49

Encourage Volunteer Care in Free Clinics.

Bill S 83

Summary date: Feb 13 2013

Amends GS 90-21.16(c) as the title indicates. Deletes language defining a "free clinic" as a non-profit institution that maintains liability insurance covering the acts and omissions of the free clinic. Makes a conforming change to GS 90-21.102(2). Becomes effective October 1, 2013.

Summary date: Mar 20 2013

Senate committee substitute makes the following changes to the 1st edition.
Amends GS 90-21.16. to provide that the provision limiting the liability of health care providers who volunteer in free clinics also applies to medical care providers. Requires the free clinic to give a copy of the notice (was, post the notice) to the patient or the person authorized to give consent for treatment prior to the delivery of health care services in order for the volunteer medical or health care provider at the free clinic to receive the protection from liability posted in this section.

Makes a technical correction to GS 90-21.102(2).

Amends the bill title to reflect the inclusion of medical care providers under the terms of this act.

Clarifies that the act is effective October 1, 2013, and applies to claims that arise on or after that date.

Summary date: Apr 24 2013

House committee substitute to the 2nd edition makes the following changes. Amends GS 90-21.16(d) to provide that a nonprofit community health referral service that refers low-income patients to medical or health care providers (was, to physicians) for free services is not liable for the acts or omissions of the medical or health care providers in rendering service if the referral service maintains liability insurance covering the acts and omissions of the referral service and any liability under (a) of the statute.

Summary date: May 14 2013

A BILL TO BE ENTITLED AN ACT TO ENCOURAGE VOLUNTEER HEALTH CARE IN FREE CLINICS BY LIMITING THE LIABILITY OF MEDICAL AND HEALTH CARE PROVIDERS IF THE FREE CLINIC PROVIDES PATIENTS WITH NOTICE OF LIMITED LIABILITY. Enacted May 13, 2013. Effective October 1, 2013.

SL 2013-50

REGIONALIZATION OF PUBLIC UTILITIES.

Bill H 488

Summary date: Apr 1 2013

Transfers all assets and outstanding debts of any public water system operated by a subdivision of the state and body politic that serves a population of more than 120,000 people that is not operated as either a joint or regional public water supply, to the metropolitan sewerage district in the county in which the system is located, to be operated as a Metropolitan Water and Sewerage District. Requires the assets and outstanding debts of any public sewer system operated by a subdivision of the state and body politic that is interconnected with the metropolitan sewerage district receiving assets under the above requirement, that is not operated as either a joint or regional public sewer system, to be transferred to that metropolitan sewerage district to be operated as a Metropolitan Water and Sewerage District. Provides that until the appointments are made, the district board of the metropolitan sewerage district in the county in which the public water system the assets of which are being
transferred is located must function as the district board. Requires that all necessary operation permits also be transferred.

Enacts new Article 5A (Metropolitan Water and Sewerage Districts) in GS Chapter 162A. Provides that a district board consists of no more than 15 members, appointed as specified, who serve three year terms. Provides for reappointment, vacancies, removal, oath of office, officers and chairs, meetings and quorum, and compensation. Sets out the district's powers as exercising any power of a Metropolitan Water District and those of a Metropolitan Sewerage District, and doing all acts and things necessary or convenient to carry out the powers granted by the Article. Gives a metropolitan water and sewerage district the power to issue bonds and notes from time to time under the Local Government Finance Act.

Sets out the process for the determination of tax rate by the district board and the, levy, collection, and remittance of tax.

Allows the district board to fix, and revise, rents, rates, fees, and other charges for the use of and services furnished to or to be furnished by any water system or sewerage system. Sets out further requirements for such rates and charges.

Provides that a right of way or easement in, along, or across any state highway system, road, or street, and along or across any city or town street within a district is granted to a district in case such right of way is found to be necessary or convenient for carrying out any of the district's work.

Provides that the governing body of any political subdivision is authorized and empowered to take specified actions, including, to pay any obligation to the district under a contract from any available funds of the political subdivision and to levy and collect a tax for making the payment.

Requires the district board to present preliminary plans to the county or city governing board before making final plans for the location and construction of any water system or sewerage system. Directs district boards to coordinate its plans for construction of water system or sewerage system improvements with the overall plans for the development of the planning area if the district is located wholly or partly within a county or municipal planning area.

Gives a district the same power as a city to asses civil fines and penalties for violations of its ordinances and allows for injunctions. Provides further guidance on penalties and violations.

Prohibits the district board from privatizing the provision of water or sewer to the customers of the district unless related to administrative matters only.

Make conforming changes to GS 159-44, GS 159-48, and GS 159-81.

Summary date: Apr 9 2013

House committee substitute makes the following changes to the 1st edition.
Requires the assets and outstanding debts of any public sewer system operated by the metropolitan sewerage district receiving assets pursuant to this bill to be transferred to that metropolitan sewerage district and to be operated as a Metropolitan Water and Sewerage District.

Provides that the governing body of any political subdivision is authorized and empowered to take specified actions in regards to water systems (1st edition did not mention water systems in this section).

Changes effective date to May 15, 2013 (was, effective when it became law).

**Summary date:** Apr 11 2013

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

Changes the long title.

Amends Section 1(a) of the previous edition, providing that all assets and outstanding debts of any public water system meeting the following criteria are transferred to the metropolitan sewerage district operating in the county where the public water system is located and operated as a Metropolitan Water and Sewage District.

1. The public water system is owned and operated by a municipality located in a county where a metropolitan sewerage district is operating.

2. The public water system has not been issued a certificate for an interbasin transfer.

3. The public water system serves a population greater than 120,000 people, according to data submitted pursuant to GS 143-355(l).

Amends Section 1(b), deleting the requirement that public sewer systems must not be operated as either a joint or regional public sewer system in order for the provisions of that section to apply.

Amends Section 1(d), providing that members of the metropolitan sewerage district will continue to serve on the district board of the Metropolitan Water and Sewerage District until the governing body appoints or replaces that member on the district board.

Adds Section 1(f), which provides, for the purposes of this section, that the transfer of all outstanding debts will make the Metropolitan Water and Sewer District liable for debts attached to and related to the assets transferred under this section and establishes that the Metropolitan Water and Sewer District will indemnify and hold harmless the grantor entity for outstanding debts transferred under this section.

Creates new section GS 162A-85.2, *(Creation)*, providing that two or more political subdivisions can establish a metropolitan water and sewerage district if a resolution is adopted, setting out specified terms and conditions. Also provides the procedures and processes that must take place prior to the adoption of a resolution.

Amends GS 162A-85.3, *(District board)*, deleting the limitation that a district board cannot have more than 15 members.
Amends the enactment clause, providing that the act is effective May 15, 2013, and the Metropolitan Water and Sewer District, pursuant to Section 1 of the act, will be created by operation of law.

Summary date: Apr 24 2013

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

Enacts new GS 162A-85.4 to authorize a district board to expand to include other political subdivisions provided that the district board and the political subdivisions adopt identical resolutions indicating that the political subdivision will become a participant in the district board. Requires the district board and the political subdivision to hold a minimum of two public hearings at least 30 days apart before adopting the mutual resolutions. Requires publication of the notices of the public hearings in a newspaper of general circulation at least 10 days before the date of each public hearing. Directs the political subdivision to appoint a district member under new GS 162A-85.3(a), upon the adoption of the resolution, if the political subdivision is entitled to an appointment under that section.

Amends new GS 162A-85.13, providing that rates, fees, rents, and charges pledged to the payment of the district's revenue bonds be fixed and revised to provide sufficient revenues to pay for the maintenance, repair, and operating costs of the water or sewerage system (was, just sewerage system).

Amends GS 162A-85.19 to clarify that the governing body of any political subdivision is authorized and empowered to transfer jurisdiction over to a district and lease, lend, sale, grant, or convey in whole or part any existing water or sewerage system, real property, or personal property subject to the approval of the Local Government Commission regarding the disposition of any outstanding debt related to the water system, the sewer system, or both.

Amends GS 162A-85.21 to require that the district board present preliminary plans for any improvement before the final plans are made for the extension (was, location and construction) of any water or sewerage system. Directs the district board to make every effort to cooperate with a county or municipality in the location and construction of any new proposed facility (was, any proposed facility authorized) under proposed Article 5A. Declares that this section does not apply to renovations, repairs, or regular maintenance of water or sewer systems.

Deletes proposed GS 162A-85.9 regarding the determination of the tax rate by the district board.

Summary date: Apr 25 2013

Senate amendment makes the following changes to the 4th edition.

Creates a new section, GS 162A-66.5 (Approval of all political subdivisions required) providing that before an adoption of a resolution under GS 162A-66, on or after April 1, 2013, the Environmental Management Commission (EMC) must receive a resolution that supports the establishment of a district board from (1) the board of commissioners of the county or counties that are located, wholly or partly, within the boundaries of the proposed district and (2) the governing board of each political subdivision in the county or counties located, wholly or partly, within the boundaries of the proposed district. If
such a resolution is not received by the EMC, a resolution for the creation of the district board cannot be adopted by the EMC.

Summary date: Apr 29 2013

Senate amendment #2 makes the following changes to the 4th edition.

Amends new GS 162A-85.5, dealing with the general powers of a Metropolitan Water and Sewerage District, to provide that each such district is authorized to exercise any power of a Metropolitan Water District under GS 162A-36, except for subdivision (9) of that section (was, under Article 4 of GS Chapter 162A) and of a Metropolitan Sewerage District under GS 162A-69, except for subdivision (9) of that section (was, under Article 5 of GS Chapter 162A). Subdivision (9) of the respective sections authorizes a district deemed to be a public body to levy and collect taxes.

Summary date: May 14 2013

A BILL TO BE ENTITLED AN ACT TO PROMOTE THE PROVISION OF REGIONAL WATER AND SEWER SERVICES BY TRANSFERRING OWNERSHIP AND OPERATION OF CERTAIN PUBLIC WATER AND SEWER SYSTEMS TO A METROPOLITAN WATER AND SEWERAGE DISTRICT. Enacted May 13, 2013. Effective May 15, 2013.

SL 2013-51

PERMITTING OF WIND ENERGY FACILITIES.

Bill H 484

Summary date: Mar 28 2013

Identical to S 491, filed 3/27/13.

Amends GS 62-2(b) (Declaration of policy section of the Public Utilities Act), providing that the provision of greater energy security will be in a manner compatible with the efficient use of resources and the state's military and economic interests.

Amends GS Chapter 143 by adding a new article, Article 21C (Permitting of Wind Energy Facilities).

Creates GS 143-215.115 (Definitions), providing the definitions and terms to be used in this article, in addition to those set forth in GS 143-212.

Creates GS 143-215.116 (Permit to site wind energy facilities), establishing that no activities associated with a wind energy facility are to take place in North Carolina without a permit from the Department of Environment and Natural Resources (Department).
Creates GS 143-215.117 (Permit pre-application site evaluation meeting; notice; pre-application package requirements; annual review of military presence), providing timeline and purpose for pre-application site evaluation meeting, which must occur no less than 120 days prior to filing an application for a permit to construct, operate, or expand a wind energy facility. Provides the reasons and uses behind a pre-application site evaluation meeting. Requires that no less than 45 days prior to the date of the permit pre-application site evaluation meeting, the applicant must submit a pre-application package to the Department. Provides what the pre-application package must contain, including a map of the approximate location of the proposed wind energy facility and a narrative description of the proposed wind energy facility or expansion. Requires the Department to send a written notice of pre-application site meeting to various state and federal agencies and departments no less than 14 days prior to the date of the meeting.

Creates GS 143-215.118 (Permit application scoping meeting and notice), providing that no less than 30 days prior to filing an application for a permit for a wind energy facility, the applicant must request the scheduling of a scoping meeting. No less than 21 days before the scoping meeting, the Department must send a written notice of the meeting to various state and federal agencies and departments.

Creates GS 143-215.119 (Permit application requirements; fees; notice of receipt of completed permit; public hearing; public comment), establishing 15 items that a permit application for a proposed wind energy facility or expansion must contain, including a copy of a deed, purchase agreement, lease agreement, or other legal device demonstrating right to construct or expand and any other data or information the Department may reasonably require. Establishes an application fee of $3,500. Provides that within 10 days of receiving a complete permit application, the Department must provide notice of the application to various nearby commanding military officers and the local government of the proposed site. Establishes what the notice of the permit application must include and that within 10 days of receiving a request, affected entities must be provided with a copy of the filed permit, supplemented by any changes or amendments to the original permit application. The Department must also hold public hearings in each county in which the proposed facility or expansion is to be located. Provides the process and procedure for the public hearing and comment, including the parties required to receive written notice of the hearing no less than 30 days before the hearing.

Creates GS 143-215.120 (Criteria for permit approval; time frame; permit conditions; other approvals required), providing that the Department must approve an application for a permit for a proposed wind energy facility or expansion unless it finds one of the eight listed impediments exists, including the construction or operation of such a facility or expansion would have a significant adverse impact on fish or wildlife or such construction is inconsistent with or violates rules adopted by the Department or any other provision of law. The Department must make a final decision regarding the permit application within 90 days following the receipt of a completed application. If additional information was requested for the completed application, the Department will make a final decision within 30 days of receipt of the requested information. If the application is denied, the Department will issue a written statement providing the reasons for denial and any modifications that would make the application acceptable. Provides the Department can include, as a condition of a permit, a requirement that the permit holder mitigate any adverse impacts.
Creates GS 143-215.121 (Financial assurance requirements), providing that an applicant for a permit will establish financial assurance that will ensure that there are sufficient funds available for decommission of the facility and reclamation of the property to its original presence. Applicant can use any variety of insurance, letters of credit, trusts, surety bonds, or any other device to show proof of this financial protection.

Creates GS 143-215.122 (Monitoring and reporting), requiring applicant to submit to the Department annually any post-construction monitoring.

Creates GS 143-215.123 (Annual review of military presence), requiring the Department to consult, at least once per year, with representatives of the major Department of Defense installations to review information regarding military operations and plans potentially affected by the permit and facility.

Creates GS 143-215.124 (Record keeping), providing that the Department will serve as custodian of records.

Creates GS 143-215.125 (Rule making), prompting the Environmental Management Commission to adopt any rules necessary for the implementation of this Article.

Creates GS 143-215.126 (Civil penalties), describing the various civil penalties that can be accessed for noncompliance with this Article.

Effective when the act becomes law and applies only to those wind energy facilities or wind energy facility expansions that have not received a written "Determination of No Hazard to Air Navigation" issued by the Federal Aviation Administration on or before that date.

Summary date: Apr 11 2013

House committee substitute to the 1st edition makes the following changes. Amends the definition of wind energy facility in GS 143-215.115 to mean the turbines, accessory buildings, transmission facilities, and any other equipment necessary for the operation of the facility that cumulatively have a rated capacity of one (was, three) megawatt or more of energy and clarifies that this is per turbine or collectively. Makes a correction to the caption of GS 143-215.117. Amends GS 143-215.118 to provide that the notice of the scoping meeting must include an invitation to participate in the meeting. Makes clarifying changes.

Summary date: Apr 18 2013

House committee substitute to the 2nd edition makes the following changes. Deletes the whereas clauses. Changes the term "major Department of Defense military installation" to "major military installation" throughout Article 21C. Amends GS 143-215.119 to remove a certification of compliance with all applicable federal, state, or local permit requirements, licenses, or approvals from the information that must be included in a permit application for a proposed wind energy facility or proposed expansion. Amends GS 143-215.120 to amend the reason for which a permit may not be approved, to include the following: (1) construction or operation of the proposed facility or expansion
would encroach upon or otherwise have a significant adverse impact on (was, interfere with) the mission, training, or operations of any major military installation or branch of the military in the state and result in a detriment to continued military presence in the state and (2) the applicant is not in compliance with all applicable federal, state, or local permit requirements, licenses, or approvals.

**Summary date:** Apr 30 2013

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

Amends the definition of *wind energy facility* in GS 143-215.115 to mean the turbines, accessory buildings, transmission facilities, and any other equipment necessary for the operation of the facility that cumulatively have a rated capacity of one megawatt or more of energy (previously, stated that the rating is per turbine or collectively, language now deleted).

Amends GS 143-215.117 (*Permit pre-application site evaluation meeting; notice; pre-application package requirements; annual review of military presence*), providing that a person must request, no less than 180 days prior to the filing of an application for a permit to construct, operate, or expand a wind energy facility, a pre-application site evaluation meeting. The pre-application site evaluation meeting must occur no less than 120 days prior to filing an application for a permit to construct, operate, or expand a wind energy facility. Requires the Department to send a written notice of pre-application site meeting to various state and federal agencies and departments no less than 21 days (was, 14 days) prior to the date of the meeting.

Amends GS 143-215.118 (*Permit application scoping meeting and notice*), providing that no less than 60 days (was, 30 days) prior to filing an application for a permit for a wind energy facility, the applicant must request the scheduling of a scoping meeting. Establishes that the scoping meeting must be held no less than 30 days prior to filing an application for a proposed wind energy facility or proposed wind energy facility expansion.

Amends GS 143-215.119(7) (*Permit application requirements; fees; notice of receipt of completed permit; public hearing; public comment*), requiring the applicant to include in the application for the permit specified documentation that demonstrates that the applicant has either (1) submitted Federal Aviation Administration Form 7460-1 for the associated turbines or (2) has initiated an informal review by the Department of Defense Siting Clearinghouse for the proposed wind energy facility or expansion. Specifies additional information that must be submitted with the application if the above steps have been finalized.

Amends GS 143-215.119(c) and (e), making technical and clarifying changes.

Amends GS 143-215.120 (*Criteria for permit approval; time frame; permit conditions; other approvals required*), providing that, in regards to the permit decision, the Department will not be required to make a final decision until it has received a written "Determination of No Hazard to Air Navigation" issued by the Federal Aviation Administration, pursuant to specified federal regulations. Amends the provisions regarding permit conditions, establishing that the Department must require the permit holder to obtain
a written "Determination of No Hazard to Air Navigation," as described above, for the proposed facility or expansion; no permit will become effective until such is received. Specifies the process and procedure for instances where an authorized turbine or its actual configuration differs from the information submitted by the applicant pursuant to obtaining a "Determination of No Hazard to Air Navigation."

Amends GS 143-215.126(b), making a technical and clarifying change.

**Summary date:** May 1 2013

House amendments to the 4th edition make the following changes.

Amendment #1 amends GS 143-215.115 to add Air Route Surveillance Radar at Fort Fisher to the definition of *major military installation*.

Amendment #2 amends GS 143-215.117 to provide that to the extent that any documents contain trade secrets or confidential business information, those portions of the documents are not subject to disclosure under the NC Public Records Act. Amends GS 143-215.119 to provide that to the extent that any documents included in the permit application contain trade secrets or confidential business information, those portions of the documents are not subject to disclosure under the NC Public Records Act.

**Summary date:** May 14 2013

Senate committee substitute makes the following changes to the 5th edition.

Deletes the provisions and proposed changes found in Section 1, amending GS 62-2.

Amends GS 143-215.120(d), providing that nothing in GS 143, Article 21C, will be interpreted to limit any applicable requirements of GS Chapter 62.

**Summary date:** May 20 2013


**SL 2013-52**

**CAYLEE’S LAW/REPORT MISSING CHILDREN.**

**Bill H 149**

**Summary date:** Feb 26 2013

Enacts new GS 14-318.5 in GS Chapter 14, Article 39, to do the following. Makes it a Class I felony for a parent or any other person providing care and supervision of a child to knowingly or wantonly fail to report the disappearance of a child to law enforcement, unless some other applicable provision of law
provides greater punishment. For the purposes of this section, defines (1) a child as any person who is less than 16 years of age and (2) disappearance of a child to be when the parent or other person supervising a child does not know the child’s location and has not had contact with the child for a 24-hour period. Makes it a Class 1 misdemeanor for any person who reasonably suspects that a child has disappeared and may be in danger to fail to report those suspicions to law enforcement within a reasonable time, unless some other provision of law provides greater punishment. Provides that this section does not apply if GS 110-102.1, regarding reporting of deceased or missing children, is applicable. Exempts a teacher from reporting a child’s absence from school under these provisions as long as the teacher reports the child’s absence from school under GS Chapter 115C, Article 26.

Provides that the felony of failure to report the disappearance of a child as required under subsection (b) of this section is an additional offense to other civil and criminal provisions and does not repeal or preclude any other sanctions or remedies. Provides that any person who reports the disappearance of a child and is acting in good faith is immune from any civil or criminal liability that might otherwise be incurred for that action. Provides that good faith is presumed in any proceeding involving liability.

Amends GS 14-318.4 (child abuse a felony) to provide that for purposes of this section a grossly negligent omission in providing care or supervision of a child includes the failure to report a child as missing as required in new GS 14-318.5(b).

Amends GS 110-102.1(a) to affirm that its provisions regarding operators and staff in a child care facility are not amended by proposed GS 14-318.5.

Amends GS 14-401.22, adding new subsection (a1), to make it a Class H felony for any person to fail to notify a law enforcement authority of the death of a child, or to secretly bury or otherwise dispose of the body of a child, with the intent to conceal the death of a child. Defines a child, for purposes of this subsection, as any person less than 16 years of age. Makes additional conforming changes.

Amends GS 14-225, adding new subsection (b), to make it a Class H felony to provide false reports to law enforcement relating to a law enforcement investigation involving the disappearance of a child as that term is defined in GS 14-318.5 or a child victim of a Class A, B1, B2, or C felony offense. Defines a child for purposes of this subsection as any person less than 16 years of age. Makes conforming changes.

Amends GS 7B-301 to provide that an institution or a person that suspects abuse, neglect, dependency, or death due to maltreatment of a juvenile and fails to report the case of that juvenile is guilty of a Class 1 misdemeanor. Provides that a social services director who receives a report of sexual abuse in a child care facility and fails to notify the State Bureau of Investigation of the report is guilty of a Class 1 misdemeanor.

Effective December 1, 2013, and applies to offenses committed on or after that date.

Summary date: Mar 6 2013

House committee substitute to the 1st edition makes the following changes. Amends GS 14-225(b) to make it a Class H felony if the deliberately misleading (was, misleading) report relates to an investigation
involving the disappearance of a child or child victim of a Class A, B1, B2, or C felony. Amends GS 7B-301
to make it a Class 1 misdemeanor for a social services director to knowingly fail (was, fail) to notify the
State Bureau of Investigation of a report of sexual abuse of a juvenile in a child care facility.

Summary date: Apr 29 2013

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

Changes long title.

Amends GS 7B-301(b), providing that any person or institution that knowingly or wantonly fails to report
the case of a juvenile, as defined and required in GS 7B-301(a), or that knowingly or wantonly prevents
another person from making the required report, is guilty of a Class I misdemeanor (previous edition
provided that an institution or a person that suspects abuse, neglect, dependency, or death due to
maltreatment of a juvenile and fails to report the case of that juvenile is guilty of a Class 1
misdemeanor).

Summary date: May 20 2013

A BILL TO BE ENTITLED AN ACT TO MAKE IT A CRIMINAL OFFENSE TO FAIL TO REPORT THE
DISAPPEARANCE OF A CHILD TO LAW ENFORCEMENT, TO INCREASE THE CRIMINAL PENALTY FOR
CONCEALING THE DEATH OF A CHILD, TO INCREASE THE CRIMINAL PENALTY FOR MAKING A FALSE,
MISLEADING, OR UNFOUNDED REPORT TO A LAW ENFORCEMENT AGENCY OR OFFICER FOR THE
PURPOSE OF INTERFERING OR OBSTRUCTING AN INVESTIGATION INVOLVING A MISSING CHILD OR
CHILD VICTIM OF A CLASS A, B1, B2, OR C FELONY, AND TO MAKE IT A CLASS 1 MISDEMEANOR FOR A
PERSON TO FAIL TO REPORT THE ABUSE, NEGLECT, DEPENDENCY, OR DEATH DUE TO MALTREATMENT
OF A JUVENILE OR TO PREVENT ANOTHER PERSON FROM MAKING SUCH REPORT. Enacted May 17,

SL 2013-53

PROHIBIT EXPUNCTION INQUIRY.

Bill S 91

Summary date: Feb 14 2013

Enacts new GS 15A-153 to prohibit any employer, educational institution, or any agency, official, or
employee of the state or local government, from requiring, in any application, interview, or otherwise,
an applicant to disclose information concerning any arrest, criminal charge, or criminal conviction
against the applicant that has been expunged. Provides that an applicant does not need to include a
reference to or information about arrests, charges, or convictions that have been expunged in response
to any question concerning an arrest or criminal charge that did not result in a conviction. Provides that
an application for a license, permit, registration, or governmental service will not be denied solely

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because the applicant refuses or fails to disclose information concerning any arrest, criminal charge, or criminal conviction that has been expunged. Makes each willful violation of the statute a separate Class 3 misdemeanor. Effective December 1, 2013. Provides that subsection (d) of proposed GS 15A-153, regarding punishment for violations of new GS 15A-153, applies only to violations that occur on or after December 1, 2013.

**Summary date:** Mar 4 2013

Senate Committee Substitute makes the following changes to the 1st edition.

Amends GS 15A-145.4 (under age 18 at the time of commission of a nonviolent felony) and 15A-145.5 (expunction of certain misdemeanors and felonies regardless of age) to provide that when a person's conviction record is expunged under either of the two statutes where the charge or conviction was the result of an administrative action by a state or local government agency, then that agency must also vacate (was, reverse) any actions taken against the person whose record is expunged. Provides that if the agency is an occupational licensing board, then the person whose record is expunged may reapply for licensure and must satisfy current licensing requirements. Effective when this act becomes law.

Amends proposed GS 15A-153 to provide that its provisions do not prohibit an employer from asking a job applicant about criminal charges or convictions that have not been expunged and are a part of the public record. Provides that a person whose record is expunged is not guilty of perjury or making a false statement for failing to acknowledge or reveal information about the expunged criminal record when asked. However, provides that the prohibition against an entity requiring disclosure of an expunged arrest, criminal charge, or conviction does not apply to (1) state or local law enforcement agencies authorized under GS 15A-151 to obtain confidential information for employment purposes, or (2) an applicant or licensee seeking or holding certification issued by the NC Criminal Justice Education and Training Standards Commission or the NC Sheriff's Education and Training Standards Commission.

Imposes a civil penalty of up to $500 for each violation, on any employer found to be in violation of subsection (c) of this statute, which prohibits employers or educational institutions from requiring disclosure of an expunged arrest, criminal charge, or conviction. Applies only to violations of proposed GS 15A-153 occurring on or after December 1, 2013.

Deletes provision making it a Class 3 misdemeanor for each violation of proposed GS 15A-153. Specifies that this act does not create a private cause of action against an employer, educational institution, or state or local government agency.

Except as otherwise indicated, effective December 1, 2013.

**Summary date:** Apr 3 2013

House committee substitute to the 2nd edition makes the following changes. Amends proposed GS 15A-153 to provide that any employer found in violation of (c) (prohibiting employer or educational institution from requiring disclosure of expunged arrest, criminal charge, or conviction) is to be issued a
written warning for a first violation and is subject to a civil penalty of up to $500 for each additional violation after receiving the written warning.

**Summary date:** Apr 11 2013

House amendment to the 3rd edition makes the following changes. Amends GS 15A-153(c) to require an employer or educational institution that requests disclosure of information concerning any arrest, criminal charge, or criminal conviction of the applicant to first advise the applicant of law allowing the applicant to not refer to any expunged arrest, charge, or conviction (was, prohibited requiring an applicant to disclose such expunged information). Makes the same changes to (d) for agencies, officials, and employees of the state and local governments. Amends the act's long title.

**Summary date:** May 6 2013

Conference report makes the following changes to the 4th edition.

Changes the long title.

Amends GS 15A-153(c), providing that an employer or educational institution will not require an applicant for employment or admission to disclose information concerning any arrest, criminal charge, or criminal conviction of the applicant that has been expunged. Also provides that they cannot knowingly or willingly inquire about that which they know has been expunged. Provides that an applicant need not, in answer to any question concerning any arrest or criminal charge that has not resulted in a conviction, include information or refer to any arrests, charges, or convictions that have been expunged (previously, required an employer or educational institution that requested disclosure of information concerning any arrest, criminal charge, or criminal conviction of the applicant to first advise the applicant of law allowing the applicant to not refer to any expunged arrest, charge, or conviction).

**Summary date:** May 20 2013

A BILL TO BE ENTITLED AN ACT TO CLARIFY THE LAW PERTAINING TO ADMINISTRATIVE ACTION THAT MAY BE TAKEN BY AN OCCUPATIONAL LICENSING BOARD AS A RESULT OF EXPUNGED CHARGES OR CONVICTIONS UNDER G.S. 15A-145.4 AND G.S. 15A-145.5; TO PROHIBIT AN EMPLOYER OR EDUCATIONAL INSTITUTION FROM REQUESTING THAT AN APPLICANT PROVIDE INFORMATION REGARDING AN ARREST, CRIMINAL CHARGE, OR CRIMINAL CONVICTION OF THE APPLICANT THAT HAS BEEN EXPUNGED; AND TO REQUIRE A STATE OR LOCAL GOVERNMENT AGENCY TO ADVISE AN APPLICANT THAT THE APPLICANT IS NOT REQUIRED TO DISCLOSE INFORMATION REGARDING AN ARREST, CRIMINAL CHARGE, OR CRIMINAL CONVICTION OF THE APPLICANT THAT HAS BEEN EXPUNGED PRIOR TO REQUESTING DISCLOSURE. Enacted May 17, 2013. Section 3 is effective December 1, 2013. The remainder is effective May 17, 2013.
SL 2013-54

NATURAL GAS/RATE ADJUSTMENT MECHANISM.

Bill H 119

Summary date: Feb 19 2013

Amends Article 7 of GS Chapter 62 by enacting new GS 62-133.7A, allowing the Utilities Commission (Commission) to adopt, use, adjust, or eliminate the rate mechanism utilized for natural gas local distribution companies so that such companies can recover the expenses of complying with federal gas pipeline safety standards. Such adjustment is only allowed when the Commission finds it to be in the public's interest.

Summary date: May 20 2013

A BILL TO BE ENTITLED AN ACT AUTHORIZING THE UTILITIES COMMISSION TO ADOPT, IMPLEMENT, MODIFY, OR ELIMINATE A RATE ADJUSTMENT MECHANISM FOR NATURAL GAS LOCAL DISTRIBUTION COMPANY RATES. Enacted May 17, 2013. Effective May 17, 2013.

SL 2013-55

PRESERVE LANDFILL SPACE.

Bill H 706

Summary date: Apr 10 2013

Enacts new GS 130A-301.3 to allow a person to dispose of demolition debris from the decommissioning of manufacturing buildings, including electric generating stations, on the same site as the decommissioned buildings if the demolition debris: (1) is composed only of inert debris such as brick or other masonry materials, dirt, sand, gravel, rock, and concrete if the material, when characterized using the toxicity characteristic leaching procedure developed by the United States Environmental Protection Agency, is not a hazardous waste; (2) does not extend beyond the footprint of the decommissioned buildings and is at least 50 feet from the property boundary or enclosed by the walls of the building that are left in place below grade; (3) is placed at least 500 feet from the nearest drinking water well and at least two feet above the seasonal high groundwater table; and (4) complies with all other applicable federal, state, and local laws, regulations, rules, and ordinances. Specifies requirements for the stabilization of the debris. Requires the owner of the land on which the debris is located to file, within the specified time frame, a survey plat of the property showing the location of the debris and a notice that disposal of demolition debris has been located on the land. Provides that when the land, or any portion thereof, on which the debris is located is sold, leased, conveyed, or transferred, the deed or instrument of transfer must include a statement that the property has been used for the disposal of demolition debris.
Makes conforming changes to GS 130A-294 and GS 47-29.1.

Effective July 1, 2013.

**Summary date:** Apr 18 2013

House committee substitute to the 1st edition makes the following changes. Amends GS 130A-301.3 to amend the requirements for the demolition debris to be disposed of on the same site as the decommissioned buildings as follows: (1) provides that walls left in place below grade are not subject to the requirements of new (a)(4) and (2) adds (a)(4) requiring that the debris be placed to assure at least two feet of clean soil between any coated inert debris and the seasonal high groundwater table. Allows uncoated inert debris to be used as fill anywhere within the footprint of the decommissioned building or as beneficial fill on the site. Makes a conforming deletion. Deletes the requirement that a certified copy of the notice be filed with the Department.

Makes technical and organizational changes.

**Summary date:** May 20 2013


**SL 2013-56**

MEDICAID/2012-2013 ADDITIONAL APPROPRIATIONS.

Bill H 980

**Summary date:** Apr 17 2013

Blank bill.

**Summary date:** May 16 2013

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

Changes the short and long titles.

Deletes the provisions of the 1st edition in its entirety and makes the following proposed changes.

Provides that the General Assembly directs the Director of the Budget (Director), with the State Controller and other necessary officials, to change the budget adjustments below in an amount not to exceed $401 million to cover a projected budget shortfall of $283 million and for the repayment of federal Medicaid drug rebates in the amount of $118 million.

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Provides that the Director will make the following adjustments to increase the budget of the Division of Medical Assistance (DMA). The adjustments are set forth in priority with no adjustment being made until the preceding adjustment has been completely exhausted. (1) $74 million from the drug rebate refunds within the DMA; (2) $20.9 million from state appropriations not expended pursuant to Section 10.9g of SL 2012-142; (3) a minimum of $48 million from reversions within DHHS, with specified restrictions; (4) $213,432,878 from the June 30, 2012, unreserved fund balance; and (5) up to $44,667,122 from revenue overcollections for the 2012-13 fiscal year.

Provides that any budget adjustments provided for above will only be used to pay the costs of the State Medicaid Program for the 2012-13 fiscal year. Any adjustments not needed for these costs will revert to the unreserved fund balance of the General Fund. Provides that no adjustment or transfer will be made if doing so would impose, increase, or continue a financial obligation in the 2013-14 fiscal year or any subsequent fiscal year.

Requires the Office of State Budget and Management to maximize General Fund reversions for the 2012-13 fiscal year from all state agencies and departments to increase the June 30 unreserved fund balance.

Provides that, on or before October 1, 2013, the Office of State Budget and Management, DHHS, and the Office of State Controller will jointly report on the implementation of this act. The Office of State Budget and Management and DHHS will report on each measure taken and the Office of State Controller will certify compliance with Section 3 and Section 4 of the act. The report will be made to the Appropriations/Base Budget Committee of the Senate, the Appropriations Committee of the House, and the Joint Legislative Commission on Governmental Operations. Reporting requirements under GS 143C-6-4 do not apply to the adjustments made in the act.

Summary date: May 29 2013

Senate committee substitute makes the following changes to the 2nd edition. Increases the cap on the amount that the Director of the Budget must make in budget adjustments to ensure adequate funding in the Medicaid budget to an amount not to exceed $451 million (was, $401 million) and increases the projected budget shortfall to $333 million (was, $283 million). Amends the adjustments that are required to be made to require the transfer of projected revenue over collections for the 2012-13 fiscal year in the amount of up to $94,667,122 (was, up to $44,667,122). Makes clarifying changes.

Summary date: May 30 2013


SL 2013-57

AMEND LAW DEFINING HOME SCHOOLS.
Bill S 189

Summary date: Mar 5 2013

Amends GS 115C-563 as the title indicates. Clarifies that the parents, legal guardians, or members of either household of the children in the home school are authorized to determine the scope and sequence of academic instruction and to determine additional sources of academic instruction. Effective when the act becomes law and applies beginning with the 2013-14 school year.

Summary date: Jun 3 2013


SL 2013-58

CLARIFY ELECTRIC LOAD CONTROL PROCESS.

Bill S 430

Summary date: Mar 26 2013

Amends GS 87-43.1, providing a new exception to the provisions of Article 4 of GS Chapter 87 (Electrical Contractors). The provisions of this article do not apply to specified work done by a public utility, electric membership corporation, municipal electric service provider, or business contracted by such entities, as long as the work is subject to oversight from a licensed electrical contractor.

Amends 153A-357(a) and GS 160A-417(a), both sections dealing with the planning and regulation of development for cities/towns and counties, providing that a permit is not required for the installation, maintenance, or replacement of any modification, device, or equipment by a public utility, electric membership, or municipal electric service provider as long as the work is subject to oversight by a licensed electrical contractor. However, the public utility, electric membership corporation, or municipal electric service provider must provide service in accordance with an activity or program approved by the NC Utilities Commission or a similar program undertaken by a municipal electric service provider. This exemption applies to all existing installations.

Summary date: Apr 17 2013

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

Amends GS 87-43.1, altering the exception found in the previous edition to the provisions of Article 4 of GS Chapter 87 (Electrical Contractors), providing that the provisions of this article do not apply to specified work done by an electric power supplier, as defined in GS 63-133.8, or an electrical contractor contracted by the electric power supplier, as long as the work is subject to oversight from a licensed electrical contractor.
Amends 153A-357(a) and GS 160A-417(a), both sections dealing with the planning and regulation of development for cities/towns and counties, providing that a permit is not required for the installation, maintenance, or replacement of any load control device or equipment by an electric power supplier, as defined in GS 62-133.8, or an electrical contractor contracted by the electric power supplier, as long as the work is subject to oversight from a licensed electrical contractor.

Summary date: Jun 3 2013


SL 2013-59
ZONING CHANGES/NOTICE TO MILITARY BASES.

Bill H 254

Summary date: Mar 6 2013

Amends GS 153A-323(b) and GS 160A-364(b), requiring boards of commissioners and local government governing bodies to provide written notice of proposed changes, by certified mail or by other means reasonably designed to provide actual notice to the commander of the military base or commander's designee, if the ordinance would make changes relating to the zoning map or proposed subdivisions, telecommunications towers, or windmills, or changes to the permitted uses of land located five miles or less from the perimeter boundary of the military base (was, written notice required if changes were to the zoning map or affected uses five miles or less from the perimeter boundary and written notice was only allowed by certified mail with return receipt requested to the commander).

Summary date: Apr 2 2013

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

Amends GS 153A-323(b) and GS 160A-364(b), providing that prior to the public hearing for the proposed land-use and zoning changes, the military can provide comments or analysis to the board of commissioners (board) regarding the compatibility of the proposed changes with the military operations at the base. If the board does not receive a response from the military within 30 days of issuing the notice of proposed changes, the military is deemed to have waived the comment period.

Expands the proposed changes that require notice to the military to include changes relating to telecommunications towers or windmills, changes to proposed new major subdivision preliminary plats, and an increase in the size of an approved subdivision by more than fifty percent. Also makes organizational changes.
Senate amendment makes the following changes to the 2nd edition:

Amends GS 153A-323(b)(5) and GS 160A-364(b)(5) to clarify that the calculation of the total land area triggering the notice requirement includes developed and undeveloped land.

Summary date: Jun 3 2013

A BILL TO BE ENTITLED AN ACT AMENDING THE REQUIREMENTS RELATED TO NOTICE OF LAND USE PLANNING AND ZONING CHANGES TO BE GIVEN TO A MILITARY BASE BY COUNTIES OR CITIES NEAR THE MILITARY BASE. Enacted May 30, 2013. Effective May 30, 2013.

SL 2013-60

SALISBURY/DEANNEX ROWAN CTY AIRPORT PROPERTY.

Bill S 269

Summary date: Mar 12 2013

Identical to H 260, filed 3/7/13.

Removes described property that is owned by Rowan County and located in the vicinity of the Rowan County Airport from Salisbury's corporate limits. Provides that the act has no effect on the validity of any of the city's liens for ad valorem taxes or special assessments that are outstanding before the act becomes effective. Allows the liens to be collected or foreclosed upon after the act becomes effective as though the property was still within the city's corporate limits.

Summary date: May 14 2013

Senate committee amendment makes the following changes to the 1st edition. Changes the act's effective date from when the act becomes law to June 30, 2013.

Summary date: Jun 4 2013


SL 2013-61

MODIFY HENDERSON CO. OCCUPANCY TAX.
Bill H 545

Summary date: Apr 3 2013

Amends Sections 5 and 6 of SL 1987-172, as amended, to require that the Henderson County Tourism Development Authority use at least two-thirds of the net proceeds of the room occupancy and tourism development tax to promote travel and tourism in the county, with the remainder for tourism expenses. Deletes the delineation of uses based on where the proceeds were from the first 5% or the additional 1% tax, thereby removing the allocation to the Vagabond School of the Drama Inc. Makes technical corrections. Makes a technical correction to Section 2(b) of SL 2012-144. Repeals Section 3 (which required the Authority to use at least two-thirds of the funds remitted to it to promote travel and tourism in Henderson County and use the remainder for tourism-related expenditures).

Summary date: Jun 4 2013


SL 2013-62

MILLS RIVER/DEANNEXATION.

Bill H 671

Summary date: Apr 10 2013

Removes described property from the Mills River corporate limits. Provides that the deannexation has no effect upon the validity of any liens of the town for ad valorem taxes or special assessments outstanding before the effective date of this act. Allows the liens to be collected or foreclosed upon after the effective date of this act as though the property were still within the town's corporate limits. Specifies that deannexed property is located within the Etowah-Horse Shoe Fire District. The taxpayers in the deannexed property area are no longer required to pay taxes on their property to the town after the effective date of this act, but they are required to pay property taxes levied by Henderson County. Requires the deannexed area to continue to be subject to the zoning ordinances of the town for a maximum of 90 days after the effective date of this act to allow Henderson County an opportunity to determine and apply a county zoning designation for the property. Upon the expiration of the 90-day period, the town will have no zoning or any other authority over the deannexed property area. Effective July 1, 2013.

Summary date: May 2 2013

House committee substitute makes the following changes to the 1st edition. Changes the effective date from July 1, 2013, to June 30, 2013.

SL 2013-63

HUNTER EDUCATION/APPRENTICE PERMIT.

Bill S 234

Summary date: Mar 13 2013

Amends GS 113-270.1A (Hunter safety course required), requiring that any person procuring a hunting license in North Carolina must produce a hunter education certificate of competency, a NC hunting heritage apprentice permit from the Wildlife Commission (Commission), or a hunting license issued prior to July 1, 2013, by the Commission.

Exempts people who qualify for a disabled license, pursuant to GS 113-270.1C(b)(5) or (6), GS 113-270.1D(b)(7) or (8), or GS 113-351(c)(3)(f) or (g), from complying with GS 113-270.1A(a), the section above (previously, only exempted those that qualified for a totally disabled combination license under GS 113-270.1C(b)(4)), when the same only makes use of the license when accompanied by an adult of at least 18 years of age who is licensed to hunt and when the licensed adult maintains a proximity close enough to remain within sight and hearing distance without the help of electronic devices (previously, only stated that the disabled hunter must be accompanied by an adult and that the adult must stay close enough to communicate with the disabled hunter).

Makes technical and conforming changes to GS 113-270.1A(b). Also expands the organizations that the Commission may work with to develop courses.

Amends GS 113-270.1A(c) to state that, on or after July 1, 2013 (was, on or after July 1, 1991), any person who obtains a hunting license by a fictitious certificate of competency or through other means of fraud will have his or her hunting privileges revoked by the Commission for a period not to exceed one year.

Amends GS 113-270.1A(d) by adding the Nonresident Lifetime Sportsman License, the Age 65 Resident Lifetime Sportsman License, and the Lifetime Unified Sportsman/Coastal Recreational Fishing Licenses to the list of lifetime licenses that may be purchased by or in the name of people who have not obtained a hunter education certificate of competency, subject to specified conditions. Makes technical and conforming changes to GS 113-270.1A(d).

Amends GS 113-270.2A, stating that an applicant for a hunting license can make a contribution to the Commission for the purpose of funding a hunter safety education program (was, can make a contribution of 50 cents).
Amends GS 113-274(c) by enacting new GS 113-274(c)(3c), which provides for the issuance of a Hunting Heritage Apprentice Permit by the Commission. The permit authorizes a person that does not meet the hunter education course requirements to purchase a hunting license and hunt if accompanied by an adult at least 18 years old who is licensed in North Carolina, or if accompanied by an adult landholder or spouse that is exempt from the hunting license requirement pursuant to GS 113-276(c) if hunting on the landholder’s land. Defines accompanied as previously described in GS 113-270.1A(a1). Hunting with a permit issued pursuant to this section but not complying with all the requirements violates GS 113-270.1B, hunting without first procuring a current and valid license.

Amends GS 113-276, making technical and conforming changes.

Act replaces references to hunter safety with hunter education throughout. Also, elaborates that being accompanied by an adult signifies having a person 18 years of age or older maintain a proximity close enough to remain within sight and hearing distance without the help of electronic devices.

Effective July 1, 2013.

**Summary date:** Apr 9 2013

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

Makes technical changes.

**Summary date:** Jun 5 2013

A BILL TO BE ENTITLED AN ACT TO AMEND AND CLARIFY THE HUNTER EDUCATION REQUIREMENTS AND TO ESTABLISH A HUNTING HERITAGE APPRENTICE PERMIT. Enacted June 4, 2013. Effective July 1, 2013.

**SL 2013-64**

ASHEBORO/CHARTER AMENDMENTS.

**Bill S 258**

**Summary date:** Mar 12 2013

Amends Article 4 of the Charter of the City of Asheboro by adding a new section, Section 4.20 (*Regular Municipal Elections*), providing that regular municipal elections will be held in each odd-numbered year, in accordance with the uniform municipal election laws of North Carolina. They will be conducted on a nonpartisan basis, and results will be determined by using the nonpartisan primary and election method, per GS 163-294.

Makes a conforming repeal of Sections 4.11 through 4.19, and repeals Section 10.3 (concerning appointment of Police Chief), and Section 16.1 (concerning appointment of Chief of Fire Department) of the Charter of the City of Asheboro.

SL 2013-65

ASHEVILLE TRANSFERS.

Bill H 252

Summary date: Mar 6 2013

Repeals SL 2009-114, which granted Asheville the authority to use up to 5% of its utility revenue for street and sidewalk improvement related to waterline improvements. Applies to Asheville only.

Summary date: Apr 2 2013

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

Provides a long title as follows: AN ACT TO PROVIDE FUNDING FOR PLANNED STREET AND SIDEWALK IMPROVEMENTS IN THE CITY OF ASHEVILLE FOR THE 2012-2013 FISCAL YEAR AND TO REPEAL S.L. 2009-114.

Provides that the repealing of SL 2009-114 is effective June 30, 2013, and applies to the 2013-14 fiscal year and thereafter. Provides that the City of Asheville may use utility revenues that were dedicated for a specific project under the authority of SL 2009-114 for street and sidewalk improvements associated with waterline improvements for the project.

Makes a clarifying change.

Summary date: Jun 5 2013


SL 2013-66

ROCKINGHAM/NO RIGHT-OF-WAY SPOTLIGHTING.

Bill H 517

Summary date: Apr 2 2013
Makes it a Class 2 misdemeanor in Rockingham County for a person to shine a light intentionally on a wild animal from the right of way of any public road, street, or highway between the hours of one-half hour after sunset and one half hour before sunrise. Does not apply to shining lights by motorists engaged in normal highway travel or to those who are not attempting to attract or immobilize wildlife with the lights. Provides for enforcement.

Applies to Rockingham County only. Applies to offenses committed on or after October 1, 2013.

Summary date: Jun 5 2013

A BILL TO BE ENTITLED AN ACT TO REGULATE HUNTING WITH ARTIFICIAL LIGHT IN ROCKINGHAM COUNTY. Enacted June 5, 2013. Effective October 1, 2013.

SL 2013-67

SURRY COMM. COLLEGE/YADKIN CTY. LAND TRANSFER.

Bill S 67

Summary date: Feb 7 2013

Blank bill.

Summary date: Jun 17 2013

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

Changes the long title. Deletes the provisions of the 1st edition and replaces them with the following.

Provides that, notwithstanding other applicable provisions, Surry Community College (SCC) can, with approval by its Board of Trustees, convey by gift to Yadkin County some or all of its right, title, and interest in the 34 acre parcel located in Yadkin County, further described in the Yadkin County Deed Book #483, Page 527. SCC can include as a condition of conveyance a requirement that Yadkin County lease to SCC, for a term of up to 99 years, any portion of any structure built on the part of that parcel which is conveyed by gift from SCC to Yadkin County.

Summary date: Jun 17 2013

A BILL TO BE ENTITLED AN ACT TO AUTHORIZE SURRY COMMUNITY COLLEGE TO CONVEY PROPERTY BY GIFT TO YADKIN COUNTY AND TO LEASE A PORTION OF ANY STRUCTURE SUBSEQUENTLY BUILT ON THAT PROPERTY. Enacted June 10, 2013. Effective June 10, 2013.
SL 2013-68

ALAMANCE/GUILFORD COUNTY BOUNDARY.

Bill S 257

**Summary date:** Mar 12 2013

As title indicates. Does not specify the boundary line.

**Summary date:** May 14 2013

Senate committee substitute to the 1st edition makes the following changes. Deletes the provisions of the 1st edition and replaces it with the following. Requires the county commissioners of Alamance and Guilford counties to require that the NC Geodetic Survey (NCGS) conduct a preliminary resurvey and present a proposed boundary map for consideration. Allows the counties to maintain the current recognized government functions in place until July 1, 2014. Requires the counties to resurvey the boundary line in areas where property owners have met the established administrative criteria to be assigned to a specific county and in areas where the NCGS line is not reasonable or is unduly burdensome. Requires the counties, after the survey and petition process, and no later than May 15, 2014, to submit to the General Assembly for ratification a completed survey that includes the NCGS line and all mutually agreed upon modifications. Amends the act's title.

**Summary date:** Jun 10 2013


SL 2013-69

SUNSET BEACH/CANAL DREDGING/MAINTENANCE FEE.

Bill S 268

**Summary date:** Mar 12 2013

Amends SL 2004-104, as amended, as the title indicates.

**Summary date:** Mar 20 2013

Senate committee substitute to the 1st edition makes the following changes. Makes a conforming change adding Sunset Beach to the towns affected by changes made in Section 2 of SL 2011-108.

**Summary date:** Jun 10 2013

SL 2013-70

DV FATALITY REVIEW TEAM/MECKLENBURG CO.

Bill H 456

Summary date: Mar 27 2013

Amends the membership of the Mecklenburg County Domestic Violence Fatality Prevention and Protection Review Team (Review Team) in SL 2009-52 as follows. Amends several positions to now include the director or head of the specified entity instead of just a member of the entity (for example, the Medical Examiner or designated person instead of a representative from the local medical examiner's office). Modifies membership to include the following members: (1) a local law enforcement officer appointed by the Chief of the Charlotte-Mecklenburg Police Department and at least one law enforcement officer from the other police departments in the county appointed jointly by the chiefs of police of the other Mecklenburg municipalities (was, local law enforcement personnel), (2) district court judge who presides over domestic violence cases designated by the chief district court judge (was, a representative from the health care system), (3) a magistrate designated by the chief district court judge (was, a local medic or emergency services personnel), (4) representative of a higher education institution appointed by the county board of commissioners (was, a domestic violence survivor). Adds the following: (1) a Sheriff of Mecklenburg County or designated person, (2) a representative from a probation or parole agency appointed by the director of that agency, (3) two survivors of domestic violence, (4) a representative from each of the primary health care systems in the county, and (5) at the option of the county board of commissioners, no more than two additional representatives with knowledge or experience in preventing domestic violence.

Repeals Section 2 of SL 2009-52, which terminated the Review Team upon the earlier of the filing of its final report, or June 15, 2014.

Amends Section 3 of SL 2009-52 to require that the Review Team make a report by June 15, 2014, and every three years thereafter.

Summary date: Jun 4 2013

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

Changes the long title.

Amends Section 5 of SL 2009-52, providing that this act applies to Alamance County, Pitt County, and Mecklenburg County (previously only applied to Mecklenburg County).
Amends subsection (c) of Section 1 of SL 2009-52, in regards to the qualifications of members of the Domestic Violence Review Team, providing that no person who has been convicted of a domestic violence-related crime or has been a participant in a batterer intervention program can be a member of the Review Team. Directs the applicable board of county commissioners to designate the lead agency for the Review Team. Amends the membership of the Review Team to include a probation or parole officer who supervises probationers convicted of domestic violence and is appointed by the chief probation and parole officer of the judicial district (was, a representative from a probation or parole agency appointed by the director of that agency). Makes technical, organizational, and conforming changes to the membership positions, providing for application to the additional counties.

Amends Section 3 of SL 2009-52, directing each Review Team to issue a report to specified entities summarizing its findings and activities and to make recommendations for action by June 15, 2014 (previously, required an interim report with findings and activities to be submitted by June 15, 2011, and additional reports with recommendations for action to be submitted by June 15, 2014).

Expands the scope of the entire act to also include Alamance and Pitt counties.

**Summary date:** Jun 11 2013

**A BILL TO BE ENTITLED AN ACT CONCERNING MEMBERSHIP ON THE DOMESTIC VIOLENCE REVIEW TEAM IN MECKLENBURG COUNTY AND ESTABLISHING A DOMESTIC VIOLENCE REVIEW TEAM IN PITT COUNTY AND ALAMANCE COUNTY.** Enacted June 11, 2013. Effective June 11, 2013.

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**SL 2013-71**

**BACK TO BASICS.**

**Bill H 146**

**Summary date:** Feb 21 2013

Amends GS 115C-81 (Basic Education Program) by providing that the instruction of cursive writing and the memorization of multiplication tables are required in public schools, as part of the Basic Education Program.

Effective when the act becomes law and applies beginning with the 2013-14 school year.

**Summary date:** Jun 13 2013

**A BILL TO BE ENTITLED AN ACT TO REQUIRE THE STATE BOARD OF EDUCATION TO ENSURE INSTRUCTION IN CURSIVE WRITING AND MEMORIZATION OF MULTIPLICATION TABLES AS A PART OF THE BASIC EDUCATION PROGRAM.** Enacted June 12, 2013. Effective June 12, 2013.
SL 2013-72

UNC & COMM. COLLEGE CREDIT TRANSFERS.

Bill H 903

Summary date: Apr 16 2013

Amends GS 116-11, providing that the Board of Governors of the University of North Carolina (Board) will require each constituent institution to fully adhere to the transfer agreement between the University of North Carolina and the NC Community College System, ensuring that it is applied consistently among the constituent institutions. Directs the two institutions to conduct biannual joint reviews of the transfer agreement to ensure that the agreement is fair, current, and relevant to all students and institutions. The institutions will report their findings, including revisions and reports of noncompliance, to the Joint Legislative Oversight Committee. Directs the institutions to jointly develop an articulation agreement advising tool for use by students, parents, and faculty to simplify the transfer and admissions processes.

Summary date: Apr 30 2013

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

Amends GS 116-11 to clarify that the transfer agreement referenced in these provisions is an existing agreement, known as the Comprehensive Articulation Agreement, between the constituent institutions of the University of North Carolina and the North Carolina Community College System.

Makes a conforming change to the title.

Summary date: Jun 13 2013


SL 2013-73

STATE CONTRACTS/FURNITURE.

Bill H 449

Summary date: Mar 27 2013
Amends GS 143-57.1(a)(3) by expanding the criteria under which a vendor who submits a responsive bid for a state furniture contract is considered a qualified vendor to include a vendor whose products are included on a US General Services Administration (GSA) furniture schedule and who is federally qualified within the GSA schedule system.

**Summary date:** Apr 17 2013

House committee substitute to the 1st edition makes the following changes. Deletes the proposed changes to GS 143-57.1(a)(3), and instead provides as follows. Amends GS 143-57.1(a) to move the provisions in (a)(4) which allows an agency to purchase from a certified vendor but requires the most economical purchase, into new (c). Also enacts new (a1) providing that vendors that meet the four specified requirements are treated as qualified vendors under any state furniture requirements contract. Amends the act’s long title.

**Summary date:** Jun 13 2013


**SL 2013-74**

**PLASTICS LABELING REQUIREMENTS.**

**Bill H 315**

**Summary date:** Mar 13 2013

Amends GS 130A-309.10 to prohibit the distribution, sale, or offering for sale in the state of any rigid plastic container, including a plastic beverage container, labeled in a way to indicate it is biodegradable unless (1) the container complies with the requirements of (e) of the statute and (2) the container includes the statement "Not Recyclable, Do Not Recycle" in print of the same color, contrast, font, and size as the language suggesting the container will biodegrade. Applies to any plastic container distributed, sold, or offered for sale after July 1, 2014.

**Summary date:** Mar 28 2013

House committee substitute to the 1st edition makes the following change. Changes the long title as indicated.

**Summary date:** Jun 13 2013
A BILL TO BE ENTITLED AN ACT TO REQUIRE THAT DEGRADABLE PLASTIC PRODUCTS BE CLEARLY LABELED TO PREVENT CONTAMINATION OF RECYCLED PLASTIC FEEDSTOCKS. Enacted June 12, 2013. Effective June 12, 2013, and applies to any plastic containers distributed, sold, or offered for sale after July 1, 2014.

SL 2013-75

BUILDING CODE EXCLUSION/PRIMITIVE STRUCTURES.

Bill H 774

Summary date: Apr 12 2013

Provides that primitive structures and roof only structures as defined in the Primitive Structures Amendment and intended to be occupied only on a temporary basis are subject only to the following provisions of the Code, and additional life safety issues not addressed must be mitigated by the code official: (1) the structures must be evaluated to meet the interior and exterior loading requirements contained in Chapter 16 of the Code; (2) ignition sources such as fireplaces or stoves must be separated from combustibles; (3) recreational fires must be separated from the buildings in accordance with the Fire portion of the Code, and (4) a clear means of egress must be maintained from each sleeping room. These provisions must be implemented until the effective date of the Code amendment below that the Building Code Council is required to adopt.

Requires the Council to the Primitive Structures Amendment to be substantively identical to the provisions in the paragraph above. Rules adopted pursuant to this section are not subject to GS 150B-21.8 through GS 150B-21.14. Rules adopted pursuant to this section become effective as provided in GS 150B-21.3(b1) as though 10 or more written objections had been received.

Summary date: Jun 13 2013

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

Changes the long title.

Deletes the provisions of the previous edition.

Amends GS 143-138, North Carolina State Building Code, providing that building rules also do not apply to primitive camps or to primitive farm buildings. Adds and defines primitive camp and primitive farm building for the purposes of the subsection. Makes conforming changes.

Summary date: Jun 13 2013

SALE OF GROWLERS BY CERTAIN ABC PERMITTEES.

Bill H 829

Summary date: Apr 15 2013

Amends GS 18B-1001 to provide that on premises and off premises malt beverage permits and wine shop permits, authorize the sale of malt beverages in a sanitized, resealable container that can hold up to 64 ounces and is filled and sealed for consumption off of the premises.

Summary date: May 1 2013

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

Provides that holders of on-premises malt beverage permits, off-premises malt beverage permits, or wine shop permits can sell malt beverages in cleaned, sanitized, resealable containers, as defined in 4 NCAC 2T.0308(a), that (1) are filled or refilled and sealed for consumption off the premises; (2) comply with 4 NCAC 2T.0303, 4 NCAC 2T.0305, and 4 NCAC 2T.0308(d)-(e); and (3) identify the permittee and the date the container was filled or refilled.

Directs the ABC Commission to adopt rules dealing with the sanitation of growlers by January 1, 2014.

Summary date: Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO ALLOW CERTAIN ABC PERMITTEES TO SELL MALT BEVERAGES IN CERTAIN CONTAINERS FOR CONSUMPTION OFF THE PERMITTED PREMISES. Enacted June 12, 2013. Effective June 12, 2013.

HOMELESS SHELTERS/REMOVE AGE LIMITS.

Bill H 687

Summary date: Apr 10 2013

Provides for the implementation of Section 424.1.1 of the 2012 NC Building Code by the Building Code Council (Council) and local governments, which establishes that temporary overflow emergency shelters for the homeless, to allow occupants under the age of 18 when the shelter (1) is intended to serve homeless families that include children under 18 and their parents or other legal guardians and (2) the temporary shelter consists of a group of churches or other nonprofit religious entities that have agreed to host the shelter occupants on the premises of each church or religious entity on a rotating basis. The above should be implemented and only discontinued when the Council adopts amendments,
notwithstanding GS 150B-19(4), to the Homeless Shelter Provision, providing for the inclusion of occupants under the age of 18 as specified above.

Sets out the definitions of council, code, and homeless shelter provision as they are used and understood in this act.

Summary date: May 6 2013

House committee substitute to the 1st edition makes the following changes. Adds that the shelter must also be equipped with smoke detectors in all sleeping areas in order for the temporary overflow emergency shelter for the homeless to be allowed to house occupants under the age of 18.

Summary date: Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO REQUIRE THE BUILDING CODE COUNCIL TO AMEND THE NC BUILDING CODE TO ALLOW OCCUPANTS YOUNGER THAN EIGHTEEN IN TEMPORARY OVERFLOW EMERGENCY SHELTERS FOR THE HOMELESS. Enacted June 12, 2013. Effective June 12, 2013.

SL 2013-78

LIMIT STATE FACILITIES FINANCE ACT DEBT.

Bill S 129

Summary date: Feb 25 2013

Amends GS 142-84 of the State Capital Facilities Finance Act, adding a new subsection requiring that resolutions that authorize special indebtedness must make a determination that the sum of the special indebtedness proposed to be issued, as well as all other outstanding special indebtedness of the state authorized after July 1, 2013, does not exceed 25% of the total outstanding debt of the state that is supported by the General Fund. This does not apply to the issuance of bonds or notes for refunding purposes pursuant to GS 142-89(f).

Effective July 1, 2013, and applies to special indebtedness used to finance the cost of capital facilities incurred on or after that date.

Summary date: Apr 30 2013

Senate committee substitute to the 1st edition makes the following changes. Deletes proposed amendments to GS 142-84 and instead amends GS 142-83 as follows. Allows the General Assembly to enact legislation to incur or issue special indebtedness only if it determines at the time the legislation is enacted that the amount of special indebtedness does not exceed the specified limitations. Provides that the determination is to be based on reasonable estimations and may be relied on as conclusive. Caps the sum of the special indebtedness authorized by the legislation and all of the special indebtedness authorized by legislation enacted after January 1, 2013, at 25% of the bond indebtedness
of the state supported by the General Fund that was authorized pursuant to legislation enacted after January 1, 2013.

Summary date: Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO PROHIBIT ISSUANCE OF DEBT UNDER THE STATE CAPITAL FACILITIES FINANCE ACT. Enacted June 12, 2013. Effective June 12, 2013.

SL 2013-79

CANCEL TITLE TO MANUFACTURED HOME.

Bill H 410

Summary date: Mar 21 2013

Amends GS 109.2 to provided that if a certificate of title has been issued for a manufactured home, no issued title is available, and the home qualifies as real property, then the owner listed on the title is deemed to have surrendered title to the Division of Motor Vehicles if the owner of the property on which the manufactured home is affixed submits (1) an affidavit that the home meets this definition and (2) a tax record showing that the home listed for ad valorem taxes as real property in the name of the record owner of the real property on which the home is affixed.

Amends the information that must be included in the affidavit that a manufactured home meets the definition of real property in GS 105-273(13) to include a statement that the affiant is (1) the record owner of the real property on which the manufactured home is affixed and the lease for the home does not include a provision allowing the owner listed on the certificate of title to dispose of the home before the end of the primary term of lease or (2) the owner of the manufactured home and owns the property that the home is affixed to or has entered into a lease with a primary term of at least 20 years for the real property that the home is affixed to. Providing false information on the affidavit is a Class 2 misdemeanor.

Effective July 1, 2013.

Summary date: Apr 10 2013

House committee substitute makes the following changes to the first edition.

Deletes Class 2 misdemeanor criminal penalty for providing false information in the affidavit required under GS 20-109.2(b).

Summary date: Apr 24 2013

House committee substitute makes the following changes to the 2nd edition.
Makes clarifying and technical changes throughout.

Amends the information required to be included in the affidavit that a manufactured home meets the definition of real property in GS 105-273(13) to include (1) a section for the Division’s notation or statement that either the procedures in subsection (a) of this section for surrendering the title have been followed and the title is cancelled or the affiant submits this affidavit to have the title deemed surrendered by the owner listed on the certificate of title and (2) an affirmation by the affiant that he or she has sent notice of this cancellation by hand delivery or first-class mail to the last known address of the owner listed on the certificate.

Enacts new GS 20-109.2(f), providing that a person damaged by the cancellation of a certificate of title pursuant to subsection (a1) of this section does not have a right of action against the Division.

**Summary date:** Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO ALLOW THE DIVISION OF MOTOR VEHICLES TO CANCEL A CERTIFICATE OF TITLE TO A MANUFACTURED HOME WHEN THE PERSON REQUESTING CANCELLATION DOES NOT HAVE THE CERTIFICATE OF TITLE. Enacted June 12, 2013. Effective July 1, 2013.

**SL 2013-80**

**REPORTING AND TERMS FOR LONG. DATA BOARD.**

**Bill H 591**

**Summary date:** Apr 4 2013

Amends GS 116E-3 to make the following changes concerning the North Carolina Longitudinal Data System Board (Board). Removes the ability of the State Chief Information Officer's designee to serve in place of the Officer. Specifies that terms for appointed members begin on May 1, 2013, and every four years thereafter. Names the State Chief Information Officer as the chair. Requires the Board to hold an initial meeting upon appointing a majority of the appointed members and requires meeting at least quarterly. Amends GS 116E-4 to require the Board to make its report by May 31 (was, December 15) and expands the list of entities to whom the report must be made.

**Summary date:** May 30 2013

Senate amendment makes the following change to the 1st edition.

Amends GS 116E-4(c) to require that the North Carolina Longitudinal Data System Board begin making quarterly reports to specified legislative entities beginning September 30, 2013 (was, May 31).

**Summary date:** Jun 13 2013

**SL 2013-81**

**INCREASE YEAR’S ALLOWANCE.**

**Bill H 32**

**Summary date:** Jan 31 2013

Amends GS 30-15 to increase from $20,000 to $30,000 the surviving spouse's allowance for the year following the death of the deceased spouse. Makes a conforming change to GS 30-29 (requirements of petition). Applies to estates of persons who die on or after January 1, 2014.

**Summary date:** Jun 13 2013


**SL 2013-82**

**ENVIRONMENTAL PERMITTING REFORM.**

**Bill H 480**

**Summary date:** Mar 28 2013

Requires the Department of Environment and Natural Resources (DENR) to develop Minimum Design Criteria for stormwater runoff permits. Requires that the criteria include requirement for the siting, site preparation, design and construction, and post-construction monitoring and evaluation necessary for issuing a stormwater permit.

Also requires DENR to develop Minimum Design Criteria for erosion and sedimentation control plans issued by DENR and local governments. Requires that the criteria include requirements for the siting, site preparation, design and construction, and post-construction monitoring and evaluation necessary to approve an erosion and sedimentation control plan.
Requires DENR to consult with a working group, with specified experts, in developing the criteria and requires that recommendations be submitted to the Environmental Review Commission (EMC) by March 1, 2014.

Enacts new GS 143-214.7B and GS 113A-68 requiring the EMC and the Sedimentation Control Commission to adopt rules to implement fast track permitting processes for stormwater management system permits and approval of erosion and sedimentation control plans, without a technical review when the applicant (1) complies with the Minimum Design Criteria, and (2) submits a permit application sealed by a professional engineer. Rules implementing these statutes must be adopted by February 1, 2014.

**Summary date:** May 6 2013

House committee substitute makes the following changes to the first edition.

Changes the long title.

Deletes section 1(b) of the act, requiring the Department of Environment and Natural Resources (DENR) to adopt Minimum Design Criteria for erosion and sedimentation control plans. Also deletes Section 5(b), which contained a requirement that these rules be implemented by a specified date.

Makes organizational changes to the act, combining Section 1(a) and 2. Makes technical and clarifying changes. Changes the date for DENRs criteria and recommendations to be submitted to the EMC to September 1, 2014.

Amends GS 143-214.7B, changing the title to *Fast-track permitting for stormwater management systems*, (was, *Fast-track permitting*). Also requires submitted permit applications, pursuant to the fast-track permitting process, to be prepared by a qualified professional (previously, only required the application to be sealed by a professional engineer). Requires the EMC to consult with a technical working group, comprised of specified experts and interested stakeholders, in developing the rules for the fast-track permitting process. Sets out the following four minimum requirements that the rules must include: (1) a process for permit application, review, and determination; (2) a decision on which types of professionals are qualified to prepare a permit application submitted pursuant to this section and the types of qualifications the professional must have; (3) a process for ensuring compliance with the Minimum Design Criteria; and (4) a process for establishing the liability of a qualified professional who prepares a permit application for a stormwater management system that fails to comply with the Minimum Design Criteria.

Deletes Section 4 of the previous edition of the act, which contained the new section GS 113A-68, concerning fast-track plan approval for erosion and sedimentation control plans.

Requires the EMC to adopt rules implementing the fast-track permitting process by July 1, 2016 (was, February 1, 2014).

**Summary date:** May 13 2013
House committee substitute makes the following changes to the 2nd edition.

Requires that the Minimum Design Criteria (MDC) developed by the Department of Environment and Natural Resources (DENR) for stormwater programs must include all requirements for siting, site preparation, design and construction, and post-construction monitoring and evaluation necessary for DENR to issue stormwater permits that comply with state water quality standards adopted under GS 143-214.1, GS 143-214.7, and GS 143-215.3(a)(1). Makes a conforming change to proposed GS 143-214.7B requiring that permits issued under the fast-track permitting process also comply with the state water quality standards adopted under the cited statutes.

**Summary date:** Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO PROVIDE REGULATORY CERTAINTY FOR NORTH CAROLINA BY REQUIRING THE DEVELOPMENT OF MINIMUM DESIGN CRITERIA FOR STORMWATER PERMITS TO GUIDE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES IN PERMIT ISSUANCE AND TO REFORM THE PERMITTING PROCESS TO ALLOW A FAST-TRACK PERMITTING PROCESS FOR APPLICATIONS CERTIFIED BY A QUALIFIED PROFESSIONAL TO BE IN COMPLIANCE WITH THE MINIMUM DESIGN CRITERIA. Enacted June 12, 2013. Effective June 12, 2013.

**SL 2013-83**

**MODIFY REQUIREMENTS FOR IN-STAND BEER SALES.**

**Bill H 610**

**Summary date:** Apr 8 2013

Amends GS 18B-1009 to allow the sale of malt beverages in the seating areas of stadiums, ballparks, and other similar public places with a seating capacity of 3,000 or more (was, 60,000 or more in cities with a population greater than 450,000) during professional sporting events, provided certain specifications are met.

**Summary date:** May 1 2013

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

Changes the long title.

Directs the NC Alcoholic Beverage Control Commission to adopt rules for the suspension of alcohol sales in the latter portion of professional sporting events in order to protect public safety at these events.

**Summary date:** Jun 24 2013

AN ACT TO REDUCE THE SEATING CAPACITY REQUIREMENT AND ELIMINATE THE POPULATION REQUIREMENT FOR IN-STAND SALES OF MALT BEVERAGES AND TO DIRECT THE ABC COMMISSION TO

**SL 2013-84**

**TRIAD FARMERS MKT/RENAME FOR SEN. BOB SHAW.**

*Bill H 821*

**Summary date:** Apr 15 2013

As title indicates.

**Summary date:** May 1 2013

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

Amends a "whereas" clause.

**Summary date:** Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO NAME THE PIEDMONT TRIAD FARMERS MARKET IN MEMORY OF SENATOR ROBERT G. SHAW. Enacted June 12, 2013. Effective June 12, 2013.

**SL 2013-85**

**EFFECTIVE OPERATION OF 1915(B)/(C) WAIVER.**

*Bill S 208*

**Summary date:** Mar 6 2013

Amends GS 122C-3, adding a new subdivision that establishes that "local management entity/managed care organization" or "LME/MCO" means an LME has been approved by the Department of Health and Human Services (Department) to operate the 1915(b)/(c) Medicaid Waiver (Waiver).

Enacts new GS 122C-124.2, *(Actions by the Secretary to ensure effective management of behavioral health services under the 1915(b)/(c) Medicaid Waiver)*, which provides that for LME/MCOs with which the Department has contracted to operate the Waiver for less than three years, the Secretary of the Department of Health and Human Services (Secretary) is required to provide an unqualified attestation every six months that the LME/MCOs are in compliance with the terms of the contract, SL 2011-264, as amended, and all other applicable state and federal requirements. For LME/MCOs that have been contracted by the Department to operate the Waiver for at least three years, the Secretary will provide the same unqualified attestation of compliance on an annual basis.
Each attestation by the Secretary will specifically address the following requirements:

(1) Solvency.

(2) Timeliness of provider payments.

(3) Compliance with SL 2011-264, as amended.

(4) Compliance with any contract between the LME/MCO and the Department, in regards to the delivery of services for individuals with mental illness, intellectual or other developmental disabilities, and substance abuse disorders under the Waiver.

(5) Ability to exchange billing, payment, and transaction information with LME/MCOs and providers in a way that is compliant with applicable federal standards including information transactions and data elements standards under HIPAA, health care claims and equivalent encounter information transaction standards, and implementation specification for Electronic Data Interchange standards referenced in HIPAA (45 CFR 162.920).

If the Secretary cannot provide the attestation due to noncompliance, the Secretary will assign the LME/MCO's contract to operate the Waiver to another LME/MCO, no later than 30 days after the attestation of compliance was due. After such assignment, the Secretary will make an orderly transfer of responsibilities from the noncompliant LME/MCO to the compliant LME/MCO.

The Secretary is required to provide a copy of each attestation of compliance to the Senate Appropriations Committee on Health and Human Services, the House Appropriations Subcommittee on Health and Human Services, the Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division.

The Secretary must complete initial attestations of compliance for all LMEs that have been approved by the Department to operate the Waiver no later than June 30, 2013, with copies of the initial attestations also required to be sent to the above General Assembly entities.

**Summary date:** Mar 28 2013

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

Directs the Secretary of the Department of Health and Human Services (Secretary) to certify (was, provide an unqualified attestation) every six months that any Local Management Entity/Managed Care Organization (LME/MCO) with which the Department of Health and Human Services has contracted to operate the 1915(b)(c) Medicaid Waiver for less than three years, is in compliance with the requirements of subdivisions (1) through (3) of subsection (a) of new GS 122C-124.2. Requires the Secretary to certify that an LME/MCO is in compliance with the three subdivisions of subsection (a) annually, when the contract is for at least three years.

Requires that the Secretary's written certification include the Secretary's signature, and clearly and unequivocally state that the Secretary has determined that the LMC/CMO is in full compliance with all of
the listed requirements. Elaborates on the requirements with which the LME/MCO must be in full compliance providing the following: (1) have made adequate provisions against the risk of insolvency with respect to capitation payments for Medicaid enrollees and the Secretary must certify that the LME/MCO has made adequate provision against insolvency if certain specified conditions are true; and (2) the LME/MCO must be making timely provider payments, and the Secretary is to certify that the payments are being made in a timely fashion if there are no consecutive three-month periods during which the LME/MCO paid less than 90% of clean claims for covered services within the 30-day period following the receipt of the claims. Omits provision requiring the Secretary to certify in the annual evaluation that the LME/MCO is in compliance with DHHS regarding management responsibilities for the delivery of services for individuals with mental illness, intellectual or other developmental disabilities, and substance abuse disorders under the 1915(b)(c) Medicaid Waiver.

Provides procedural process to be followed if the Secretary determines that an LME/MCO is not in compliance with a requirement other than those specified in subdivisions (1) through (3) of subsection (a) of this section. Provides that nothing in subsection (c) is to be construed to confer liability on DHHS for the noncompliance of an LME/MCO.

Makes some additional clarifying changes and technical corrections. Replaces references to the Secretary making "attestations of compliance" with regards to an LME/MCO with the terms "certification" or "certification of compliance."

Amends the date for the Secretary to complete an initial certification of compliance for each LME/MCO to no later than August 1, 2013 (was, June 30, 2013).

Provides that notwithstanding any provision of law to the contrary, all requirements specified in SL 2011-264, as amended by Section 13 of SL 2012-151, remain in effect until repealed in whole or in part by an act of the General Assembly.

**Summary date:** Apr 2 2013

Senate amendment #1 makes the following changes to the 2nd edition.

Deletes liability clauses in GS 122C-124.2(b) and (c) which provided that nothing in these subsections will be construed to make the Department liable for any debts of the noncompliant LME/MCO.

**Summary date:** May 28 2013

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

Makes technical changes to the whereas clauses.

Amends GS122C-3, providing that an **LME/MCO** is defined as an LME/MCO that is under contract with the Department of Health and Human Services (Department) to operate the combined Medicaid Waiver program.
Amends GS 122C-124.2(a), providing that the required certification by the Secretary of compliance with the requirements of GS 122C-124.2(b) must be based on an internal and external evaluation by an approved independent External Quality Review Organization (EQRO) (previously, did not require the certification to be based on any specified criteria).

Amends GS 122C-124.2(b), establishing requirements for the Secretary's certification, which were previously provided for in GS 122C-124.2(a) of the 3rd edition. Makes technical and clarifying changes to those requirements. Also, in determining adequate provision against insolvency, deletes the provision that the ratio of assets to liabilities does not include sources of funds that are not Medicaid funds. More precisely defines the intradepartmental monitoring team that reviews financial reports to determine whether adequate provisions against insolvency were taken.

Amends GS 122C-124.2(c), establishing the actions required to be taken by the Secretary when a certificate of compliance for an LME/MCO cannot be issued due to noncompliance with requirements (1)-(3) of subsection (b) (previously provided for in GS 122C-124.2(b) of the 3rd edition), providing that the Secretary must provide a written notice of noncompliance to the LME/MCO and, not later than 10 days after the notice of noncompliance has been issued, the Secretary must assign the LME/MCO's contract to operate the Medicaid Waiver to a compliant LME/MCO and oversee the transfer of the operations and contracts from the noncompliant LME/MCO to the compliant LME/MCO in accordance with the provisions of GS 122C-124.2(e).

Amends GS 122C-124.2(d), setting out the steps the Secretary must take when, at any time, a determination is made that an LME/MCO is not in compliance with a requirement of the Medicaid Waiver contract other than those specified in subsection (b) (previously provided for in GS 122C-123.2(c)), including requiring the Secretary to prepare and deliver notice of the noncompliance, allow the noncompliant LME/MCO 30 days to respond and cure any defect, and make a final determination on the issue of noncompliance. If an LME/MCO is still determined to be noncompliant, the Secretary is required to reassign its contract to a compliant LME/MCO and oversee the transfer of operations and contracts.

Enacts new GS 122C-124.2(e), specifying the actions the Secretary must take when transferring management, responsibilities, operations, and contracts of a noncompliant LME/MCO to a compliant LME/MCO, providing that the Secretary must ensure that there is no interruption in the provision of services to recipients by doing the following:

1. Arranging for service providers to be paid for authorized services previously rendered.

2. Effectuating an orderly transfer of management responsibilities from the noncompliant LME/MCO to the compliant LME/MCO.

3. Overseeing the dissolution of the noncompliant LME/MCO and transferring its assets and risk reserve to the complaint LME/MCO. The Secretary must also satisfy any liabilities if there are insufficient assets to satisfy the liabilities of the noncompliant LME/MCO.
(4) Directing the dissolution of the noncompliant LME/MCO and notifying the board of county commissioners in each of its constituent counties of the dissolution.

Enacts new GS 122C-124.2(g), providing definitions, for use in this section, for contract and compliant local management entity/managed care organization.

Amends GS 122C-112.1(a) by adding a new subdivision (39) to the list of powers and duties of the Secretary, providing that the Secretary must develop and use a standard contract for all LME/MCOs for operation of the Medicaid Waiver.

Amends GS 122C-115(a), eliminating the authority of a county to provide mental health, developmental disabilities, and substance abuse services through a county program. Adds new subsection (a3), which provides that a county can disengage from an LME/MCO and realign with another multicounty area authority operating under the Medicaid Waiver with the approval of the Secretary. Directs the Secretary to adopt rules to establish the process for county disengagement and provides minimum standards that the rules must meet for a realignment. Requires adoption of a resolution by a majority of area board members to add counties to the existing catchment area (was, by agreement).

Makes conforming changes to GS 122C-115.3, Dissolution of area authority. Also establishes that any fund balance available to an area authority at the time of its dissolution not utilized for the payment of liabilities upon dissolution is to be transferred to the LME/MCO in the area authority's catchment area.

Amends GS 122C-118.1(a), eliminating the requirement that a resolution of county commissioners to appoint members to an area board must be unanimous as well as a deadline for the resolution.

Amends GS 122C-118.1, adding new subsection (f), providing that if an area authority adds one or more counties to its existing catchment area, the expanded catchment area must be represented through membership on the area board as provided in GS 122C-118.1(a), Structure of area board, with or without adding members to the board.

Enacts new GS 122C-118.2, Establishment of county commissioner advisory board, providing for such advisory boards for each catchment area, consisting of one county commissioner from each county in the catchment area, designated by the board of commissioners of each county. The function of the board will be to serve as the chief advisory board to the area authority and its director on matters relating to the delivery of services for individuals with mental illness, intellectual or other development disabilities, and substance abuse disorders in the catchment area. Sets out the method for the designation of board members.

Amends GS 122C-142(a), making conforming changes.

Amends GS 150B-1(e), adding a new subdivision (21), which provides that the right to a contested case hearing under the Administrative Procedures Act does not apply to actions taken by the Secretary under the new GS 122C-124.2.

Summary date: Jun 3 2013
House amendment #1 makes the following changes to the 4th edition.

Amends new GS 122C-124.2 to provide that the independent review as specified in this section is to be provided by an External Quality Review Organization meeting certain requirements, beginning on February 1, 2014.

Assigns responsibility to the Secretary of Health and Human Services (Secretary) as part of the Secretary's duties in reassigning a contract to a compliant LME/MCO and overseeing the transfer of operations and contracts, to arrange for the service providers to be reimbursed from the remaining fund balance or risk reserve of the noncompliant local management entity/ managed care organization (LME/MCO), or from other funds of the Department of Health and Human Services (DHHS) if necessary, for all proper, authorized, and valid claims for services rendered that were not previously paid by the noncompliant LME/MCO.

Provides that with regards to the dissolution of a noncompliant LME/MCO, all of its assets, including any balance in its risk reserve are to be transferred to the compliant LME/MCO after reimbursements have been made to service providers under subdivision (1) of this subsection. Further clarifies the authorized use of risk reserve funds. Requires the Secretary to guarantee any needed risk reserves for the compliant LME/MCO arising from any additional assumed risks until the compliant LME/MCO has established 15% risk reserves. Declares that any LME/MCO dissolved by the Secretary under this section may be dissolved at any time during the fiscal year.

Provides that adding one or more counties to an existing catchment area requires the adoption of a resolution to that effect by a majority of the area board and the approval of the Secretary (was, adoption of a resolution by the majority of the area board).

Amends GS 122C-115.3(e) to provide for the transfer of any fund balance available to an area authority at the time of its dissolution, not used to pay liabilities, to the area authority contracted to operate the 1915(b)/(c) Medicaid Waiver in the catchment area of the dissolved authority (was, not used to pay liabilities pursuant to subsection (g) of this section). Provides that if the fund balance transfer is insufficient to constitute 15% of the anticipated operational expenses arising from the assumption of responsibilities from the dissolved area authority, then the Secretary is to guarantee the operational reserves for the area authority assuming the responsibilities under the 1915(b)/(c) Medicaid Waiver until the assuming authority has reestablished 15% operational reserves.

House amendment #2 makes the following changes to the 4th edition.

Makes the effective date for changes to GS 122C-115(a) January 1, 2014. Makes a conforming change to provide that except as specifically provided, this act is effective when it becomes law.

**Summary date:** Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO ENSURE EFFECTIVE STATEWIDE OPERATION OF THE 1915 (B)/(C) MEDICAID WAIVER. Enacted June 12, 2013. Section 4(a) of this act becomes effective January 1, 2014. The remainder is effective June 12, 2013.
SL 2013-86

RAIL CORRIDOR LEASE/CITY OF BELMONT.

Bill S 460

Summary date: Mar 27 2013

Repeals GS 136-44.9, which required annual statements on repairs to secondary roads.

Amends GS 136-200.2(a) to remove the required report on the evaluation process for the boundaries, structure, and governance of each metropolitan planning organization.

Repeals GS 136-202(d), which required a report on the evaluation and adjustment of the boundaries of the area served by each metropolitan planning organization.

Amends GS 143-215.107C(e) to remove the required report on the development and implementation of the plan to reduce vehicle miles traveled by private sector employees and vehicle emissions resulting from job-related travel.

Summary date: Apr 24 2013

Senate committee substitute to the 1st edition makes the following changes. Deletes the provisions of the 1st edition and replaces them with the following.

Allows Belmont and the Department of Transportation (DOT) to enter into a lease agreement for interim public recreation use of that portion of the DOT's interest in the portion of the right of way of the former Belmont Branch of the Piedmont and Northern railroad, as specified, if the eight specified conditions are met, including all persons owning an interest in the real property comprising the rail corridor portion to be leased will be parties to the lease, adjacent property owners are offered broad voting representation by members in the organization that is delegated most immediate responsibility for development and management of the rail trial by the city, and the DOT determines that there will not likely be a need to resume active rail service in the leased portion of the rail corridor for at least 10 years.

Amends the act's title.

Summary date: Jun 13 2013

SL 2013-87

CLARIFY ISSUANCE OF PLATES/CERTIFICATES LAW.-AB

Bill S 603

Summary date: Apr 2 2013

Amends GS 20-63, as the title indicates. Effective July 1, 2013.

Summary date: Jun 24 2013

A BILL TO BE ENTITLED AN ACT TO CLARIFY THAT REGISTRATION PLATES, REGISTRATION CERTIFICATES, AND CERTIFICATES OF TITLES CAN BE ISSUED DIRECTLY BY THE DIVISION OF MOTOR VEHICLES OFFICES LOCATED IN THE COUNTIES OF WAKE, CUMBERLAND, AND MECKLENBURG. Enacted June 12, 2013. Effective July 1, 2013.

SL 2013-88

INCREASE PENALTIES/UTILITIES THEFT.

Bill S 634

Summary date: Apr 3 2013

Amends GS 14-151 to provide that it is unlawful to willfully, with the intent to injure or defraud, commit any of the acts listed in subdivisions (1) through (10) of subsection (a) of GS 14-151. Amends this section to include "bypass" and "tamper with" as unlawful activities under this section. Provides that the prohibitions against any person, other than an employee of the company owning or supplying a gas, water, or electric meter, who obstructs, alters, bypasses, tampers with, or in any way interferes with the operation of a meter or other measuring instrument apply to water as well as natural gas, illuminating fuel, or electricity. Also clarifies that it is unlawful to connect or reconnect water pipes as well as gas mains, service pipes, or wires that furnish natural or artificial gas, water, or electricity to consumers. Adds that it is unlawful to reconnect or otherwise turn back on one or more of electric, gas, or water utilities after they have been lawfully disconnected or turned off by the utility provider. Provides that it is unlawful to alter, bypass, interfere with, or cut off any load management device installed by the electricity supplier for the purpose of limiting the use of electricity during the peak load period.

Defines gas for the purposes of this section to mean all types and forms of gas, including, but not limited to, natural gas. Provides that any violation of subdivisions (1) through (8) of subsection (a) is a Class F felony. Makes a violation of subdivisions (9) or (10) of subsection (a) of GS 14-151 (1) a Class 1 misdemeanor for a first offense, (2) a Class H felony for a second offense, (3) a Class G felony for a third offense, (4) a Class F felony for an offense resulting in significant property damage or public
endangerment, and (5) a Class D felony for an offense that results in the death of another unless the conduct is covered under some other provision of law.

Provides that a violator of any provision of this section is liable for triple the amount of losses and damages sustained by the electric, gas, or water supplier or $5,000 (was, $500), whichever is greater.

Repeals GS 14-151.1 (regarding interfering with gas, electric, and water meters).

Effective December 1, 2013, and applies to offenses committed on or after that date.

**Summary date:** May 2 2013

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

Amends GS 14-151 to make all violations of the statute punishable as follows [was, specified different punishments for violations of (1)-(8) and (9)-(10)]: violations are a Class 1 misdemeanor; second and subsequent violations are a Class H felony; violation resulting in significant property damage or public endangerment is a Class F felony; unless covered under some other provision providing for a greater punishment, a violation that results in the death of another is a Class D felony. Makes technical changes.

Amends the act’s titles.

**Summary date:** Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO INCREASE THE CRIMINAL PENALTIES FOR INTERFERENCE WITH GAS, WATER, OR ELECTRIC LINES. Enacted June 14, 2013. Effective December 1, 2013.

**SL 2013-89**

**AUTHORIZE CHIEF MAGISTRATES.**

**Bill S 210**

**Summary date:** Mar 6 2013

Current law provides that chief district judges, under the general supervision of the Chief Justice of the Supreme Court, have administrative authority and supervision over the operation of district courts and magistrates in their respective districts. Current law also allows chief district judges to delegate their authority to prescribe the time and place at which magistrates in a particular county must be available to perform their duties. Amends GS 7A-146 to authorize chief district judges to designate a full-time magistrate in a county to serve as chief magistrate and to delegate their administrative authority to the appointed chief magistrate. Applies only to counties in which the chief district judge determines that designating a chief magistrate is in the interest of justice.

**Summary date:** Jun 13 2013
A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE APPOINTMENT OF CHIEF MAGISTRATES. Enacted June 12, 2013. Effective June 12, 2013.

SL 2013-90

INCREASE PENALTY/CONTROLLED SUBSTANCE CRIMES.

Bill S 252

Summary date: Mar 11 2013

Amends GS 90-108(b) as the title indicates, making the penalty for an intentional violation of the Controlled Substances Act under GS 90-108 a Class G felony (was, Class I). Effective December 1, 2013, and applies to offenses committed on or after that date.

Summary date: May 7 2013

Senate committee substitute to the 1st edition make the following changes. Limits the statutory violations that are punishable as a Class G felony to violations of (a)(14), which makes it unlawful for an employee of a registrant or practitioner who is authorized to possess controlled substances or has access to controlled substances by virtue of his employment to embezzle or fraudulently or knowingly and willfully misapply or divert to his own use or other unauthorized or illegal use or to take, make away with, or secrete, with intent to embezzle or fraudulently or knowingly and willfully misapply or divert to his own use or other unauthorized or illegal use, any controlled substance which shall have come into his possession or under his care. The previous edition made all intentional violations of the statute a Class G felony.

Summary date: Jun 13 2013


SL 2013-91

ESTATES/TRUSTS/GUARDIANSHIP AMENDMENTS.

Bill S 279

Summary date: Mar 13 2013

Section 1a

Amends GS 28A-13-3 (Powers of a personal representative or fiduciary) by adding a new subsection, GS 28A-13-3(a34), providing a personal representative the authority to access, take control of, handle,
conduct, continue, distribute, dispose of, or terminate any digital assets, as defined in GS 28A-13-11(d)(3), and digital accounts owned by the decedent, as defined in GS 28A-13-11(d)(2).

Section 1b, 1d, 1g, 1j

Enacts the following new statutes: GS 28A-13-11 (Access to digital assets and accounts by personal representative), GS 32-29 (Access to digital assets and accounts by fiduciary), GS 32A-4 (Access to digital assets and accounts by attorney-in-fact), and GS 35A-1254 (Access to digital assets and accounts by guardian of the estate). Each new section grants authority to the respective personal representative, fiduciary, attorney-in-fact, or guardian of the estate (representative) to access any digital account of the decedent operated by the custodian and copies of any digital assets of the decedent stored by the custodian after issuing the custodian either (1) a written request for access to digital accounts and digital assets from the representative, along with a copy of the death certificate and a copy of the representative's testamentary letter or letters of administration or (2) an order from the clerk of superior court or probate court that has jurisdiction over the decedent's estate.

Prohibits custodians from destroying, disabling, or disposing of any digital accounts or digital assets for two years after receiving either one of the above requests or orders. Does not provide authority for custodian to grant access to digital accounts or assets that are in violation of federal law or to which the decedent or settlor would not have been given access in the ordinary course of business by the custodian.

Provides definitions that apply in the new subsections, including definitions for custodian, digital accounts, and digital assets.

Section 1c

Amends GS 32-27 (Powers which may be incorporated by reference in trust instrument), providing that the authority to access, take control of, handle, conduct, continue, distribute, dispose of, or terminate any digital assets, defined in GS 32-29(d)(3), or digital accounts, defined in GS 32-29(d)(2), can be incorporated by reference as provided in GS 32-26.

Section 1e

Amends GS 32A-1 (Statutory Short Form of General Power of Attorney), making conforming changes and adding "digital assets and accounts" to the list of authorities an attorney-in-fact can be granted.

Section 1f

Amends GS 32A-2 (Powers conferred by the Statutory Short Form Power of Attorney set out in GS 32A-1), by adding a new subsection GS 32A-2(18), providing a named attorney-in-fact the authority to access, take control of, handle, conduct, continue, distribute, dispose of, or terminate any digital assets, as defined in GS 32A-4(d)(3), and digital accounts, as defined in GS 32A-4(d)(2), owned by the decedent.

Section 1h
Amends GS 35A-1251 (Guardian's powers in administering incompetent ward's estate) by creating a new subsection GS 35A-1251(25), providing a general guardian or guardian of the estate of an incompetent ward the authority to access, take control of, handle, conduct, continue, distribute, dispose of, or terminate any digital assets, as defined in GS 35A-1254(d)(3), and digital accounts, as defined in GS 35A-1254(d)(2), owned by the ward.

Section 1i

Amends GS 35A-1252 (Guardian's powers in administering minor ward's estate), by creating a new subsection GS 35A-1252(18), providing a general guardian or guardian of the estate of a minor ward the authority to access, take control of, handle, conduct, continue, distribute, dispose of, or terminate any digital assets, as defined in GS 35A-1254(d)(3), and digital accounts, as defined in GS 35A-1254(d)(2), owned by the ward, but, absent a court order with respect to a minor, authority is no greater than the power of a natural guardian.

Section 1k

Amends GS 36C-8-816 (Specific powers of a trustee), by creating a new subsection GS 36C-8-816(33), providing that a trustee can access, take control of, handle, conduct, continue, distribute, dispose of, or terminate any digital assets and digital accounts held as part of the trust property or received as trust property from a settlor or any other person.

Section 2a

Amends GS 28A-29-1 (Notice to creditors without estate administration), expanding the areas and circumstances when a person qualified to serve as a personal representative of an estate or a trustee, serving under a revocable trust, can file a petition to be appointed as a limited personal representative for the purpose of providing notice to creditors without administration of an estate.

Section 2b

Amends GS 28A-29-2(a), expanding the requirements of an affidavit filed for appointment as limited personal representative. Requires an affidavit to also state the following:

(1) Decedent left no personal property subject to probate and no real property to the personal representative.

(2) Decedent's estate is being administered by collection by affidavit.

(3) Estate is being administered under the summary administration provisions.

(4) Estate consists solely of a motor vehicle that can be transferred according to GS 20-77(b).

(5) Decedent left assets that can be treated as assets of an estate as in GS 28A-15-10.

Section 2c
Amends GS 30-3.1 (Right of elective share), changing the amounts and applicable share of total net assets that are awarded as follows:

(1) if the surviving spouse was married to the decedent for less than five years, 15% of the total net assets (was, if not survived by any lineal descendants, one half)

(2) if the surviving spouse was married to the decedent for at least 5 years but less than 10 years, 25% of the total net assets (was, if survived by one child or lineal descendants of one deceased child, one half)

(3) if the surviving spouse was married to the decedent for at least 10 years but less than 15 years, 33% of the total net assets (was, if survived by two or more children, or by one or more children and by lineal descendants of one or more deceased children, or by lineal descendants of two or more deceased children, one third)

(4) if the surviving spouse was married to the decedent for 15 years or more, 50% of the total net assets

Deletes the "Reduction of Applicable Share" clause, which reduced a surviving spouse's elective share where they are the second or successive spouse and the decedent had at least one lineal descendant as described.

Section 2d

Amends GS 30-31 (Amount of Allowance), to provide that attorneys' fees and costs awarded to the petitioner under GS 6-21 will be paid as an administrative expense of the estate.

Section 2e

Amends GS 31-11.6 (How attested wills may be made self-proved), making technical changes. Provides that wills executed in another state and self-proved per that state's laws are considered self-proved; the same occurs for a will that appears on its face to be executed, attested, or notarized under another state's laws. Military testamentary instruments executed in accordance with 10 USC 1044d(d) are considered self-proved.

Section 2f

Amends GS 31-46 (Validity of will; which laws govern), to expand the ways in which a will is considered valid, including, complies with the laws of the place where it was executed, complied with the laws of the place where the testator was domiciled, or is a military instrument executed correctly, according to applicable law.

Section 2g

Amends GS 28A-2A-17 (Certified copy of will of nonresident recorded), to provide that for a copy of a will to pass title according to laws at the time of its execution or at the time of the testator's death, or as otherwise recognized as valid under GS 31-46, must appear affirmatively.

Section 3a
Enacts new GS 36C-1-114 (*Insurable Interest of Trustee*), providing that the trustee has an insurable interest in the life of an individual insured by a life insurance policy that is trust property if the insured at the date of issuance is the settlor of the trust or an individual in whom a settlor of the trust has an insurable interest and the proceeds from the policy are for the benefit of one or more trust beneficiaries who have an insurable interest in the life of the insured.

**Section 3b**

Amends GS 36C-5-505(c) to define a settlor’s spouse.

**Section 3c**

Amends GS 36C-8-816.1, making clarifying changes and deleting the rule of perpetuities and suspension of power of alienation from the provisions to which the power of appointment is subject.

**Section 4a**

Amends GS 1C-1601(a), expanding the areas that are free of enforcement from claims of creditors to include any money or assets in a retirement plan after an individual’s death if held by one or more subsequent beneficiaries by direct transfer or eligible rollover that are excluded from gross income under the Internal Revenue Code (IRC), including a direct transfer or eligible rollover to an inherited individual retirement account as defined in section 408(d)(3) of the IRC.

**Section 4b**

Amends GS 32-72(d), making technical and clarifying changes. Clarifies the duties and liabilities of a fiduciary. Provides that if the terms of an instrument confer power and authority to a person other than the fiduciary, the fiduciary is not liable for losses resulting directly or indirectly from the exercise or nonexercise of that power.

Makes clarifying and technical changes.

**Section 4c**

Amends GS 35A-1336.1 (*Prerequisites to approval by judge of gifts to individuals*), clarifying a requirement for a judge to approve a gift from income. Provides in GS 35A-1336.1(2)c., one option for approval, that the gift qualify for either the federal annual gift tax exclusion or is a qualified transfer for tuition or medical expenses when the donee is the spouse, parent, descendent of the incompetent, or descendent of the incompetent’s parent.

**Section 4d**

Amends GS 35A-1341.1 (*Prerequisites to approval by judge of gifts to individuals*), making the same changes as above in Section 4c, except that it applies to gifts from principal to individuals.

**Section 4e**
Amends GS 35A-1251 (Guardian’s powers in administering incompetent ward’s estate), providing that in GS 35A-1251(24) a guardian cannot alter the designation of beneficiaries to receive property at the time of the ward’s death under the existing estate plan, but may incorporate tax planning or public benefits planning into the ward’s existing estate plan, including leaving beneficial interests in trust rather than outright.

Effective date

Section 1 and 2c become effective October 1, 2013, and apply to estates of decedents dying on or after that date. The remainder is effective when it becomes law. Section 4(a) applies to all inherited individual retirement accounts without regard to the date an account was created.

Summary date: Apr 30 2013

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

Deletes all of the provisions of Part I which provided for the protection of rights to digital assets.

Amends GS 28A-18-2(a), wrongful death statute, to provide that all claims filed for the decedents’ reasonable hospital, medical, and burial expenses are subject to the approval of the clerk of the superior court (was, all claims filed for hospital and medical expenses shall be approved by the clerk of the superior court). Makes a technical correction.

Amends GS 31-11.6, regarding how wills may be attested, to provide that any will executed in another state and shown by the executor offering the will for probate to have been made self-proved under the laws of that state is considered as self-proved. Deletes language providing that there is a rebuttable presumption that a will executed in another state is self-proving if on its face, the document appears to be a will executed, attested, and notarized under the laws of another state.

Amends GS 36C-8-816(16) to provide that the specific powers of a trustee includes exercising elections concerning taxes including considering discretionary distributions to a beneficiary as being made from capital gains received during the year.

Makes changes to the North Carolina Investment Advisers Act. Amends GS 78C-2(1)k to provide that the term "investment adviser" does not apply to any person not included in the definition of investment adviser under the federal Investment Advisers Act of 1940 or any rule or regulation declared under that act. Amends GS 78C-8(d) to provide that subdivision (c)(1) of this section, making it unlawful for an investment adviser to contract as an investment adviser without the inclusion of certain specifications regarding compensation in the terms of the contract, does not apply to any person who is exempt from registration under GS 78C-16(a)(4) or to the performance, renewal, or extension of any advisory contract entered into by an investment adviser at a time when the investment adviser was exempt from registration under GS 78C-16(a)(4). Amends GS 78C-16 to provide that it is unlawful for any person to transact business in this state as investment adviser unless the person has, during the preceding 12 months, had fewer than 15 clients, and has not presented himself or herself generally to the public as an investment adviser nor acted as an investment adviser to any investment company registered under the
Investment Company Act of 1940, or a company that has elected to be a business development company under section 54 of the Investment Company Act of 1940.

**Summary date:** Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO UPDATE AND CLARIFY PROVISIONS OF THE LAWS GOVERNING ESTATES, TRUSTS, GUARDIANSHIPS, POWERS OF ATTORNEY, AND OTHER FIDUCIARIES. Enacted June 12, 2013. Section 1(d) is effective October 1, 2013. The remainder is effective June 12, 2013. Section 3(a) applies to all inherited individual retirement accounts without regard to the date an account was created.

**SL 2013-92**

**PREVENT PAY FOR WEIGHT EXCEEDING ALLOWANCE.**

*Bill S 433*

**Summary date:** Mar 26 2013

Amends GS 20-88(m), dealing with property-hauling vehicles, to require vehicles weighing more than the gross weight limits in GS 20-118(b)(3) to be registered for the maximum weight allowed for the vehicle configuration.

**Summary date:** Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO PREVENT CERTAIN PROPERTY-CARRYING VEHICLES FROM PAYING FOR A DECLARED WEIGHT THAT EXCEEDS THE STATUTORY ALLOWANCE. Enacted June 12, 2013. Effective June 12, 2013.

**SL 2013-93**

**NO SS# REQ/ABSOLUTE DIVORCE.**

*Bill H 114*

**Summary date:** Feb 14 2013

Amends GS 50-8, deleting the requirement for the inclusion of social security numbers for parents of minor children in complaints or judgments in actions for absolute divorce.

**Summary date:** Feb 27 2013

House committee substitute makes the following changes to the 1st edition.
Changes short and long titles to more accurately reflect the content of the bill.

**Summary date:** Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO NO LONGER REQUIRE THAT A COMPLAINT OR JUDGMENT FOR ABSOLUTE DIVORCE CONTAIN THE SOCIAL SECURITY NUMBER OF A PARTY. Enacted June 12, 2013. Effective June 12, 2013.

**SL 2013-94**

**REMOVE ROUTE RESTRICTION FOR NC 540 LOOP.**

**Bill H 10**

**Summary date:** Jan 30 2013

Amends GS 136-89.183(a)(2)a. to provide as title indicates, removing the restriction on the Southeast Extension portion of the Triangle Expressway. Directs the Department of Transportation to expedite the federal environmental impact statement process for the Southeast Extension, and directs the Joint Legislative Transportation oversight Committee to monitor progress.

**Summary date:** Mar 6 2013

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

Amends GS 136-89.183 to remove the following projects from those that the Turnpike Authority is authorized to design, establish, purchase, construct, operate, and maintain: (1) Gaston East-West Connector (Garden Parkway), (2) Cape Fear Skyway, and (3) bridge more than two miles long going from the mainland to a peninsula bordering Virginia. Makes conforming changes. Amends GS 136-176 to remove the funds appropriated for the Mid-Currituck Bridge and the Garden Parkway. Amends GS 105-187.9 to increase the amount of funds that are to be transferred to the Mobility Fund by a corresponding amount. Makes conforming changes to the act's long title.

**Summary date:** Mar 7 2013

Senate Amendment #2 makes the following changes to the 2nd edition.

Amends the long title to reflect the bill content.

Amends GS 136-89.183(a)(2) to authorize the Turnpike Authority (Authority) to study, plan, develop, and undertake preliminary design work on up to eight (was, reduced from eight to five in 2nd edition) Turnpike Projects.

Requires prior consultation with the Joint Legislative Commission on Governmental Operations regarding any projects proposed by the Authority in addition to those listed in (a)(2). Provides that with
the exception of the projects identified in sub-subdivisions a. and c. of subdivision (2) of GS 136-89.183, before the letting of a contract, any Turnpike Project selected for construction by the Authority has to be eligible for funding under GS 136-188 (the Mobility Fund) or subject to GS 136-18(42) (prioritization process for selecting projects) in addition to meeting the other listed requirements.

Deletes amendments to GS 136-176(b2), which decreased the annual appropriation to the Authority from the Highway Trust Fund. Also deletes changes to GS 105-187.9, which increased the amount each fiscal year transferred from the taxes deposited in the Highway Trust Fund to the Mobility Fund.

Summary date: May 29 2013

The conference report makes the following changes to the 3rd edition. Deletes the proposed changes to GS 136-89.183(a) which removed authorization for several Turnpike Projects and amended the process for selecting other projects. Instead amends GS 136-89.183(a)(2)a. to authorize the Turnpike Authority to design, establish, purchase, construct, operate, and maintain the Triangle Expressway, including portions known as the NC 540 Triangle Parkway and the Western Wake Freeway in Wake and Durham Counties (deleting the Southeast Extension and the specified limitations on the location of the extension from the current law). Provides that these segments make up three projects. Adds that the act is effective only if House Bill 817 (Strategic Transportation Investments) becomes law.

Summary date: Jun 24 2013


SL 2013-95

AMEND FELONY BREAKING OR ENTERING.

Bill H 25

Summary date: Jan 30 2013

Adds new subsection (a1) to GS 14-54, making any person breaking or entering any building with intent to terrorize or injure an occupant guilty of a Class H felony. Applies to offenses committed on or after December 1, 2013.

Summary date: Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO AMEND THE FELONY OFFENSE OF BREAKING OR ENTERING. Enacted June 12, 2013. Effective December 1, 2013.
SL 2013-96

PUBLIC AGENCY COMPUTER CODE NOT PUBLIC RECORD.

Bill H 125

Summary date: Feb 19 2013

Amends GS 132-1.1 to provide that proprietary computer code written by a North Carolina government agency or its subdivision for use by a state agency or its subdivision is not a public record as defined in GS 132-1.

Provides that this act is effective when it becomes law and applies to public records existing before, on, or after that date.

Summary date: Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO CLARIFY THAT CERTAIN TYPES OF PROPRIETARY COMPUTER CODE ARE NOT A PUBLIC RECORD. Enacted June 12, 2013. Effective June 12, 2013, and applies to public records existing before, on, or after that date.

SL 2013-97

PROVIDE ACCESS TO CAMPUS POLICE RECORDS.

Bill H 142

Summary date: Feb 21 2013

Adds a new section to the Campus Police Act (GS Chapter 75G) governing custody and disclosure of records maintained by campus police agencies of institutions of higher education certified under the Act. New GS 74G-5a specifies that each such certified agency is the legal custodian of its records and that the records maintained by private, nonprofit institutions are not public records under the state's Public Records Law. Specifies further that certain information maintained by certified campus police agencies is to be available for public inspection: (a) time, date, location, and nature of a violation of law reported to the agency; (b) name, sex, age, address, employment, and alleged violation of a person arrested, charged, or indicted; (c) circumstances surrounding an arrest, including time and place, resistance, weapons, or pursuit; (d) contents of emergency calls, not including the voice and certain identifying information of the caller; (e) contents of communications between employees of the agency broadcast over the public airways; (f) name, sex, age, and address of a complaining witness; and (g) the agency’s daily log of crimes. Release of this information is subject to restrictions found in the federal Cleary Campus Crime Act and the federal Family Educational Rights and Privacy Act. Copies of this information are to be made available upon payment of the actual costs of copying. Information concerning a complaining witness may be withheld if disclosure could endanger the witness or
materially compromise the criminal investigation. Such withholding may be challenged in superior court. An agency may seek a court order permitting nondisclosure if disclosure would jeopardize the prosecution of the matter or the ability of the defendant to provide a proper defense. Provides that information that would not be required to be disclosed under GS Chapter 15A (the Criminal Procedure Act) need not be disclosed and that information that would identify a confidential informant need not be disclosed.

Summary date: Jun 17 2013

House committee substitute makes the following changes to the 1st edition. Adds definitions for violations of the law and complaining witness. Makes conforming technical changes.

Summary date: Jun 17 2013

A BILL TO BE ENTITLED AN ACT TO PROVIDE PUBLIC ACCESS TO CERTAIN INFORMATION MAINTAINED BY CAMPUS POLICE AGENCIES AFFILIATED WITH PRIVATE, NONPROFIT INSTITUTIONS OF HIGHER EDUCATION. Enacted June 12, 2013. Effective June 12, 2013.

SL 2013-98

CLARIFYING CHANGES/ENGINEERS/SURVEYORS LAWS.

Bill H 301

Summary date: Mar 13 2013

Identical to S 281, filed 3/13/13.

Amends GS 89C-3, GS 89C-13, and GS 89C-15(b) to make clarifying changes as the title indicates.

Summary date: Apr 10 2013

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

Amends GS 89C-13 regarding the education requirements for an engineer applicant to delete the provision that the education requirement may be met by being a student who is graduating within two semesters, or the equivalent, of the semester in which the fundamentals of engineering examination is administered. Requires that three (was, two) of the five character references submitted by an applicant for licensing as a professional engineer must be professional engineers or individuals who are acceptable to the Board with personal knowledge of the applicant’s engineering experience.

Modifies the education requirements to be certified as a land surveyor intern to delete provision allowing an applicant to be certified as a land surveyor intern by meeting the requirements of subdivision (1) of GS 89C-13(b) providing that the applicant is otherwise qualified. Requires that three (was, two) of the five character references submitted by an applicant for licensing as a professional land
surveyor must be professional land surveyors or individuals acceptable to the Board, with personal knowledge of the individual's surveying experience.

Provides criteria for applicants seeking licensing in mapping science. Provides that any person performing activities described in GS 89C-3(7)a.2. and 7. with at minimum seven years of experience in performing mapping science surveys and with two or more years of responsibility for mapping science projects meeting the requirements of 21 NCAC 56.1608, is to be licensed upon application as a surveyor in the area of mapping science providing that the applicant has (1) a high school diploma, GED, or higher, (2) proof of employment in mapping science within this state, (3) proof of completion of five mapping science projects completed within the state, and (4) references as required. Requires that the application for licensing in performing mapping science surveys be submitted to the Board by July 1, 2014. Provides that subsequent to July 1, 2014, there will be no licensing of individuals performing surveys as described in 21 NCAC 56.1608 without those individuals meeting the same requirements as to education, length of service, and testing required of all land surveying applicants.

Amends the bill title.

Summary date: Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO MAKE CLARIFYING CHANGES TO THE LAWS REGULATING ENGINEERS AND LAND SURVEYORS AND TO WAIVE THE EXAMINATION REQUIREMENT FOR GIS PRACTITIONERS WITH CERTAIN EXPERIENCE UNTIL JULY 1, 2014. Enacted June 12, 2013. Effective June 12, 2013.

SL 2013-99

BD. OF AGRICULTURE FORESTRY/NURSERY APPTS.-AB

Bill H 368

Summary date: Mar 20 2013

Amends GS 106-2, concerning the Board of Agriculture (Board), to add to the Board's membership (1) one member actively involved in forestry and (2) one member actively involved in the nursery business. Makes a technical change. Applies to appointments made to the Board on or after July 1, 2013.

Summary date: Apr 9 2013

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

Makes technical changes.

Provides that members of the Board of Agriculture are to be appointed by the Governor, with the consent of the Senate.
Requires, in addition to the other specified members of the Board, that one member be appointed that is a practicing fruit or vegetable farmer.

Provides that the terms of the members will be for six years. Makes technical and conforming changes.

**Summary date:** Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO PROVIDE REPRESENTATION OF FORESTRY AND NURSERY INTERESTS ON THE BOARD OF AGRICULTURE. Enacted June 12, 2013. Effective July 1, 2013.

**SL 2013-100**

**TROPHY WILDLIFE SALE PERMIT.**

**Bill H 581**

**Summary date:** Apr 4 2013

As title indicates.

**Summary date:** Apr 30 2013

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

Directs the Wildlife Resources Commission (WRC) to adopt rules to implement the Trophy Wildlife Permit issued under GS 113-274(c)(3a). Deletes changes to GS 113-274(c)(3a) from the first edition, which provided that the WRC did not have to adopt rules prior to issuing Trophy Wildlife Permits.

Changes the title to reflect the changes to the bill content.

**Summary date:** Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO DIRECT THE WILDLIFE RESOURCES COMMISSION TO ADOPT RULES TO IMPLEMENT THE TROPHY WILDLIFE SALE PERMIT. Enacted June 12, 2013. Effective June 12, 2013.

**SL 2013-101**

**JUSTICE REINVESTMENT TECHNICAL CORRECTIONS.-AB**

**Bill H 361**

**Summary date:** Mar 19 2013

Amends GS 15A-1343(b)(3a), providing that a defendant must not abscond, willfully avoiding supervision or by willfully making the defendant's whereabouts unknown to the supervising probation officer, if the
defendant is placed on supervised probation (previously, no requirement of being on supervised probation).

Amends GS 15-205, deleting the requirement that a person on probation be taken, within 30 days, to the local prison unit to appreciate the consequences of probation revocation.

Amends GS 15A-1344(d2) and 15A-1340.17(e) making clarifying and technical changes.

Repeals GS 143B-1159, the North Carolina Sentencing and Policy Advisory Commission Report. Also repeals GS 15A-1368.4(e)(14) listing submitting to supervision under the Intensive Post-Release Suspension Program as a controlling condition, the violation of which may have resulted in revocation of post-release supervision.

Section 6 of this act, amending the sentencing grid for B1 through Class E felonies, is effective October 1, 2013, and applies to offenses committed on or after that date.

Summary date: Apr 4 2013

House committee substitute makes a technical change to the 1st edition.

Summary date: Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO MAKE TECHNICAL AND CLARIFYING CHANGES TO THE JUSTICE REINVESTMENT ACT OF 2011. Enacted June 12, 2013. Section 6 is effective October 1, 2013. The remainder is effective June 12, 2013.

SL 2013-102

AMEND GRAIN DEALER LICENSING LAWS.-AB

Bill H 383

Summary date: Mar 20 2013

Amends GS 106-604 to increase the amount of the bond that must accompany a grain dealer license application from $10,000 to $100,000. Amends GS 106-610 to expand the reasons for refusing to grant or renew or for revoking or suspending a grain dealer license to include evidence that (1) the applicant has acted or held him- or herself out as a grain dealer without first having obtained a license or (2) the dealer or applicant has violated any provision of Article 53 (grain dealers) or rules adopted under the Article. Amends GS 106-611 to prohibit a person whose actions lead to the suspension or revocation of a grain dealer's license from working for a grain dealer in any capacity that involves buying or selling grain or handling payments for grain.

Summary date: Apr 3 2013
House committee substitute to the 1st edition makes the following changes. Amends GS 106-610 to also allow the Commissioner the power of refusal, suspension, or revocation of a license when the dealer has hired a person who has been convicted of a crime involving fraud, deceit, or misrepresentation in any capacity involving the buying or selling of grain or the handling of payments for grain. Make clarifying changes. Deletes the amendment to GS 106-611 which prohibited a person whose actions led to suspension or revocation of a grain dealer’s license from working from a dealer in a specified capacity. Makes a conforming change to the act's long title. Changes the act’s effective date to October 1, 2013.

**Summary date:** Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO AMEND THE GRAIN DEALER LICENSING ACT TO INCREASE THE BONDING AMOUNT THAT MUST ACCOMPANY LICENSE APPLICATIONS AND TO SPECIFY ADDITIONAL GROUNDS FOR LICENSE REFUSAL OR REVOCATION. Enacted June 12, 2013. Effective October 1, 2013.

**SL 2013-103**

**AMEND DEFINITIONS/PROPERTY CLASSIF./EQU. DIST.**

**Bill H 384**

**Summary date:** Mar 20 2013

Amends the definition of marital property (GS 50-20(b)) to provide that it is a presumption, rebuttable by the greater weight of the evidence, that all real property creating a tenancy by the entirety, and acquired after the date of marriage and before the date the couple separates, is marital property. Also amends the definition of divisible property to clarify that the term means passive increases and passive decreases in marital debt and financing charges and interest related to marital debt under equitable distribution laws.

**Summary date:** Apr 4 2013

House amendment to the 1st edition makes the following change. Changes the effective date from when the act becomes law to October 1, 2013.

**Summary date:** Jun 13 2013

A BILL TO BE ENTITLED AN ACT AMENDING THE DEFINITION OF MARITAL PROPERTY TO PROVIDE THAT ENTIRETIES PROPERTY IS SUBJECT TO THE SAME BURDEN OF PROOF IN REBUTTING THE PRESUMPTION AS ALL PROPERTY CLASSIFIED AS MARITAL PROPERTY AND AMENDING THE DEFINITION OF DIVISIBLE PROPERTY TO CLARIFY THAT INCREASES AND DECREASES IN MARITAL DEBT MEANS PASSIVE INCREASES AND PASSIVE DECREASES IN MARITAL DEBT UNDER THE LAWS PERTAINING TO EQUITABLE DISTRIBUTION. Enacted June 12, 2013. Effective October 1, 2013.
SL 2013-104

TRUSTEE-ATTY FEE/FORECLOSURES/CLERK APPROVAL.

Bill H 407

Summary date: Mar 21 2013

Amends GS 45-21.31 to allow the clerk of superior court in the county where a sale has been held to allow reasonable counsel fees to an attorney serving as a trustee where the attorney, on behalf of the trustee, renders services as an attorney that are different from the services normally performed by a trustee and of a type which would reasonably justify the retention of legal counsel by a trustee who is not licensed to practice law.

Summary date: Apr 10 2013

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

Amends GS 45-21.31(a1), providing that counsel fees are presumed reasonable if in compliance with GS 6-21.2(1) and (2). Allows the clerk of superior court to deem higher fees reasonable.

Summary date: Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO AUTHORIZE CLERKS OF SUPERIOR COURT TO DETERMINE THE REASONABLENESS OF COUNSEL FEES PAID TO AN ATTORNEY SERVING AS A TRUSTEE IN A POWER OF SALE FORECLOSURE PROCEEDING. Enacted June 12, 2013. Effective June 12, 2013.

SL 2013-105

NO DRINKING IN EMS & LAW ENFORCEMENT VEHICLES.

Bill H 532

Summary date: Apr 2 2013

As title indicates.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date.

Summary date: May 2 2013

House committee substitute to the 1st edition makes the following changes. Amends GS 20-138.2B to also make it a crime to operate a firefighting vehicle on any highway, street, or public vehicular area while consuming alcohol or while alcohol remains in the person's body. Adds the provision that statute does not apply to law enforcement officers acting in the course of and within the scope of their official duties. Makes conforming changes to the act's title.
Summary date: Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO MAKE IT A CRIME TO OPERATE AN AMBULANCE, EMS VEHICLE, FIREFIGHTING VEHICLE, OR LAW ENFORCEMENT VEHICLE UPON ANY HIGHWAY, STREET, OR PUBLIC VEHICULAR AREA WITHIN THE STATE WHILE CONSUMING ALCOHOL OR WHILE ALCOHOL REMAINS IN THE PERSON'S BODY. Enacted June 12, 2013. Effective December 1, 2013.

SL 2013-106

WATER UTILITY RECOVERY.

Bill H 710

Summary date: Apr 10 2013

Enacts new GS 62-133.1 to require the Utilities Commission (Commission) to allow a water or sewer public utility to adjust its rates to reflect changes in costs based solely upon changes in the rates imposed by third-party suppliers of purchased water or sewer service. Requires the Commission to issue an order approving, denying, or approving with modifications a requested rate adjustment within 60 days of the date of filing of a completed petition, unless that time is for good cause extended up to a maximum of 90 days.

Enacts new GS 62-133.12 to allow the Commission to approve a rate adjustment mechanism in a general rate proceeding to allow a water or sewer public utility to recover through a system improvement charge the incremental depreciation expense and capital costs associated with the utility's reasonable and prudently incurred investment in eligible water and sewer system improvements. The adjustment mechanism may be approved only upon a finding that the mechanism is in the public interest and allows for the elimination or modification of the rate adjustment mechanism if it finds that it is not in the public interest. Defines eligible water system improvements and eligible sewer system improvements. Caps cumulative system improvement charges for a water or sewer utility pursuant to a rate adjustment mechanism at 5% of the total annual service revenues approved by the Commission in the water or sewer utility's last general rate case.

Summary date: May 9 2013

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

Makes technical changes.

Amends GS 62-133.13, defining eligible sewer system improvements to mean: (1) collection main extensions installed to implement solutions to wastewater problems, (2) improvements necessary to reduce inflow and infiltration to the collection system to comply with applicable laws and regulations, (3) unreimbursed costs of relocating facilities due to highway construction or relocation projects, and (4) mechanical equipment installed as in-kind replacements for customers.
Summary date: May 14 2013

House amendment makes the following change to the 2nd edition:

Makes technical change to the bill title by substituting the word "utilities" for the word "authorities."

Summary date: Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO PERMIT WATER UTILITIES TO ADJUST RATES FOR CHANGES IN COSTS BASED ON THIRD-PARTY RATES AND TO AUTHORIZE THE UTILITIES COMMISSION TO APPROVE A RATE ADJUSTMENT MECHANISM FOR WATER AND SEWER UTILITIES TO RECOVER COSTS FOR WATER AND SEWER SYSTEM IMPROVEMENTS. Enacted June 12, 2013. Effective June 12, 2013.

SL 2013-107

WATER/SEWER AUTHORITY/RATE FLEXIBILITY.

Bill H 788

Summary date: Apr 12 2013

As title indicates.

Summary date: Apr 25 2013

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

Amends GS 162A-6, Powers of authority generally, allowing county water and sewer authorities to set rates, fees, and other charges by authorizing them to set rates for water stored by the authority through programs to store and protect water resources (previous edition provided for authority over flexible rates for water stored by the authority). Adds clarifying language that provides schedules of rates, fees, and other charges may vary according to the different classes of service for programs to store and protect water resources.

Summary date: Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO AMEND THE STATUTE GOVERNING THE POWERS OF WATER AND SEWER AUTHORITIES TO ALLOW THE AUTHORITY TO SET RATES FOR WATER RESOURCES STORAGE OR PROTECTION PROGRAMS. Enacted June 12, 2013. Effective June 12, 2013.

SL 2013-108

USTS ELIGIBLE FOR BROWNFIELDS.
**Bill H 789**

**Summary date:** Apr 12 2013

Amends GS 130A-310.31, *(Definitions)*, deleting references to GS Chapter 143, Article 21A, Part 2A, *(Leaking Petroleum Underground Storage Tank Cleanup)*, found in the definitions for *Brownfields property* and *regulated substance*. This deletion qualifies properties or sites for the NC Brownfields Program that were previously disqualified.

Directs the Department of Environment and Natural Resources to report to the Environmental Review Commission no later than April 1, 2014, regarding the impact of this act on the Brownfields Property Reuse program and the Leaking Petroleum Underground Storage Tank Cleanup Program.

Effective July 1, 2013.

**Summary date:** Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO CLARIFY THAT THE PRESENCE OF A SUBSTANCE RELEASED FROM AN UNDERGROUND STORAGE TANK DOES NOT DISQUALIFY A PROPERTY FROM PARTICIPATION IN THE NORTH CAROLINA BROWNFIELDS PROGRAM. Enacted June 12, 2013. Effective July 1, 2013.

**SL 2013-109**

**BAN SYNTHETIC CANNABINOIDs.**

**Bill H 813**

**Summary date:** Apr 11 2013

Identical to H 685, filed 4/9/13.

Enacts new GS 90-94.1 prohibiting the manufacture, possession, sale, use, and delivery of certain imitation controlled substances. Defines *imitation controlled substance* to mean a pill, capsule, tablet, or substance in any form that (1) is not a controlled substance as enumerated in Article 5 of GS Chapter 90 but purports to act like a controlled substance and (2) the chemical structure is a derivative of or substantially similar to the chemical structure of a controlled substance.

Makes it a Class H felony to knowingly manufacture; deliver; sell; import into or export from a state; or possess with intent to sell, deliver, or manufacture an imitation controlled substance.

Subsection (c) makes it a Class 1 misdemeanor to ingest in any way an imitation controlled substance for the purposes of causing a condition of intoxication, inebriation, elation, dizziness, excitement, stupefaction, paralysis, or the dulling of the brain or nervous system or disturbing or distorting of the audio or vision processes. Provides that it is also a Class 1 misdemeanor to use or possess for the purpose of using an imitation controlled substance for the purpose of violating subsection (c).
In addition to all other relevant factors, considerations in determining whether or not a substance qualifies as an "imitation controlled substance" will include comparisons with accepted methods of marketing for legitimate nonprescription drugs for medicinal purposes rather than for drug abuse or any similar nonmedical use. Determining a person's intent to manufacture, sell, give, or distribute an imitation controlled substance may be inferred from a demand of money or other property in exchange for the substance, the proposed cost of the substance in relation to its normal market value, change in the composition of the substance, as well as other relevant evidence.

Effective December 1, 2013, and applies to offenses committed on or after that date. Provides that prosecutions for offenses committed prior to the effective date of this act are not abated nor affected by this act and that statutes applicable except for this act remain applicable to those prosecutions.

Summary date: May 8 2013

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

Changes the short and long titles.

Deletes the repeal of GS 90-94(3).

Deletes proposed new section GS 90-94.1, Imitation controlled substances: prohibitions.

Amends GS 90-94, Schedule VI controlled substances, changing the description of synthetic cannabinoids, providing that it is considered to be any quantity of any synthetic chemical compound that is (1) a cannabinoid receptor agonist and mimics the pharmacological effect of naturally occurring substances or (2) has a stimulant, depressant, or hallucinogenic effect on the central nervous system that is not listed as a controlled substance in Schedule I through V and is not an FDA-approved drug. Synthetic cannabinoids include, but are not limited to, the substances listed in subdivisions (a) through (j) of this subdivision. Provides further examples of substances deemed to be synthetic cannabinoids as well as chemical compounds that constitute a synthetic cannabinoid on their own.

Changes the effective date to July 1, 2013 (was, December 1, 2013).

Summary date: Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO MAKE THE MANUFACTURE, POSSESSION, SALE, USE, AND DELIVERY OF ALL SYNTHETIC CANNABINOIDS UNLAWFUL. Enacted June 12, 2013. Effective July 1, 2013.

SL 2013-110

WAKE COUNTY SCHOOL BOARD DISTRICTS.

Bill S 325

Summary date: Mar 13 2013
Amends SL 1975-717, Section 7, as amended, to require the election of nine members of the Wake County Board of Education (Board), beginning in 2014, by the nonpartisan election and runoff election method according to GS 163-293 and GS 163-294.2, except only persons registered to vote in the district are permitted to file notice of candidacy in that district. Requires the election to be held to coincide with the primary election with a runoff election held to coincide with the statutorily set time for a second primary. Requires seven members to be elected from numbered districts for a term of four years, beginning in 2014. Requires that two members be elected from lettered districts to two year terms in 2014, with members elected from the lettered districts serving four year terms starting in 2016.

Amends SL 1975-717, Section 6, as amended, to provide that all terms of office of Board members begin on the Monday in July (was, December), following their election and creates an exception for when a runoff election is required, in which case, the term beginning on the first Monday of the month following the runoff.

Repeals SL 1975-717, Section 5, as amended (establishing voting districts for the purpose of nominating and electing a school board member from each district).

Adds a new section to SL 1975-717 establishing and describing districts 1-7 and A-B. Allows district boundaries to be changed by the Board beginning in 2021 to account for population imbalances after each federal census.

Repeals SL 1975-717, Section 8 (requiring every two years that Board vacancies be filled by nomination and election as the terms of the members expire and that members so elected are to hold office for six year terms).

Prohibits elections from being held in 2013 for the board and provides that the terms of office for Districts 1, 2, 7, and 9 are extended until the first Monday of July 2014. The terms of all other Board members expire on the first Monday of July 2014 and are filled according to the act.

**Summary date:** Apr 17 2013

Senate committee substitute to the 1st edition makes the following changes. Extends the effective dates stated throughout the provisions of the act to 2016 (was, 2014). Deletes the proposed language in SL 1975-717, Section 7, that extended terms to four years.

Provides that an election is to be held in 2013 (was, no election in 2013) for the Wake County Board of Education for Districts 1, 2, 7, and 9, but those elected serve terms to expire on the first Monday in July of 2016. The districts for such election are those established in 2011 by the Wake County Board of Education under GS 115C-37(i). The terms of members of the Wake County Board of Education elected in 2011 are extended to expire on the first Monday in July of 2016. Provides that no election for members of the Wake County Board of Education is to take place in 2015.

**Summary date:** Jun 3 2013

House committee substitute makes the following changes to the 2nd edition.
Provides that those elected to serve from the 2013 election for the Wake County Board of Education for Districts 1, 2, 7, and 9 will serve terms that expire on the first Monday in December of 2016 (was, first Monday in July of 2016).

Provides that the terms of the members of the Wake County Board of Education elected in 2011 are extended to expire on the first Monday in December of 2016 (was, first Monday in July of 2016).

Amends Section 7 of SL 1975-717, as amended, providing that, beginning in 2016, nine members of the Wake County Board of Education will be elected by the nonpartisan plurality election method in accordance with GS 163-292 and GS 163-294.2 (was, by the nonpartisan and runoff election method). Establishes that, notwithstanding GS 163-294.2(c) and GS 163-106, candidates seeking office must file notices of candidacy with the board of elections no earlier than noon on the last Friday in June and no later than noon on the 3rd Friday of the July preceding the election. Provides that such elections will be scheduled to coincide with the general election for county officers in even-numbered years (previously, the elections were to be scheduled with the primary election, with any required runoff elections to be held at the same time set by statute for a second primary).

Amends Section 6 of SL 1975-717, as amended, providing that, effective January 1, 2014 (was, January 1, 2016), all terms of office for Board members will begin on the first Monday in December (was, July), following their election (previous edition also created an exception for when a runoff election was required).

**Summary date:** Jun 10 2013

House amendment #1 makes the following changes to the 3rd edition.

Establishes that candidates seeking office must file their notices of candidacy with the board of elections no earlier than 12:00 noon on the second Monday in June and no later than 12:00 noon on the first Friday in July (except if that is the 4th day of July then at 12:00 noon on the next business day) preceding the election (previously, candidates seeking office had to file their notices of candidacy with the board of elections no earlier than 12:00 noon on the last Friday in June and no later than 12:00 noon on the third Friday in July preceding the election).

House amendment #2 makes the following change to the 3rd edition.

Amends the makeup of Districts 1-7.

**Summary date:** Jun 13 2013

A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT MEMBERS OF THE WAKE COUNTY BOARD OF EDUCATION SHALL BE ELECTED FROM DISTRICTS. Enacted June 13, 2013. Effective June 13, 2013, except as otherwise provided.
SL 2013-111

ESTABLISH OMBUDSMAN/FOSTER CARE/GASTON COUNTY.

Bill H 68

Summary date: Feb 5 2013

As title indicates, creates a foster care ombudsman pilot program in Gaston County to establish a process for specified parties to resolve issues related to foster children. Directs the board of commissioners to appoint the ombudsman, who will have access to social services records in the county. Details the ombudsman's duties, including the responsibility to investigate complaints and the power to initiate investigations. Sets the pilot program to expire on July 1, 2015.

Summary date: Jun 17 2013

House committee substitute makes the following changes to the first edition.

Section 1(a) deletes the description of the purpose and whom the program would apply to.

Section 1(b) deletes language stating the ombudsman will have access to records in the possession or control of the Gaston Department of Social Services that are necessary for the ombudsman to fulfill his or her duties.

Section 1(c) reorganizes this section and the descriptions of the ombudsman, listing nine responsibilities of the ombudsman, including providing to the director of social services a periodic report on foster placements within the county and comply with any other duties or responsibilities deemed appropriate.

Section 2, new section to the bill, amends GS 7B-906(c), providing that at every review hearing the court will consider information from the foster care ombudsman to aid in its review.

Section 3, new section to the bill, amends GS 7B-907 (Permanency planning hearing), providing that the clerk will issue a notice of a permanency planning hearing at least 15 days in advance to the foster care ombudsman. Provides that at any permanency planning review the court will consider information from the foster care ombudsman that will aid in its review.

Summary date: Jun 17 2013


SL 2013-112

BUNCOMBE CTY/COMMUNITY COLLEGE PROJECTS.

Bill H 501
Authorizes Buncombe County (County) to construct community college buildings on the campuses of Asheville-Buncombe Technical Community College, by way of issuing limited obligation bonds. The bonds are to be paid for by the revenue from an earlier approved bond referendum in November 2011. Buncombe County will consult with the Board of Trustees (Board) of the College about programming requirements for the buildings as well as keep the Board informed on the construction process and progress.

To allow for the issuance of limited obligation bonds, the Board will transfer title to specified properties to the County. Upon satisfaction of the debt, title to the properties will be transferred back to the Board.

Voids the memorandum of understanding (MOU) between the County and the Board executed on March 20, 2012. Also voids any other provision or interlocal agreement between the County and Board not consistent with the provisions of this act.

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

Amends Section 1 of the act, providing that Buncombe County can finance the construction of the specified community college buildings, in accordance with Article 8 of GS Chapter 159, and GS 160A-20.

Makes a technical deletion.

House amendment to the 1st edition makes the following changes. Adds that the act applies only to construction projects and renovations funded entirely with county funds and coordinated by Buncombe County for College uses and purposes between January 1, 2012, and December 31, 2018.


SL 2013-113

CARRBORO OFFICE OF ALDERMAN.

Bill S 128

Identical to H 116, filed 2/13/13.
Amends Section 2-2 of the Carrboro Town Charter (SL 1987-476, as amended by SL 2007-270) as the title indicates. Does not apply to vacancies in the mayor's office. Makes this act effective when it becomes law and applies to any vacancy on the board of aldermen occurring on or after that date.

**Summary date:** Mar 12 2013

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

Amends Section 2-2(g) of the Carrboro Town Charter (SL 1987-476, as amended by SL 2007-270) to provide that if the board of aldermen adopts a resolution calling for a special election to fill one or more vacant seats and if that resolution sets the date of the special election to coincide with another election, other than the municipal general election, then the resolution must state the filing period and the filing fee.

If the resolution sets the date of the special election on a day other than another election, then the resolution must state the filing period, filing fee, and absentee voting period, including an alternative location for one-stop absentee voting within the corporate limits of the municipality, rather than the office of the board of elections, if no other elections are conducted within the county on the same date.

Makes a technical change.

**Summary date:** Jun 18 2013

A BILL TO BE ENTITLED AN ACT TO AMEND THE CHARTER OF THE TOWN OF CARRBORO TO PROVIDE THAT VACANCIES IN THE OFFICE OF ALDERMAN SHALL BE FILLED BY APPOINTMENT IN ACCORDANCE WITH THE NORTH CAROLINA GENERAL STATUTES OR MAY BE FILLED THROUGH A SPECIAL ELECTION PROCESS UNDER CERTAIN CONDITIONS. Enacted June 18, 2013. Effective June 18, 2013.

**SL 2013-114**

**DETENTION OF MENTALLY ILL IN FACILITY.**

**Bill H 533**

**Summary date:** Jul 8 2013

Amends GS 74E-6 to give Ashe County hospital police officers the powers under (c) of the statute (giving company police officers the same powers as municipal and county police officers to make arrests for felonies and misdemeanors and to charge for infractions on specified property) and powers in that subsection upon a portion of any public road or highway passing through or immediately adjoining the property described in the subsection. Allows the chief executive officer of any local hospital or hospital authority that employs or contracts with hospital police officers to (1) enter into joint agreements with the governing board of any municipality to extend the law enforcement authority of hospital police officers into any of the municipality's jurisdiction and to determine the circumstances under which the
authority may be granted and (2) enter into joint agreements with the governing board of any county, with the sheriff’s consent, to extend the law enforcement authority of hospital police officers into any of the county’s jurisdiction and to determine the circumstances under which the authority may be granted. Makes conforming changes.

Applies to Ashe County only. Effective July 1, 2013.

Summary date: Jul 8 2013

House committee substitute to the 1st edition makes the following changes. Deletes the provisions of the 1st edition and instead provides as follows. Amends GS 122C-263 to allow a law enforcement officer or company police officer employed by a hospital that is certified as a company police agency by the Attorney General and has been granted authority to commission company police officers to use appropriate and reasonable force and means to keep the respondent, who is to be examined by a physician or psychologist, at the facility or other detainment location, and to return the respondent to the location if there is pursuit. Applies only to Ashe County.

Summary date: Jul 8 2013

House Amendment #1 makes the following changes to the 2nd edition:

Changes the bill title to limit reference to company police officers only.

Rewrites the bill in its entirety to amend GS 122C-251 (instead of GS 122C-263) by adding a new subsection (i) authorizing company police officers employed by a hospital certified under GS 74E-2(b) to use appropriate and reasonable force to keep a respondent at a facility where the respondent is detained under an involuntary commitment order and to return the respondent to the facility pursuant to a continuous and immediate pursuit; authorities vested to company police officers under this subsection are available when law enforcement, after collaboration with the hospital, determines that the respondent is safe to be temporarily detained at the facility.

House Amendment #2 makes the following changes to the 2nd edition as amended:

Changes the bill title to clarify that the bill applies in certain counties.

Adds Wilkes County to the application of the act (was only Ashe County).

Summary date: Jul 8 2013

House amendment to the 2nd edition, as amended, adds Cumberland County to those counties to which the act applies.

Summary date: Jul 8 2013

A BILL TO BE ENTITLED AN ACT TO AUTHORIZE COMPANY POLICE OFFICERS IN CERTAIN COUNTIES TO USE APPROPRIATE AND REASONABLE FORCE TO KEEP A Respondent AT THE FACILITY WHERE THE
RESPONDENT IS TO OBTAIN AN EXAMINATION BY A PHYSICIAN OR PSYCHOLOGIST PURSUANT TO COURT ORDER. Enacted June 18, 2013. Effective June 18, 2013.

SL 2013-115

CLINTON/USE DESIGN-BUILD METHOD.

Bill S 111

Summary date: Feb 20 2013

Identical to H 133, filed February 20, 2013.

Provides that despite the provisions of GS 143-128, GS 143-129, GS 143-131, GS 143-132, GS 143-64.31, and GS 143-64.32, the City of Clinton is permitted to use the design-build construction method for any road, water, sewer, sidewalk, public facility, and any other public infrastructure. Provides additional criteria governing the solicitation of bids and the selection of the best qualified team with whom to contract for the project.

Provides that this act applies only to (1) the expansion and renovation of the Bellamy Recreation Center and (2) the expansion and renovation of the Clinton Public Works 14 Facility.

Summary date: Mar 5 2013

Senate committee substitute to the 1st edition makes the following changes. Provides that the City of Clinton may use the design-build method of construction for the construction or renovation of buildings, facilities, and infrastructure owned by the City (was, for any road, water, sewer, sidewalk, public facility and any other public infrastructure). Allows the City to use the authority for up to two projects, which must be awarded on or before June 30, 2015. Deletes the provision limiting the act to work on the (1) Bellamy Recreation Center, and (2) Clinton Public Works 14 facility.

Summary date: Jun 20 2013


SL 2013-116

NC CAPTIVE INSURANCE ACT.

Bill H 473

Summary date: Mar 28 2013

**Summary date:** Apr 24 2013

House committee substitute makes the following changes to the 1st edition. Amends proposed GS 58-10-485 to delete the requirement that monetary penalties collected under the statute be deposited into the Captive Insurance Regulatory Fund.

Changes the number of proposed GS 58-10-570 to GS 58-10-650.

**Summary date:** May 1 2013

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

Amends GS 58-10-345(c) and (d), deleting the term "an acknowledgement letter" (the document issued upon the filing of organizational documents) and replacing it with "a certificate of filing."

Provides for a new GS 58-10-345(f)(3), establishing that organizational documents filed with the Secretary of State will continue to be non-confidential public records in the Secretary's office and will not be considered as confidential pursuant to the provisions of GS 58-10-345(f).

Amends GS 58-10-380(k)(2), to require the company to file, at the time of filing of its election, articles of conversion (was, amended and restated articles of incorporation), including articles of incorporation.

**Summary date:** May 9 2013

House committee substitute to the 3rd edition makes the following changes. Amends proposed GS 58-10-455 to delete the specified taxation provisions and instead provides that a captive insurance company is taxed according to Article 8B of GS Chapter 105. Adds the term captive insurance company to GS 105-228.3. Enacts new GS 105-228.4A to levy taxes on a captive insurance company. Provides that captive insurance companies subject to the tax levied under the section are not subject to franchise taxes, income taxes, local privilege taxes, local taxes based on gross premiums, or the insurance regulator charge imposed by GS 58-6-25. Sets out the tax rate to be applied to assumed reinsurance premiums and the rates for tax on direct premiums. Sets both the floor and cap on the total tax liability. Sets out further requirements for the taxation of a captive insurance company that is a special purpose financial captive if it is under common ownership and control with one or more other captive insurance companies. Makes conforming changes to GS 105-228.5 and GS 58-6-25.

**Summary date:** Jun 5 2013

House amendment makes the following change to the 4th edition:

Amends GS 105-228.4A(d) to add language providing that the tax on assumed reinsurance premiums is not payable in connection with the exchange of assets and liabilities between insurers if both insurers are under common control and the Commissioner of Insurance verifies that the exchange is part of a
plan to cease operations of one insurer and the insurers' intent is to renew/maintain business with the captive insurance company.

**Summary date:** Jun 5 2013

Senate committee substitute to the 5th edition makes the following changes. Amends GS 58-10-335 to provide that the purpose of Part 9 is to establish procedures for the organization and regulation of the operations of captive insurance companies transacting insurance business in the state (was, captive insurance companies in the state).

Amends GS 58-10-345 to provide that any captive insurance company may apply for a license to do any and all insurance comprised in GS 58-7-15 (was, limited to those comprised in subdivisions (1) through (16) and (19) through (22) of GS 58-7-15).

**Summary date:** Jun 6 2013

Senate amendment makes the following change to the 6th edition. Makes a technical correction replacing a reference to GS 97-90 with GS 97-190.

**Summary date:** Jun 24 2013

AN ACT TO ENACT THE NORTH CAROLINA CAPTIVE INSURANCE ACT. Enacted June 19, 2013. Effective July 1, 2013, if funds are appropriated for the 2013-15 fiscal biennium to provide the Department of Insurance with regulatory staff and resources to license and regulate captive insurance companies. If no funds are appropriated, then the act is not effective until July 1 of a year the General Assembly appropriates funds to implement it.

**SL 2013-117**

**LIEN AGENTS/TECHNICAL CORRECTIONS.**

**Bill H 88**

**Summary date:** Feb 11 2013

Identical to S 45, filed 2/4/13.

Amends GS 15A-1002 (determination of incapacity to proceed; temporary commitment; orders) to clarify that the court may appoint a medical expert or evaluator to examine a defendant charged with a misdemeanor or felony and return a report on the defendant's mental health. Allows the court to call the appointed expert to testify at the hearing, with or without the request of either party. Clarifies that a judge must find that an examination is more appropriate to determine capacity when a defendant is ordered to a state facility without an examination (current law makes this provision applicable only to felony charges). Permits the court to order the defendant to a state facility to determine the defendant's capacity at any time in the case of a defendant charged with a felony (current provision also applies to
defendants charged with misdemeanors who have been examined). Requires a judge ordering an examination to order the release of confidential information to the examiner, after providing reasonable notice and an opportunity to be heard to the defendant. Requires the court order to include findings of fact to support the determination of the defendant's capacity to proceed. Allows stipulation by the parties to capacity to proceed only. Sets out requirements and timelines to provide examination reports to the court.

Amends GS 15A-1004(c) to add that the court must order that the defendant be examined to determine whether the defendant has the capacity to proceed before being released from custody. Amends GS 15A-1007 (supplemental hearings) to clarify applicable timelines after a defendant gains capacity to proceed. Makes conforming and clarifying changes to GS 15A-1006. Amends GS 15A-1008 (dismissal) to require (rather than permit) the court to dismiss charges at the earliest of three specified occurrences when the defendant lacks capacity to proceed. Adds provisions related to the circumstances of dismissal, including the allowance to refile charges. Makes a conforming change to repeal GS 15A-1009 (dismissal with leave when defendant incapable of proceeding). Makes additional clarifying changes. Amends GS 122C-54(b) to require examination reports submitted by a facility to include any treatment recommendation and an opinion on the likelihood that the defendant will gain the capacity to proceed. Enacts new GS 122C-278 (reexamination for capacity to proceed prior to discharge) to provide that a respondent who is involuntarily committed to either inpatient or outpatient treatment under GS Chapter 122C cannot be discharged from custody or the outpatient case terminated until the person has been examined for capacity to proceed and a report has been filed with the clerk of court in compliance with GS 15A-1002.

Makes the statutory amendments effective December 1, 2013.

Directs the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services (Commission) to adopt rules by December 1, 2013, to require appointed forensic evaluators to meet specified standards. Directs the Commission to adopt guidelines, by December 1, 2013, for the treatment of involuntarily committed persons following a determination of incapacity to proceed.

Summary date: Apr 11 2013

House committee substitute deletes all the provisions of the first edition and replaces it with AN ACT TO MAKE TECHNICAL CORRECTIONS TO THE LAW PERTAINING TO LIEN AGENTS.

Clarifies in GS 44A-11.1 that the owner is not required to designate a lien agent for improvements made to an existing single-family residential dwelling unit, as defined in GS 87-13.5(7), that is occupied (was, used) by the owner as a residence.

Amends GS 44A-11.2 to clarify that a lower-tier subcontractor is not required to furnish labor, materials, rental equipment, or professional design or surveying services at the site of the improvements. Clarifies that an Internet web site may be used to transmit to the designated lien agent, with delivery receipt, all the information required to provide notice to the lien agent of the individual's designation as a lien agent under GS 44A-11.1 or to provide notice to the designated lien agent under this section.
Amends GS 58-26-45 to delete the duty of a lien agent, who has received notice of the designation by the owner under GS 44A-11.1, to provide written notice within three business days to the contractor and the design professional acknowledging receipt from the owner of information relating to the contractor and the design professional. Amends GS 87-14 to provide that any applicant for a building permit for any improvements with a combined cost of $30,000 or more, other than improvements to an existing single-family residential dwelling that the owner occupies (was, that the applicant uses) must provide all contact information for the designated lien agent.

Makes conforming changes to GS 160A-417 (building permits for cities and towns) and GS 153A-357 (building permits for counties).

Effective when the act becomes law and applies to improvements to real property for which the first furnishing of labor or materials at the site of the improvements is after that date.

**Summary date:** May 30 2013

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

Amends GS 44A-11.1 to provide that an owner is not required to designate a lien agent for the addition of an accessory building or structure as defined in the North Carolina Uniform Residential Building Code (Code), the use of which is incidental to the owner-occupied residence. Also amends GS 87-14(a)(3) to extend the exemption to requiring the designation of a lien agent to an applicant for a building permit for the addition of an accessory building or accessory structure as defined in the Code, the use of which is incidental to that residential dwelling unit. Also amends GS 160A-417 (cities and towns) and GS 153A-357(e) (counties) to extend the exemption to requiring the designation of a lien agent to the permit requirements for the construction, reconstruction, alteration, repair, movement to another site, removal, or demolition of any building or structure.

Rewrites subsection (h) of GS 44A-11.2, defining *custom contractor* to mean a contractor duly licensed as a general contractor under Article 1 of GS Chapter 87, who has contracted with an owner who is not an affiliate, relative, or insider of the contractor to build a single-family residence on the owner's property to be occupied by the owner as a residence. Specifies that the notice requirement under subsections (m) and (n) of GS 44A-11.2 will be considered to have been met on the date that the lien agent receives notice of its designation as lien agent from the custom contractor, providing that certain specified conditions are met.

Makes a technical correction.

**Summary date:** Jun 4 2013

Senate amendment makes the following change to the 3rd edition. Makes this act effective three days after it becomes law (was, effective when it becomes law).

**Summary date:** Jun 24 2013
AN ACT TO MAKE TECHNICAL CORRECTIONS TO THE LAW PERTAINING TO LIEN AGENTS. Enacted June 19, 2013. Effective June 22, 2013.

SL 2013-118

BLDING CODES: LOCAL CONSISTENCY/EXEMPT CABLE.

Bill H 120

Summary date: Feb 19 2013

Amends GS 153A-360 (regarding counties) and GS 160A-420 (regarding cities) to require that local government units obtain approval from the North Carolina Building Code Council (Council) prior to requiring regular, routine inspections for one-and-two-family dwellings that are in addition to the specific inspections required by the North Carolina Building Code (NC Building Code). Directs the Council to review all requests from a county or city government and render a decision in a timely manner. Provides that the added subsections to GS 153A-360 and GS 160A-420 do not limit the authority of local governments to require inspections when there are unforeseen or unique circumstances that require immediate action.

Amends GS 143-138(d) to provide that the Council may periodically revise and amend the NC Building Code on its own motion or on application from any citizen, state agency, or political subdivision of the state. Additionally, specifies the frequency with which the Council must update provisions of the NC Building Code and the effective dates for those NC Building Code updates. Directs the Council to publish in the North Carolina Register and post on the Council's web site specific commentaries providing explanatory material on NC Building Code provisions no later than the effective date of the revisions as specified in this subsection.

Includes a severability clause that provides that if any provision of this act is deemed invalid, that invalidity does not affect the application of the other provisions of this act.

Effective July 1, 2013.

Summary date: Mar 6 2013

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

Amends GS 143-138(d) to require that the Building Code Council (Council) publish in the NC Register and on its website explanatory material on the Council's amendments to the Code (was, explanatory material on Code provisions) no later than the effective date of the described six-year revisions (was, no later than the effective date of the three or six year revisions). Requires that Code interpretations made by the Department in writing or through email and all appeal decisions by the Council be published in the NC Register at least semiannually and also be posted on the Council's website within two business days. Deletes the requirement that the Council revise provisions of the building code that apply to all
structures other than those subject to the code for one- and two-family dwellings at least every three years, with the first year revision having been required to become effective January 1, 2016, and every three years thereafter.

Amends GS 143-138 to exempt structures supporting cable television from the building code requirements.

Summary date: Mar 11 2013

House Amendment 1 makes the following changes to the 2nd edition.

Makes an organizational change, rewriting Section 1 of this act, to delete amendments to GS 153A-360 (regarding inspections of work in progress in counties) and GS 160A-420 (regarding inspections of work in progress in cities), and instead amends GS 153A-352 (counties) and GS 160A-412 (cities) regarding the duties and responsibilities of an inspection department.

GS 153A-352 and GS 160A-412, as amended, clarify that a county or a city may not adopt a local ordinance or resolution or any other policy that requires regular, routine inspections for one- and-two-family dwellings that are in addition to the specific inspections required by the North Carolina Building Code (NC Building Code) without prior approval from the NC Building Code Council.

Amends GS 143-138(b8) to direct the Building Code Council (Council), through the Department of Insurance, to publish all of the Council's appeal decisions and formal opinions at least semiannually in the North Carolina Register (Register) and on the Council's Web site. Also requires the Council, through the Department of Insurance (Department), to publish at least semiannually in the Register the accurate Web site address and information on how to find additional commentary and interpretation of the State Building Code. Directs the Department to post commentaries and interpretations provided by staff to the Council and the Department on its Web site.

Summary date: Mar 12 2013

Amendment #3 makes the following changes to the 3rd edition.

Amends GS 153A-352 (regarding counties) and GS 160A-412 (regarding cities) to require the North Carolina Building Code Council to approve or disapprove requests from a county or city for additional inspections in a reasonable manner (was, a timely manner).

Summary date: Jun 24 2013

AN ACT TO REQUIRE APPROVAL FROM THE NORTH CAROLINA BUILDING CODE COUNCIL BEFORE A UNIT OF LOCAL GOVERNMENT MAY REQUIRE BUILDING INSPECTIONS IN ADDITION TO THOSE REQUIRED BY THE BUILDING CODE; TO SPECIFY THE FREQUENCY AND EFFECTIVE DATES OF CODE UPDATES; AND TO EXEMPT CABLE TELEVISION EQUIPMENT INSTALLATION FROM BUILDING CODE REQUIREMENTS. Enacted June 19, 2013. Effective July 1, 2013.
SL 2013-119

IMPROVE ED. FOR CHILDREN WHO ARE DEAF.

Bill H 317

Summary date: Mar 13 2013

Identical to S 320, filed 3/13/13.

Requires the State Board of Education to do at least the following to improve educational outcomes for children who are deaf or hard of hearing: (1) develop assessment procedures and protocols to measure, at least annually or more frequently if required in a child’s Individualized Education Program (IEP), the acquisition of language skills necessary for literacy, with the results used to determine whether further support and services are needed; (2) require an IEP team to use the specified worksheet to document consideration of the language and communication needs of the child as the IEP is developed, the placement decisions made for the child, and the team's review of the child's placement and needs; (3) ensure that personnel highly qualified in the education of children who are deaf or hard of hearing are available to meet the needs of each child; and (4) develop and implement strategies to ensure that parents of a child who is deaf and hard of hearing know they can request that the child’s IEP team consider placement in a residential setting, and that if requested, a representative from one of the state's residential/day program schools for the deaf will be a member of the IEP team.

Requires the Department of Health and Human Services and other agencies and organizations, at the request of the Department of Public Instruction (DPI), to make available databases containing information on children under age 22 who are deaf or hard of hearing. Requires that DPI use the information for a statewide data tracking system to coordinate with other agencies and organizations and ensure literacy achievement for all children who are deaf or hard of hearing.

Summary date: Mar 27 2013

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

Clarifies that the State Board of Education is to require an IEP team to use the Communication Plan Worksheet for Student Who is Deaf or Hard of Hearing (was, also use the Comprehensive Exceptional Children Accountability System). Amends the documentation requirements to specify that the IEP team consider the language and communication needs of the individual child as the IEP is developed, reviewed, or revised and that the documentation contain data to be used in making the placement decisions for the child.

Summary date: May 29 2013

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

Makes a technical correction in Section 1, subsection (4), changing "deaf and hard of hearing" to "deaf or hard of hearing."
Summary date: Jun 24 2013


SL 2013-120

WEIGHT LIMITS/ANIMAL FEED TRUCKS.

Bill H 211

Summary date: Mar 4 2013

Amends GS 20-118(c)(12) to exempt vehicles transporting poultry or livestock feed from a storage facility, holding facility, or a mill to a farm within 150 miles of the point of origin from the weight limitations imposed in subsection (b) of GS 20-118 and penalties for violating those weight limits in subsection (e).

Effective July 1, 2013.

Summary date: Jun 24 2013

AN ACT TO MODIFY THE WEIGHT RESTRICTIONS APPLICABLE TO VEHICLES TRANSPORTING FEED THAT IS USED IN THE FEEDING OF POULTRY OR LIVESTOCK WHEN TRAVELING WITHIN ONE HUNDRED FIFTY MILES OF THE POINT OF ORIGIN TO CERTAIN LOCATIONS. Enacted June 19, 2013. Effective July 1, 2013.

SL 2013-121

TRANSFER ENVIRONMENTAL PERMITS.

Bill H 279

Summary date: Mar 12 2013

Amends GS 143-214.7 by adding a new subsection, GS 143-214.7(c5), providing that the Department of Environment and Natural Resources must transfer a permit issued under GS 143-214.7 (concerning stormwater) to a new party when the current permit holder is unwilling or unable to agree to the transfer and when the following is found to be true: (1) the new permittee has sole legal right to develop the permitted project, (2) the new permittee intends to use the permit for the purposes for which it was issued, (3) there will be no change of the permitted project substantially impacting the permitted activity.

Amends GS 113A-54.1 by adding a new subsection, GS 113A-54.1(d1), requiring the Director of the Division of Energy, Mineral, and Land Resources to transfer an erosion and sedimentation control plan if
(1) the proposed transferee is the owner of the land to be disturbed or has the owner's written consent to conduct the land-disturbing activity, (2) the proposed transferee intends to use the permit for the purposes for which it was issued, and (3) there will be no change of the project covered by the plan that would affect any requirement of the plan. Makes technical changes throughout the section and makes conforming changes.

Amends GS 113A-61 by adding a new subsection, GS 113A-61(b3), requiring a local government administering an erosion and sedimentation control program to transfer a plan approved by this section if (1) the proposed transferee is the owner of the land to be disturbed or has the owner's written consent to conduct the land-disturbing activity, (2) the proposed transferee intends to use the permit for the purposes for which it was issued, and (3) there will be no change of the project covered by the plan that would affect any requirement of the plan. Makes technical and conforming changes throughout the section.

**Summary date:** Apr 18 2013

House committee substitute to the 1st edition makes the following changes. Deletes the proposed changes in GS 143-214.7(c5), concerning stormwater, in GS 113A-54.1(d1), concerning erosion control plans, and in GS 113-61(b3), concerning local approval of erosion and sedimentation control plans and instead provides as follows. Allows the Department of Environment and Natural Resources (DENR) to transfer a permit issued under the statute without the consent of the permit holder to a successor owner of the property on which the permitted activity is occurring or will occur. Allows DENR to transfer a permit if (1) the successor owner submits a written transfer request and (2) DENR finds the permit holder is a natural person who is deceased, a corporation that has been dissolved, a person lawfully divested of title to the property, or a person who has sold the property. Requires the permit holder to comply with all terms and conditions of the permit until it is transferred. Requires the successor-owner to comply with all terms and conditions of the permit once it is transferred. Prohibits DENR from imposing new or different terms and conditions in the permit with the express consent of the successor owner. Adds these same provisions to GS 143-215.1, concerning control of sources of water pollution.

**Summary date:** Apr 24 2013

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

Amends GS 113A-54.1 and GS 113A-61 to amend the conditions to be met to allow the Department/local government to transfer an erosion control plan/erosion and sedimentation control plan to include that the successor-owner of the property submits a written transfer request and an authorized statement of financial responsibility and ownership (was, just the transfer request).

Also amends GS 113A-54.1(d1)(4) to provide that nothing in the subsection prevents the NC Sedimentation Control Commission from requiring a revised plan under GS 113A-54.1(b).

**Summary date:** May 30 2013
Senate committee substitute to the 3rd edition makes the following changes. Amends GS 143-214.7, GS 143-215.1, GS 113A-54.1, and GS 113A-61 to amend the conditions that must be met before the Department of Environment and Natural Resources may transfer a permit to require that the permit holder meet one of the specified descriptions, including being a partnership, limited liability corporation, corporation, or any other business association that has been dissolved (was, only a corporation that has been dissolved); also clarifies that a person lawfully divested of title to the property must have been lawfully and finally divested of title.

**Summary date:** Jun 24 2013

AN ACT TO AUTHORIZE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO TRANSFER CERTAIN ENVIRONMENTAL PERMITS ASSOCIATED WITH PROPERTY DEVELOPMENT WHEN THE ORIGINAL PROPERTY OWNER IS UNWILLING OR UNABLE TO AGREE TO THE PERMIT TRANSFER. Enacted June 19, 2013. Effective June 19, 2013.

**SL 2013-122**

**ENACT PRIVATE WELL WATER EDUCATION ACT.-AB**

**Bill H 396**

**Summary date:** Mar 21 2013

Amends GS 87-97(i), providing that the rules adopted by the Commission for Public Health (Commission) in regards to sampling and testing of well water and the reporting of test results must also require local health departments to educate private citizens, who are receiving new private drinking water wells, on the scope of testing required, the availability of optional testing, the limitations of both the required and optional testing, and the minimum drinking water standards.

Amends GS 87-97(j), requiring that the local health department must include, with the required test results given to the owners of newly constructed drinking water wells, a notice detailing the scope of the required testing under this Article and the available optional testing, which are set forth in the regulations adopted pursuant to subsection (i) (those outlined above).

**Summary date:** Apr 4 2013

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

Amends GS 87-97(i), providing that the rules adopted by the Commission in regards to the sampling and testing of well water and the reporting of test results also require local health departments to educate private citizens who contact local health departments regarding the testing of an existing well (previous edition only required the local health departments to educate those citizens who were receiving new private drinking water wells). Makes clarifying changes.
Amends GS 87-97(j), requiring that the local health department must include with any test results provided to the owners of private drinking water wells (previously, newly constructed private drinking water wells), information regarding the scope of the required and optional testing as established by the rules adopted pursuant to subsection (j) of this section.

Summary date: Jun 24 2013


SL 2013-123

DV ABUSER TREATMENT PROGRAM/AMENDMENTS.

Bill H 24

Summary date: Jan 30 2013

Amends GS 15A-1343(b) (concerning probation conditions) to provide as title indicates. Makes a conforming change. Current law requires noncompliance with a treatment program reported to the court, and requires a compliance review for defendants placed on unsupervised probation and attending a treatment program. Applies to all defendants placed on supervised or unsupervised probation before, on, or after the date the act becomes law.

Summary date: Feb 11 2013

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

Summary date: Feb 13 2013

House Amendment 1 makes the following changes to the 2nd edition.

Amends SL 2012-39, which concerns the review of a defendant’s participation in a domestic violence program. Provides that Section 1 of the act, effective December 1, 2012, applies to defendants placed on probation on or after that date and that Section 2 of the act, also effective December 1, 2012, applies to judgments entered on or after that date.

Amends the title of this act, adding the following language: AND TO MAKE OTHER CHANGES TO THE REPORTING REQUIREMENT FOR DOMESTIC VIOLENCE OFFENSES.

Renumber sections of this act accordingly.

Summary date: Feb 14 2013
House Amendment #2 makes the following change to 2nd edition, as amended. Adds that the probation officer must also file a violation report with the court if a defendant placed on supervised probation is discharged from an abuser treatment program for failure to comply.

**Summary date:** Jun 4 2013

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

Changes the short and long titles.

Amends GS 15A-1343(b)(12), concerning the conditions of probation, making organizational changes and setting out specified procedures for when a defendant is placed on supervised or unsupervised probation, establishing that in instances of supervised probation, (1) the probation officer must forward a copy of the judgment, including all conditions of probation, to the abuser treatment program (was included in previous edition but was not set out as a specified procedure); (2) the program must notify the probation officer if the defendant fails to participate in the program or if the defendant is discharged from the program for violating any of the program rules; and (3) the probation officer must file a violation report with the court and notify the district attorney of the noncompliance if the defendant fails to participate in the program or if the defendant is discharged from the program for violating any of the program rules. When the defendant is placed on unsupervised probation, the following procedures apply: (1) the defendant is required to notify the district attorney and the abuser treatment program of their choice of program within 10 days of the judgment if the program has not previously been selected; (2) the district attorney must forward a copy of the judgment, including all conditions of probation, to the abuser treatment program (was included in previous edition but was not set out as a specified procedure); and (3) the program must notify the district attorney if the defendant fails to participate in the program or is discharged from the program for failure to comply with the program or its rules.

Provides that Section 1 of this act becomes effective December 1, 2013, and applies to defendants placed on supervised or unsupervised probation on or after that date. The remainder of this act is effective when it becomes law.

**Summary date:** Jun 24 2013

**AN ACT TO AMEND THE PROCEDURES FOR PERSONS ON PROBATION WHO ARE DIRECTED TO PARTICIPATE IN AN ABUSER TREATMENT PROGRAM AND MAKE CLARIFYING CHANGES RELATING TO DOMESTIC VIOLENCE OFFENSES.** Enacted June 19, 2013. Section 1 is effective December 1, 2013, and applies to defendants placed on supervised or unsupervised probation on or after that date. The remainder is effective June 19, 2013.

**SL 2013-124**

**METHAMPHETAMINE/OFFENSE/PENALTIES.**
Bill H 29

Summary date: Jan 30 2013

Amends GS 90-95(d1)(1) to create the offense of possession of a pseudoephedrine product by a person previously convicted of the possession or manufacture of methamphetamine.

Amends GS 15A-1340.16D to provide for an enhanced sentence (an increase of 24 to 48 months added to the minimum term to which the offender is sentenced, depending on the circumstance) if a person is convicted of manufacturing methamphetamine under GS 90-95(b)(1a) and children, the disabled or the elderly are present at the manufacturing location. Provides that these penalties are cumulative.

Provides that it constitutes a sufficient pleading for an indictment or information for the offense of manufacturing methamphetamine under GS 90-95(b)(1a) to allege the facts set out in proposed subsection (a1) of GS 15A-1340.16D. Declares that one pleading is sufficient for all felonies tried at a single trial. Makes conforming changes to subsection (c).

Effective December 1, 2013 and applies to offenses committed on or after that date.

Summary date: Jun 24 2013

AN ACT TO CREATE THE OFFENSE OF POSSESSION OF PSEUDOEPHEDRINE IF THE DEFENDANT HAS A PRIOR CONVICTION FOR THE POSSESSION OR MANUFACTURE OF METHAMPHETAMINE, AND TO AGGRAVATE THE PENALTY FOR MANUFACTURING METHAMPHETAMINE WHEN CHILDREN, DISABLED, OR ELDERLY ARE PRESENT, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON METHAMPHETAMINE ABUSE. Enacted June 19, 2013. Effective December 1, 2013, for offenses committed on or after that date.

SL 2013-125

LIMIT USE OF HIGHWAY FUND CREDIT BALANCE.

Bill H 157

Summary date: Feb 26 2013

Amends GS 136-44.2 as the title indicates. Requires that the unreserved credit balance in the Highway Fund (the excess) on the last day of a fiscal year, which exceeds the amount estimated in the Current Operations Appropriations Act for the following fiscal year, be allocated to either a reserve for (1) access and public roads or (2) for other urgent road construction or road maintenance needs. Prohibits the funds from this reserve being used for any other urgent road construction or road maintenance need (was, an other urgent need) project from being used for an economic development purpose (was, administrative costs, information technology costs, or economic development). Effective July 1, 2014.

Summary date: Apr 3 2013

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House committee substitute to the 1st edition makes the following changes. Amends GS 136-44.2(f)(1), *Restrictions on use*, to provide that funds from the unreserved credit balance in the Highway Fund being used for an "other urgent road construction or road maintenance need" project cannot be used for nontransportation administrative costs, nontransportation information technology costs, or any economic development purpose (was, cannot be used for an economic development purpose).

**Summary date:** Jun 24 2013


**SL 2013-126**

**ZONING/BORD OF ADJUSTMENT CHANGES.**

**Bill H 276**

**Summary date:** Mar 12 2013

Amends GS 160A-388 regarding zoning boards of adjustment. Provides that a zoning or unified development ordinance may provide for the appointment and compensation of a board of adjustment. Also provides that the ordinance may assign the duties of a board of adjustment to a planning board or governing board in addition to that board's other duties.

Specifies the provisions to be in the ordinance. Provides that the zoning or unified development ordinance may designate the board of adjustment to hear and decide special and conditional use permits, variances, and appeals of decisions by administrative officials responsible for enforcing the ordinance. Defines decision to mean any final and binding order, requirement, or determination. Directs the board of adjustment to follow quasi-judicial procedures in deciding appeals and requests for variances and special and conditional use permits. Provides that the board is to hear all matters upon which it is required to pass under any statute or ordinance that regulates the use of land development.

Designates the persons or entities who are entitled to receive notice of hearings conducted under this statute. Requires that the notice be deposited in the mail at least 10 days but not more than 25 days before the hearing date. Also requires the city to prominently post a notice of hearing on the site that is the subject of the hearing or an adjacent street or highway right-of-way within the same time limits as notice by mail.

Provides that the city or any person with standing under GS 160A-393(d) may appeal a decision to the board of adjustment. Requires that a notice of appeal be filed with the city clerk and that the notice state the grounds for the appeal. Directs the board of adjustment to hear and decide appeals from any
decision by an official responsible for enforcing a zoning or unified development ordinance and provides that the board may hear appeals arising out of any other ordinance that regulates land use. Specifies that there is a presumption of constructive notice of a decision, to all persons with standing to appeal, from the date a sign is prominently posted on the property that is the subject of the decision, with the words "Zoning Decision" or Subdivision Decision" in letters at least six inches high. Requires that the sign remain on the property for at least 10 days. However, posting of signs is not required unless there is an ordinance provision that requires it. Provides additional criteria regarding the appeal process including transmission of the record, providing notice to parties and witnesses, and relevant rules regarding timing. Provides that when the appeal is under GS 160A-400.9(e), or any appeal to re-examine the decision of an administrative official, the hearing is to be based on the record below and the scope of review as provided in GS 160A-393(k).

Makes clarifying and conforming changes to language regarding special and conditional use permits. Provides that reasonable and appropriate conditions may be imposed on special and conditional use permits.

Authorizes the board of adjustment to grant a variance of an ordinance when unnecessary hardships (was, practical difficulties or unnecessary hardships) would result from carrying out the strict letter of the law; however, specifies factors that must be shown before the provisions of the ordinance may be varied.

Provides that 4/5 of the board must concur in granting a variance (was, required 4/5 concurrence to make any decision). Requires a majority vote of the board members to decide any other quasi-judicial matter or to determine an appeal. Provides that vacant positions or members disqualified from voting on a quasi-judicial matter are not to be counted as board members for purposes of calculating a majority (was, supermajority) if there are no qualified alternates to take the place of those members.

Clarifies what constitutes impermissible violations of due process (was, impermissible conflicts).

Further provides that quasi-judicial decisions must be based on competent, material, and substantial evidence in the record and reduced to writing. Specifies content that the written decision must include and the process for notice of the decision. Provides that every quasi-judicial decision is subject to review by the superior court under GS 160A-393. Requires that a petition for review be filed with the clerk of superior court by the later of 30 days after the decision is effective or after a written copy of the decision is delivered by mail, electronic mail, or personal delivery.

Provides that any person who lies while under oath during a hearing before the board is guilty of a Class 1 misdemeanor.

Provides that the board chair or anyone acting as chair in the chair's absence may subpoena witnesses and compel the production of evidence. Provides criteria under which persons with standing under GS 160A-393(d) may request that a subpoena be issued to compel witnesses or evidence.

Repeals GS 153A-345 pertaining to board of adjustment in counties.
Enacts new GS 153A-345.1 to provide that the provisions of GS 160A-388, regarding boards of adjustment, apply to counties. Provides that "city council" as used in GS 160A-388 is deemed to refer to the "board of county commissioners" and that the terms "city" or "municipality" refer to the "county." Includes guidelines regarding counties in which a board of county commissioners does not zone the entire territorial jurisdiction of the county.

Also makes conforming changes to GS 160A-381(c) and GS 153A-340(c1).

Makes additional conforming and clarifying changes.

Effective October 1, 2013, and applies to all board of adjustment actions taken on or after that date.

Summary date: Apr 8 2013

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

Amends GS 160A-388, providing that a zoning or unified development ordinance (UDO) can designate a planning board or governing board to perform any of the duties of board of adjustment in addition to its other duties and may create and designate specialized boards to hear technical appeals.

Makes organizational changes.

Expands GS 160A-388(b)(4), requiring the sign that is to be posted in accordance with this section to include the means to contact an official for information about the appeals decision. Expands GS 160A-388(b)(6), to also provide that an appeal of a notice of a violation or other enforcement order stays enforcement of the action appealed unless it is certified, by affidavit, that a stay would cause imminent peril to life or property. Also provides that an appellant can request and the board may grant a stay of a final decision of permit application or building permits affected by the issue being appealed.

Enacts new GS 160A-388(b)(10), providing that parties to an appeal that have been made under this subsection can agree to mediation or other forms of alternative dispute resolution. Such standards and procedures can be set by the UDO.

Makes organizational changes.

Amends GS 160A-388(f), stating that both the chair of the board of adjustment and the clerk to the board have authority to administer oaths and affirmations in regards to witnesses and matters coming before the board.

Recodifies GS 160A-388(e1) as GS 160A-388(e)(2) and makes conforming changes.

Makes technical and conforming changes. Replaces references to GS 153A-345(e1), now recodified, with GS 160A-388(e)(2). These changes occur in GS 153A-44, GS 153A-336(a), GS 153A-340(c1), GS 160A-75, GS 160A-377(a), GS 160A-393(c)(3) and GS 160A-393(j)(2).

Repeals GS 153A-349(c) which defined a term in GS 160A-388(e1).
Amends GS 153A-349.8(c), making a conforming change by replacing a reference to GS 153A-345(b) with GS 160A-388(b1).

**Summary date:** May 30 2013

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

Makes technical and clarifying changes to GS 160A-388(a1), (a2), and (b1).

**Summary date:** Jun 4 2013

Senate amendment makes the following changes to the 3rd edition. Makes an exception to the repeal of GS 153A-345 (regarding boards of adjustment in counties) to provide that any local modification to GS 153A-345 in effect on September 30, 2013, is to be treated as a local modification to GS 160A-388 (regarding boards of adjustments in cities) from October 1, 2013, through June 30, 2015.

**Summary date:** Jun 24 2013

AN ACT TO CLARIFY AND MODERNIZE STATUTES REGARDING ZONING BOARDS OF ADJUSTMENT.

**SL 2013-127**

**HOAS/VOLUNTARY PRELITIGATION MEDIATION.**

**Bill H 278**

**Summary date:** Mar 12 2013

Amends GS Chapter 7A by adding a new section, GS 7A-38.3F (*Prelitigation of homeowners association disputes*), providing for voluntary mediation prior to the filing of a civil action for a dispute that has arisen under the NC Condominium Act, the NC Planned Community Act, or the association's declaration, bylaws, rules, or regulations. Disputes related only to failure to pay an assessment or fines are not eligible for mediation under this new section.

Provides definitions that apply in proposed GS 7A-38.3F, including definitions for *association*, *dispute*, *executive board*, *mediator*, *member*, and *party or parties*.

Requires either an association or member to contact the NC Dispute Resolution Commission (Commission) to initiate mediation. The Commission will refer a local community mediation center (center) or will contact a center directly. After receiving identifying and contact information, the center will contact the other party to notify him or her of the request to mediate. If the parties agree to mediate, the center will then attempt to schedule mediation at a time convenient for both parties. The center will issue written notifications of the date, time, and location of mediation as well as a copy of this section and a brochure explaining the mediation process. The center will appoint a qualified
employee to conduct the mediation no later than 25 days after the center received the request from either the association or member.

Requires the following procedures to apply to mediation under this section:

(1) Attendance: the mediator will decide who may attend the mediation. A party's attorney may attend but is not required to.

(2) All parties are expected to attend mediation. However, parties that reside more than 50 miles from the center can participate by telephone or other electronic means, if the request to do so is received by the center at least five days before the mediation. Parties that reside within 50 miles of the center may participate in this manner if they are deemed, by the center, to have a compelling reason to do so.

(3) If no final agreement is reached, due to the need to seek outside approval from the association members, the mediator may recess the mediation for such review or vote as needed for approval. The mediator must reconvene no later than 15 days after the recess is taken. No further notice of the reconvening is necessary if the date, time, and, place were agreed to at the mediation prior to recess.

(4) If a final agreement is reached, the mediator will put the agreement in writing and have the parties sign it and issue copies to both parties. A signed agreement is binding and enforceable.

Provides that either party to a dispute can decline mediation. The declining party must inform the center and the other party if mediation has been initiated but not yet scheduled or if it has been scheduled but not yet held. No costs are assessed if a party declines before the initial mediation meeting.

Requires that the costs of mediation will be shared equally by both parties. The fee for mediation is set at $100 per hour, not to exceed $600, due at the end of each mediation meeting. The center cannot charge any other fees.

After concluding mediation, the mediator must prepare a certification stating the date the mediation concluded and the general results of the mediation. If a cause of action is later filed involving the dispute mediated by both parties, either party can file this certification letter with the clerk of court, fulfilling any need under the law to mediate. The certificate or any other evidence of statements made during mediation are not subject to discovery and are inadmissible in any proceeding in the action from which the mediation arises.

Time periods relating to the filing of a claim or taking other action with respect to the dispute, including any statute of limitations, are tolled upon the initiation of mediation as provided in this section and last until 30 days after the date on which mediation is concluded, per the date on the mediator's certificate.

Requires associations to notify, in writing, its members of the ability to mediate to resolve disputes, as that term is defined in this section. If the association has a website, this notice must be published on that website. If not, the association will publish the notice at the same time as publication of contact information for all officers and board members, as provided in GS 47C-103 and GS 47F-3-103.
Effective July 1, 2013, applying to all homeowner association disputes not specifically exempted by this act that occur on or after that date.

**Summary date:** Apr 18 2013

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

Clarifies that new GS 7A-38.3F applies to pre-litigation mediation of both condominium and homeowners association disputes. Provides that parties to a dispute arising under the *NC Condominium Act* (GS Chapter 47C), the *NC Planned Community Act* (GS Chapter 47F), or an association's by-laws, rules, and regulations are encouraged to initiate (was, may initiate) mediation under this section.

Clarifies that the parties may obtain a mediator through a community mediation center; however, the parties will be contacted by a mediator from the center and not by the center.

Amends the specifications for the mediation procedure, providing that the mediator may allow a party to participate by telephone or other electronic means if the mediator determines that the party has a compelling reason to do so (was, party had to reside more than 50 miles from the center to be allowed to participate in the mediation by phone or other electronic means). Deletes specification that the mediation must reconvene no longer than 15 days after a recess is taken. Provides that evidence offered during mediation is not subject to discovery and is inadmissible in any proceeding in a civil action that arises from the dispute that was the subject of the mediation, with some specified exceptions.

Provides that the time period tolled upon the initiation of mediation under this section is the same as time periods relating to the filing of a civil action. Defines *initiation of mediation* to mean the date upon which both parties have signed a written request to schedule the mediation.

Makes clarifying changes.

Deletes definition of *community mediation center* and deletes the provision that a mediator does not make a judgment as to the merits of the dispute.

Clarifies that this act applies to all homeowners and condominium association disputes not specifically exempted by this act that occur on or after the effective date.

**Summary date:** Jun 24 2013

AN ACT ENCOURAGING PARTIES TO A DISPUTE INVOLVING CERTAIN MATTERS RELATED TO REAL ESTATE UNDER THE JURISDICTION OF A HOMEOWNERS ASSOCIATION TO INITIATE MEDIATION TO TRY TO RESOLVE THE DISPUTE PRIOR TO FILING A CIVIL ACTION. Enacted June 19, 2013. Effective July 1, 2013, and applies to disputes not specifically exempted by this act that occur on or after that date.

**SL 2013-128**

STATE COMPUTER EQUIPMENT/BUY REFURBISHED.
Bill H 289

Summary date: Mar 12 2013

Requires the Office of the State Chief Information Officer and the Department of Administration to offer state and local governmental entities the option of purchasing refurbished computer equipment from registered computer equipment refurbishers. Requires state and local governmental entities to document savings from purchasing refurbished computer equipment and report the savings to the Office of State Chief Information Officer quarterly. Requires the Information Technology Procurement Office to establish a competitive purchasing process to support the initiative. Requires participating refurbishers to meet all established procurement requirements. Requires refurbished equipment purchased to conform to the same standards that the state may establish for the purchase of new computers. Requires the Office of the State Chief Information Officer to maintain data on equipment reliability, potential cost savings, and any issues associated with the initiative and report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by March 1, 2014, and quarterly thereafter.

Summary date: Jun 24 2013


SL 2013-129

COURT IMPROVEM’T PROJECT JUV LAW CHANGES.-AB

Bill H 350

Summary date: Mar 27 2013

Makes various changes to Subchapter I. Abuse, Neglect, Dependency, of the Juvenile Code (GS Chapter 7B).

Amends GS 7B-101 (Definitions), deleting the definitions for community based program and shelter care and adding a definition for return home or reunification. Modifies the definition for custodian to only apply the term to a person or agency that has been awarded legal custody of a juvenile by a court (was, also included a person other than the parents or legal guardian of the juvenile who had assumed the role of a parent without having been awarded legal custody of the juvenile by a court). Makes clarifying changes to the definition for dependent juvenile.

Amends GS 7B-200(b) to declare that a court has jurisdiction over the parent, guardian, custodian, or caretaker (was, just parent or guardian) of a juvenile who has been adjudicated abused, neglected, or dependent provided that the parent, guardian, custodian, or caretaker has (1) been properly served
with a summons under GS 7B-406, (2) waived service of process, or (3) automatically become a party to
the action under GS 7B-401.1(c) or (d).

Amends GS 7B-311(b)(2) to provide that prior to placing the name of a person identified as a responsible
individual on the responsible individuals list maintained by the Department of Health and Human
Services, one of the triggers is a court determining if a person is a responsible individual as a result of a
hearing on the individual's petition for judicial review (was, determination could also be made based on
a juvenile petition seeking a determination that the person is a responsible individual).

Amends GS 7B-320 to specify that the director of social services (director) must make a diligent effort to
locate a person identified as a responsible individual before sending notice to the individual by certified
mail, return receipt requested (was, certified mail, restricted delivery, return receipt requested). Deletes
requirement that the notice must include directions on how to file and serve the petition for judicial
review. Amends GS 7B-323 to provide that if the director cannot show that an individual has received
actual notice, the director is prohibited from placing a person on the responsible individuals list until
there is an ex parte hearing at which a district court judge determines that the director made diligent
efforts to find the individual. Provides that a finding that the person is evading service is relevant to
determining if the director has made diligent efforts to provide notice to the person.

ReQUIRES the clerk of court to schedule a hearing on judicial review actions within 45 days (was, 15) from
the date that the petition for judicial review is filed at a session of district court hearing juvenile matters,
or if there is no such session, at the next session of juvenile court.

Deleted provision in GS 7B-324 that makes a person who is a respondent in an abuse or neglect juvenile
court proceeding arising from the same incident, and that proceeding results in an adjudication of abuse
or neglect and a determination that the respondent is a responsible individual, ineligible to submit a
petition for judicial review. Provides that if an individual seeking judicial review is named as a
respondent in a juvenile case or a defendant in a criminal court case resulting from the same incident,
the district court judge may stay the judicial review proceeding.

Amends GS 7B-400 to provide that removal of a juvenile from the juvenile's home under a protection
plan is not a basis for a change in venue if it later becomes necessary to file a juvenile petition. Provides
that a director in one county who conducts an assessment in another county because a conflict of
interest exists may elect to file any resulting petition in either of those counties. Authorizes the court to
grant a motion for a change of venue before adjudication for good cause. Provides that a pre-
adjudication change of venue does not affect the identity of the petitioner and that any post-
adjudication change of venue must be pursuant to GS 7B-900.1.

Amends GS 7B-401 to provide that in actions in which custody of the juvenile is granted to the parent,
there are no periodic judicial reviews of the placement, and the court has retained jurisdiction over the
juvenile, then Article 8 of Subchapter I of GS 7B applies to any subsequent reports of abuse, neglect, or
dependency that the director determines to require court action under GS 7B-302.
Enacts new GS 7B-401.1 regarding parties in an abuse, neglect, or dependency action. Provides that only a county director of social services or the director's designee may file a petition alleging that a juvenile is abused, neglected, or dependent and remains a party until the court terminates its jurisdiction in the case. Provides that the juvenile's parent is a party unless (1) the parent's rights have been terminated; (2) the parent has given the child up for adoption, except the court may order the parent be a party; or (3) the parent has been convicted under GS 14-27.2 or GS 14-27.3 for an offense that resulted in the conception of the juvenile. Additionally, provides criteria for a guardian, custodian, or caretaker as a party in the case. Declares that the juvenile is a party. Provides basis for removal of a party by the court and rules regarding when intervention in the action is prohibited and when it is permissible.

Makes conforming and clarifying changes to GS 7B-402 regarding the petition. Deletes provisions providing that the petition alleging abuse or neglect may also seek a determination that a respondent is a responsible party and deletes provision that a person convicted of an offense under GS 14-27.2 or GS 14-27.3 that resulted in the conception of the juvenile does not need to be named in the petition.

Amends GS 7B-406 regarding the issuance of a summons in an action alleging that a juvenile is abused, neglected, or dependent. Deletes provision that does not require that a summons be issued to a person convicted of an offense under GS 14-27.2 or GS 14-27.3 that resulted in the conception of the juvenile. Adds that the summons must include information as to how a parent may seek the appointment of counsel before a hearing if provisional counsel is not identified. Deletes requirement that notice of the inclusion of a respondent's name on the responsible individual list be included with the summons.

Amends GS 7B-407 regarding the service of summons to clarify that if service by publication is required, the cost of the service by publication is to be advanced by the petitioner and may be charged as court costs as the court directs. Deletes provision that allows holding parties, other than the juvenile, who fail to appear or fail to cause the juvenile to appear before the court without a reasonable cause, in contempt.

Amends GS 7B-505 to permit the court to place the juvenile in nonsecure custody with nonrelative kin if the court determines that such a placement is in the best interests of the juvenile. Defines nonrelative kin as a person who has a substantial relationship with the juvenile. Makes conforming changes to GS 7B-506.

Makes conforming changes to GS 7B-507(c) to reference GS 7B-906.1 as enacted by this act. Makes organizing, conforming, and clarifying changes to GS 7B-600.

Amends GS 7B-602 to provide that a parent who qualifies for an appointed attorney may be permitted to proceed without an attorney only after the court examines the parent and makes findings of fact sufficient to show that the parent's waiver is knowing and voluntary. Simplifies provision for the appointment of a guardian ad litem for a parent; specifies only that the parent be incompetent in accordance with GS 1A-1, Rule 17. Clarifies that the guardian ad litem cannot serve as the parent's attorney. Deletes provisions specifying the practices in which guardians ad litem appointed under this section may engage. Makes conforming changes to GS 7B-1101.1.
Enacts new GS 7B-800.1 to specify issues to be considered and addressed prior to the adjudication hearing. Permits combining the pre-adjudication hearing with a hearing on the need for nonsecure custody or any pretrial hearing conducted in accordance with local rules. Permits the parties to enter stipulations under GS 7B-807 or a consent order in accordance with GS 7B-801.

Amends GS 7B-803 to provide that resolution of a respondent's pending criminal charge that arises out of the same events as the juvenile petition cannot be the sole extraordinary circumstance to serve as a basis for granting a continuance.

Amends GS 7B-805 to delete a preponderance of the evidence as the standard of proof applicable to an action alleging that a respondent is a responsible individual who has abused or seriously neglected a juvenile. Makes a conforming change to GS 7B-807.

Provides that at the dispositional hearing, the court may consider any evidence including testimony or evidence from a person who is not a party if the court finds it to be relevant, reliable, and necessary to determine the needs of the juvenile and the most appropriate disposition.

Enacts a new section, GS 7B-905.1, to cover the issue of visitation when a court order removes custody of a juvenile from a parent, guardian, or custodian or makes a placement of the child outside of the home. Requires the order to provide for appropriate visitation as may be in the best interests of the juvenile, and provides that the court may also specify in the order conditions under which visitation may be suspended. Provides additional specifications regarding visitation that may be placed in the removal or placement order. Authorizes the director of social services, upon making a good faith determination that the visitation plan is inconsistent with the juvenile's health and safety, to temporarily suspend all or part of the visitation plan without filing a motion to show cause, but does require the director to expeditiously file a motion for review. Includes criteria when supervised visitation may apply and for filing a motion to review a visitation plan. Provides that the court may order the parents, guardian, or custodian to participate in custody mediation but prohibits custody mediation from allowing the participants to consent to a change in custody.

Repeals GS 7B-906 (Review of custody order) and GS 7B-907 (Permanency Planning Hearing) and makes an organizational change, enacting new GS 7B-906.1, which combines provisions for both review of custody orders and permanency planning hearings.

Details the timeline for conducting a review of custody orders and review hearings after the initial permanency planning hearing. Requires written findings from the court of its assessment per the review hearings. Specifies criteria regarding content, procedure, and relevant parties to the review hearings. Permits the court to waive holding the hearings required under this section or to order the review hearings to be held less frequently than every six months if the court makes specified findings that (1) the juvenile's placement has been for at least one year, (2) the placement is stable and continuation is in the juvenile's best interest, (3) neither the juvenile's best interest nor the rights of any party necessitate review hearings every six months, (4) all parties have knowledge that they may file a motion for review at any time to have the matter brought before the court, and (5) the court order has designated a suitable person as the permanent custodian or guardian. Prohibits the court from waiving or refusing
to conduct a review hearing if a party files a motion seeking the review. However, provides that if a
guardian has been appointed and the guardianship is the permanent plan for the juvenile, the court is to
proceed in accordance with GS 7B-600(b).

Makes clarifying changes to GS 7B-908 providing that the person providing care for the juvenile is to aid
in the post-termination of parental rights placement court review (was, the foster parent, relative, or
pre-adoptive parent).

Amends GS 7B-909 to provide that within six months of accepting a relinquishment of a juvenile for
adoption under Part 7 of GS Chapter 48, Article 3, a review of the department of social services plan for
the juvenile must be scheduled for hearing at a court that hears juvenile matters, unless the juvenile has
become the subject of a decree of adoption. Provides that notice to the court of the request for review
may be done by a motion for review as well as a petition for review, providing that the court has
jurisdiction over the juvenile. Makes additional clarifying changes.

Amends GS 7B-911 to direct the court to determine whether or not to terminate jurisdiction upon
placing a juvenile in custody with a parent or other appropriate person under GS 50-13.1, 50-13.2, 50-
13.5, and 50-13.7. Makes additional organizational and conforming changes to this section.

Amends GS 7B-1001 to require that both the notice of appeal and notice to preserve the right to appeal
be given in writing. Requires that the notice of appeal be signed by both the appealing party and the
counsel for the appealing party, if any. Makes conforming changes.

Amends GS 7B-1106 to provide for service of a copy of all pleadings and other papers required to be
served on the respondent’s attorney, if one has been appointed under GS 7B-602.

Amends GS 7B-1111(a)(5) to clarify the findings on which a court may base a determination to terminate
the parental rights of a father of a juvenile born out of wedlock.

Amends GS 7B-1112.1 to provide that in the selection of adoptive parents, any current person providing
placement for the child who wants to adopt the child be considered. Requires that foster parents be
notified of the selection of adoptive parents within 10 days of the selection and before the adoption
petition is filed. Also permits the foster parents who want to adopt the juvenile and were not selected as
adoptive parents to file a motion within 10 days of the Department’s notification and schedule the case
for hearing on the next juvenile calendar.

Provides additional guidelines regarding the selection of adoptive parents and the rights of the foster
parents.

Makes conforming changes to GS 7B-1114, GS 7B-1203(2), GS 7B-2503(1)c., and GS 7B-2506(1)c.

Effective October 1, 2013, and applies to proceedings filed on or after that date.

Summary date: Apr 4 2013
House committee substitute to the 1st edition makes the following change. The act now applies to actions filed or pending on or after the October 1, 2013, effective date (was, applies to proceedings filed on or after the effective date).

**Summary date: Jun 24 2013**

AN ACT TO MAKE VARIOUS CHANGES TO THE JUVENILE CODE PURSUANT TO REVISIONS PROPOSED BY THE COURT IMPROVEMENT PROJECT. Enacted June 19, 2013. Effective October 1, 2013, applicable to actions filed or pending on or after that date.

**SL 2013-130**

ECONOMIC DEVELOPMENT JOBSITES PROGRAM.

**Bill H 439**

**Summary date: Mar 26 2013**

Amends GS Chapter 105 by creating a new section GS 105-277.15A, *(Taxation of site infrastructure land)*, providing for the classification of site infrastructure land, a special class of property under section 2(2) of Article V of the NC Constitution. It must be appraised, assessed, and taxed in accordance with GS 105-277.15A. Provides the requirements that must be met for land to be considered site infrastructure land, including must be at least 100 contiguous acres and zoned for industrial use and/or office use. Provides how an owner of site infrastructure land can defer a portion of the taxes on that land and when and how the deferred taxes are due. On or before September 1 of each year, the tax collector will notify each owner who has previously received a tax deferral of the accumulated sum of deferred taxes and interest. Owner must notify the county assessor when land classified under this section loses its eligibility or face a penalty. Provides instances when deferred taxes will not be due and when they will remain as a lien on the land. Provides for an application for property tax relief, as well as the procedures, timing, and appeals of such applications. Provides that on August 1 of each year, the Secretary of Revenue will report to the Department of Commerce the number and location of all site infrastructure lands qualified under this section.

Amends GS 105-277.3 by creating a new subsection GS 105-277.3(d3), which provides for a Site Infrastructure Exception in certain circumstances. The exception, when applicable, provides for deferred taxes to become a lien on the land which are then payable in accordance with GS 105-277.15A.

Amends GS 105-277.1F(a), *(Uniform provisions for payment of deferred taxes)*, adding GS 105-277.1F(a)(4b) - site infrastructure land to the scope of the statute.

Above provisions are effective for taxes imposed for taxable years beginning on or after July 1, 2013.

Amends GS 143B-437.02(k), *(Monitoring and Reports)*, providing that the information in the report required by GS 105-277.15A(g) should also be included with the annual report which is given to the Joint
Legislative Commission on Governmental Operations, regarding Site Infrastructure Development Program.

Summary date: Apr 9 2013

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

Removes language stating that site infrastructure land, a special class of property under section 2(2) of Article V of the NC Constitution, must be appraised, assessed, and taxed in accordance with GS 105-277.15A.

Makes a technical correction, removing the word "ownership" from GS 105-277.15A(b).

Summary date: Jun 24 2013

AN ACT TO CREATE AN INFRASTRUCTURE PROPERTY TAX DEFERRAL PROGRAM. Enacted June 19, 2013. Section 4 is effective June 19, 2013. The remainder is effective for taxes imposed for taxable years beginning on or after July 1, 2013.

SL 2013-131

EXTEND DSWC ANIMAL WASTE INSPECTIONS.

Bill H 505

Summary date: Apr 2 2013

Repeals SL 1997-443, Section 15.4(a), as amended, dealing with certain animal operations.

Amends GS 143-215.10F, making a conforming change. Provides for an alternative inspections program by the Division of Soil and Water Conservation, with a focus on inspecting animal operations subject to a permit under GS 143-215.10C, with an inspection occurring at least once a year. The inspection will determine if the animal operations are causing a violation of water quality standards or whether the operations are in compliance with its animal waste management plan, as well as any other condition of the permit. This alternative program will be located in up to four counties with specified criteria.

Specifies how previous inspection programs and practices will be transitioned and continued.

Summary date: May 6 2013

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

Changes the short title.

Deletes the repeal of SL 1997-443, Section 15.4(a), as amended.
Provides that the alternative to the inspection program will be located in up to four counties, which are to be selected using criteria set forth in Section 15.4(a) of SL 1997-443 (The Current Operations and Capital Improvements Appropriations Act of 1997), as amended, as it existed prior to its expiration (previously, only referred to use of the criteria of the session law as amended).

Makes a clarifying change in regards to the specifications on how previous inspection programs and practices will be transitioned and continued.

Changes the effective date to June 30, 2013 (was, effective when the act becomes law).

**Summary date:** Jun 4 2013

Senate committee substitute makes the following change to the 2nd edition. Makes a technical correction to clarify that GS 143-215.10F is amended by Section 1 of this act.

**Summary date:** Jun 24 2013


**SL 2013-132**

**AMEND CREDIT UNION LAWS.**

**Bill H 515**

**Summary date:** Apr 3 2013

Amends GS 54-109.57A by creating a new subsection GS 54-109.57A(e), which provides that payable on death accounts created under GS 54-109.57, as it existed prior to October 1, 2011, will be governed by the provisions of this section on or after October 1, 2011. References to GS 54-109.57 in any document concerning the account are now deemed to refer to this section.

Amends GS 54-109.58, establishing that a credit union is not liable to joint tenants for complying in good faith with a writ of execution, garnishment, attachment, levy, or other legal process which appears to be issued by a court or other authority of competent jurisdiction. Provides further instruction for joint accounts with right of survivorships, requiring language that states their choosing of the right of survivorship in the account can be on a signature card or in an explanation of the account that is set out in a separate document. Provides that any joint tenant may terminate a joint account and that an individual who is a joint tenant can be removed from the account without terminating the account. After being removed, the joint account will continue in the names of the remaining tenant(s). Joint tenants that are removed from the account remain liable for any debts incurred during the period in which the individual was a named joint tenant.
Enacts new GS 54-109.60A (Minors), establishing that a credit union can issue and operate a share or deposit account in the name of a minor or in the names of two or more individuals, one or more of which are minors. A minor with such accounts is bound by the terms and agreement as if the minor were of full age and legal capacity. Provides that if a minor with a shared account, other than a joint account with right of survivorship or a payable on death account, dies, a parent or legal guardian of the minor can access and withdraw funds. These provisions do not affect the law governing transactions with minors in cases outside the scope of this section.

Creates GS 54-109.60B (Accounts opened by adults for minors), providing that one or more adults can open and maintain a custodial share account for a minor. Sets out the terms that apply to such accounts, including that beneficial ownership of the account vests exclusively in the minor.

Creates GS 54-109.62 (Payment of balance of deceased person or person under disability to personal representative or guardian), establishing the processes and procedures for paying the balance on deposit of deceased or people declared incompetent or legally disabled, including the proof needed to receive the balance on deposit and the protections the credit union has for acting in good faith under the authority of this section.

Creates new GS 54-109.62A (Powers of attorney; notice of revocation; payment after notice), providing that credit unions can continue to recognize acts of an attorney-in-fact or other agent until the credit union receives actual notice of the principal’s death or other official revocation signed by the principal or satisfactory evidence of the revocation in cases dealing with companies. Notwithstanding the receipt of written notice of revocation of authority, the credit union can still proceed with transactions on the account until 10 days after the date of the receipt of the notice.

Amends GS 54-109.63(a), establishing that a person can open a personal agency account by written contract, using the language required and included in this section, and that the language can be on a signature card or in an explanation of the account that is set out in a separate document, acknowledged by the person(s) establishing the account.

Amends GS 54-109.82 (Investment of funds), providing that the capital, deposits, undivided profits, and reserve fund of the corporation can be invested in corporate bonds with a minimum rating of A+, rated as such by at least one nationally recognized rating service. Also requires credit unions to monitor overall credit exposure by setting corporate bond investment limits as a percentage of assets.

Effective July 1, 2013, with Sections 2 (concerning joint accounts) and 4 (amending GS 54-109.63(a)) of this act applying to accounts established as of that date and accounts created on or after that date.

Summary date: Jun 24 2013

AN ACT TO AMEND THE LAWS GOVERNING CREDIT UNIONS. Enacted June 19, 2013. Effective July 1, 2013. Sections 2 and 4 apply to accounts established as of that date and accounts created on or after that date.
**SL 2013-133**

**SUSPENSION REMOVED WHEN ELIGIBILITY MET.**

Bill H 611

**Summary date:** Apr 8 2013

As title indicates. Effective December 1, 2013.

**Summary date:** May 7 2013

House amendment makes the following changes to the 1st edition.

Amends GS 20-13.2(c1), making clarifying and organizational changes. Provides that if the Department of Motor Vehicles (DMV) restores a permit or license that was revoked due to ineligibility for a driving eligibility certificate under GS 20-11(n)(1) (was, if the DMV restored a permit or license pursuant to this subsection), any record of revocation or suspension will be expunged by the DMV from the person's driving record. The DMV will not expunge a suspension or revocation record if a person has had a prior expunction from the person's driving record for any reason.

**Summary date:** Jun 24 2013


**SL 2013-134**

**MODIFY WEIGHT LIMITS FOR LINE TRUCKS.**

Bill H 623

**Summary date:** Apr 9 2013

Amends GS 20-118(c) as the title indicates. Provides that subsections (b), weight limitations, and (e), penalties, of GS 20-118(c) do not apply to a single axle truck owned, operated by, or under contract to a public utility, electric or telephone membership, or municipality. Requires that the truck must meet all of the following conditions in order to be exempt for subsections (b) and (e): (1) must be used in connection with the installation, restoration, or maintenance of utility services in a portion of the state where naturally occurring conditions prevent the safe navigation and operation of a truck with more than a single axle or using a trailer; (2) does not operate on an interstate highway; (3) does not exceed a
single axle weight of more than 28,000 pounds; and (4) does not exceed a maximum gross weight in excess of 48,000 pounds.

**Summary date:** May 13 2013

House committee substitute to the 1st edition makes the following changes. Amends GS 20-118(c)(17) to modify one of the conditions that must be met in order to be exempt from the weight limitations and penalties in (b) and (e) to require that the truck be used in connection with the installation, restoration, or maintenance of utility services within a county located wholly or partly west of I-77 (was, in a portion of the state), and the terrain, road widths, and other naturally occurring conditions prevent the safe navigation and operation of a truck with more than a single axle or using a trailer.

Changes the effective date of the act from when it becomes law to January 1, 2014.

**Summary date:** Jun 24 2013

AN ACT TO MODIFY THE VEHICLE WEIGHT LIMITS FOR A SINGLE AXLE TRUCK OWNED, OPERATED BY, OR UNDER CONTRACT TO A PUBLIC UTILITY OR ELECTRIC OR TELEPHONE MEMBERSHIP CORPORATION AND USED IN CONNECTION WITH THE INSTALLATION, RESTORATION, OR MAINTENANCE OF UTILITY SERVICES IN CERTAIN AREAS. Enacted June 19, 2013. Effective January 1, 2014.

**SL 2013-135**

**AMEND DEFINITION OF SPECIAL PURPOSE PROJECT.**

**Bill H 629**

**Summary date:** Apr 9 2013

Amends GS 159C-3(15a), the definitions section of the Industrial and Pollution Control Facilities Financing Act, providing that the definition of a special purpose project also includes land, equipment, and facilities for the disposal, treatment, or recycling of solid, forestry, agricultural, or other waste including any residual material which is the byproduct or excess raw material remaining after the completion of any commercial, consumer, governmental, agricultural, or industrial production process. This also includes facilities for the handling and transport of products resulting from treatment and recycling.

**Summary date:** Jul 8 2013

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

Changes the long title.

Makes technical corrections.
Summary date: Jul 8 2013

AN ACT TO AMEND THE DEFINITION OF A SPECIAL PURPOSE PROJECT TO INCLUDE AGRICULTURAL AND FORESTRY WASTE DISPOSAL FACILITIES. Enacted June 19, 2013. Effective June 19, 2013.

SL 2013-136

GUARANTY ASSOCIATION ACT AMENDMENTS.

Bill H 650

Summary date: Apr 10 2013

Amends GS 58-62-21 (Coverage and limitations), providing that this Article does not provide coverage for any part of a policy where the rate of interest on which it is based, the interest rate, crediting rate, or other factor determined by the use of an index or other external reference stated in the policy or contract and employed in calculating returns or changes in value is averaged in certain specified ways, including when the rate of interest exceeds certain national averages.

Also adds that this Article does not cover policies or contracts providing certain benefits pursuant to what is commonly known as Medicare Parts C and D or portions of a policy or contract to the extent it provides for interest or other changes in values determined by using an index or external reference which have not been credited to the policy or contract as of the date the member insurer becomes an impaired or insolvent insurer. Provides that the benefits for which the Guaranty Association (Association) is liable does not exceed the lesser of specified amounts, or with respect to health insurance benefits for any one individual, (1) $300,000 for coverage not defined as basic hospital, medical, and surgical insurance or major medical insurance, including disability insurance and long-term care insurance or (2) $500,000 for basic hospital, medical, and surgical insurance or major medical insurance. Provides that the Association will never be obligated to cover more than an aggregate of $300,000 in benefits with respect to any one individual under GS 58-62-21(d)(2), (d)(3), and (d)(2a), except with respect to benefits for basic hospital, medical, and surgical and major medical insurance under GS 58-62-21 (2a), which sets the aggregate liability limit at $500,000.

Amends GS 58-62-36 (Powers and duties of the Association), deleting GS 58-62-36(b) and (c), which details the acts the Association can take in regards to member impaired insurers. Provides that the Association, in the course of guaranteeing, assuming, or reinsuring policies or contracts for impaired insurers under subsections (a) and (d), can issue substitute coverage for a policy or contract that provides an interest rate, crediting rate, or similar factor determined by use of an index or other external references stated in the policy or contract employed in calculating returns or changes in value by issuing an alternative policy or contract in accordance with specified provisions.
Amends GS 58-62-41 (Assessments), establishing that the amount of any Class A assessment can be prorated. If prorated, the assessment cannot exceed $500 (previously, could not exceed $150) per member insurer in any one calendar year.

Effective July 1, 2013.

Summary date: Jun 24 2013

AN ACT TO MAKE CLARIFYING, CONFORMING, AND OTHER CHANGES TO THE NORTH CAROLINA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION ACT. Enacted June 19, 2013. Effective July 1, 2013.

SL 2013-137

INCREASE DRIVEWAY SAFETY ON CURVY ROADS.

Bill H 684

Summary date: Apr 10 2013

Requires the Department of Transportation (DOT) to amend its policies on driveway access to provide for exceptions to the sight distance requirement for driveways in instances where the curves of the road are too close and frequent to provide for the sighting distances required in the published Policy on Street and Driveway Access to North Carolina Highways. Requires exceptions to be granted where the speed limit on the relevant portion of the road may be lowered so as to provide safe reaction time around a proposed driveway location and requires that the speed limit be reduced accordingly. Allows DOT to require a driveway permit applicant to cover the cost of installing the appropriate signage around the driveway and may also require the applicant to install and maintain convex or other mirrors. Requires DOT to report to the Joint Legislative Oversight Committee on Transportation on its implementation of the required change within 180 days of this act becoming law.

Summary date: May 13 2013

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

Provides that the Department of Transportation (DOT) will consider exceptions to the sight distance requirement for driveway locations in instances where the curves of the road are close and frequent (previous edition required DOT to amend its policies on driveway access). Provides that exceptions will be granted in instances where sufficient sight distance can be provided or established through other means. Establishes that the DOT will consider lowering the speed limit on the relevant portion of the road, when appropriate.

Provides that this act only applies to sections of roadway where the minimum sight distance, as defined in "Policy on Street and Driveway Access to North Carolina Highways," is not available for a proposed driveway.

SL 2013-138
ENSURE SAFE NAVIGATION CHANNELS.

Bill H 707

Summary date: Apr 10 2013

Requires the Department of Environment and Natural Resources to do the following in order to ensure that the state's shallow draft navigation channels are safe and navigable: (1) utilize long-term agreements with the US Army Corps of Engineers to maintain the dredging of the state's shallow draft navigation channels to depths authorized on the date this act becomes law, (2) assist local governments in their pursuit of general permit authorizations from the Corps to allow local governments to dredge shallow draft navigation channels to depths and according to project designs authorized on the date this act becomes law, and (3) assist local governments in their pursuit of individual permits under the State Coastal Area Management Act permits issued by the Corps to allow the dredging of shallow draft navigation channels to depths greater than authorized on the date this act becomes law and to allow the placement of dredged materials on beaches. Defines shallow draft navigation channel.

Summary date: Jun 6 2013

Senate amendment to the 1st edition makes the following changes. Adds a provision creating the 13-member Oregon Inlet Land Acquisition Task Force (Task Force) to determine, review, and consider the state's options acquiring the federal government's right, title, and interest in Oregon Inlet and adjacent real property. Describes the property in detail. Specifies the Task Force's duties. Specifies the Task Force membership, with member terms commencing on July 1, 2013, and names the Governor, or designee, as the chair. Requires the Task Force to submit a report by May 1, 2014, to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the General Assembly, at which time the Task Force terminates.

Makes conforming changes to the act's title.

Summary date: Jun 24 2013

AN ACT TO DIRECT THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO PURSUE VARIOUS STRATEGIES TO ENSURE THAT THE STATE'S SHALLOW DRAFT NAVIGATION CHANNELS ARE SAFE AND NAVIGABLE AND TO CREATE THE OREGON INLET LAND ACQUISITION TASK FORCE. Enacted June 19, 2013. Effective June 19, 2013.
SL 2013-139

AMEND CERTAIN BAIL BOND PROCEDURES.

Bill H 762

Summary date: Apr 12 2013

Amends GS 15A-531(4) clarifying that a bail bond signed by any surety, as defined in GS 15A-531(8)a. and b., is considered the same as a cash deposit for all purposes in this Article.

Amends 15A-540(b) expanding the forms a surety must provide to a sheriff before surrendering a defendant to a sheriff to a bail bond, forfeiture, or release order and deleting the requirement that a copy of such form be certified.

Amends GS 15A-544.5(d)(2) deleting the procedural requirement that a clerk provide a copy of a motion to set aside a forfeiture to the district attorney for the county and to the attorney for the county board of education.

Amends GS 15A-544.5(d)(4) changing the party responsible for serving a copy of a motion from the "clerk of superior court pursuant to Rule 4" to the "moving party pursuant to Rule 5".

Amends GS 15A-544.8(c)(2) deleting the procedural requirement that a clerk of superior court provide a copy of a motion seeking relief from a final judgment to the district attorney for the county and to the attorney for the board of education.

Effective December 1, 2013.

Summary date: Jun 24 2013

AN ACT TO AMEND VARIOUS PROCEDURAL REQUIREMENTS REGARDING BAIL BONDS. Enacted June 19, 2013. Effective December 1, 2013.

SL 2013-140

ALLOW ALIMONY/POST SEP SUPP DURING MARRIAGE.

Bill H 763

Summary date: Apr 12 2013

Amends GS 52-10 adding subsection (a1) allowing a husband and wife to contract to waive, release, or establish rights and obligations to post separation support, alimony, or spousal support, with or without valuable consideration, as long as the contract is in writing and acknowledged by both parties before a certifying officer. Such a release is allowable as evidence in a proceeding in which a party is seeking recovery of the rights released.
Amending GS 50-16.6(b) expanding the types of contracts having express provisions that may bar alimony, post separation support and counsel fees to include a valid separation agreement, premarital agreement or marital contract made pursuant to GS 52-10(a1).

**Summary date:** Apr 24 2013

Amends GS 52-10(a1) to clarify that the contract between a husband and wife permitted by this section is a contract that is made during a period of separation. Also provides that the contract remains valid following a period of reconciliation and subsequent separation and requires that the provision waiving the rights or obligations be clearly stated in the contract.

**Summary date:** Jun 24 2013


**SL 2013-141**

**JURY INSTRUCTIONS FOR SCHOOL BUDGET DISPUTE.**

**Bill H 765**

**Summary date:** Apr 12 2013

Amends GS 115C-431(c) expanding and clarifying the required issue submitted to the jury for a budget dispute between a board of education and board of county commissioners. Accordingly, the issue submitted to the jury must be what amount of money is necessary from all sources to maintain a system of free public schools and what amount of money is needed from the county to make up this total. The jury must also be instructed that the board of county commissioners is required to provide the appropriation legally necessary to support a system of free public schools, and that the jury must consider the educational goals and policies of the State, the budgetary request of the local board of education, the financial resources of the county, and the fiscal policies of the board of county commissioners.

**Summary date:** Apr 24 2013

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

Amends GS 115C-431 to require that the instructions to the jury in a court action on a budget dispute between a local board of education and a board of county commissioners additionally include directing the jury to consider the educational goals and policies, the financial resources, and the fiscal policies of the local board of education.

**Summary date:** May 8 2013
House committee substitute makes the following changes to the 2nd edition.

Amends GS 115C-431(c), deleting a provision that required the court to find the facts as to the amount of money necessary to maintain a system of free public schools, and the amount of money needed from the county to make up this total. Makes clarifying changes and provides that the required issues that the judge or jury must find regarding the maintenance of a system of free public schools are (1) the amount of money legally necessary from all sources and (2) the amount of money legally necessary from the board of county commissioners. In making the finding the judge or jury must consider the educational goals and policies of the state and local board of education, the budgetary request of the local board of education, the financial resources of the county and local board of education, and the fiscal policies of the board of county commissioners and board of education.

Summary date: Jun 24 2013


SL 2013-142

UTILITIES/DESIGN/SURVEY LOCATION SERVICES.

Bill S 9

Summary date: Jan 30 2013

Enacts new GS 87-107.1 to provide as title indicates. Specifies the notice that must be provided to utility owners with underground utilities in the survey area. Requires the utility owner to provide the listed information to the person conducting the survey. Adds a definition for design/survey request to GS 87-101. Applies to design/survey requests made on or after July 1, 2013.

Summary date: Mar 13 2013

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

Amends GS 87-101 (Definitions), deleting the definition for design/survey request. Makes changes to definition for Association, which now reads: "Association' means an association, sponsored by utility owners, that provides for receipt of notification of excavation operations and surveyor or designer operations in a defined geographical area, and that maintains the records of the notifications."

Amends GS 87-101 by adding new definition, surveyor or designer, defined as a person who is responsible for designing or surveying underground utilities or requires a general description and location of existing underground utilities in an area.

Amends title of GS 87-107.1 to read, "Surveyor or designer request; notice required; duties of utility owners (was, Design/Survey request; notice required; duties of utility owners).
Amends GS 87-107.1(a), providing that before surveying an area containing highways, public spaces, or private easements of a utility owner, a surveyor or designer can give notice to each utility owner having underground utilities located in the area to be surveyed, or to the utility owner’s designated representative or association, either orally or in writing, not less than two nor more than ten working days prior to starting, of the surveyor's or designer's intent to have a survey conducted (was, Before surveying ... a person who is responsible for designing or surveying underground utilities or requires a general description and location of existing underground utilities can notify each utility owner having underground utilities located in the area to be surveyed, either orally or in writing, not less than two nor more than ten working days prior to starting, of the person's intent to survey). Makes conforming changes.

Amends GS 87-107.1(b), deleting previous language and now providing that if a surveyor or designer provides oral notice under GS 87-107.1(a), the utility owner, designated representative, association, surveyor, or designer will make an adequate record of the notification to document compliance.

Makes technical and conforming changes throughout.

Effective date of July 1, 2013, now applies to notices given on or after that date (previously applied to design/survey requests made on or after that date).

Summary date: Mar 19 2013

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

Adds a new definition of the term small water or wastewater utility owner.

Exempts small water or wastewater utility owners from having to report information to the surveyor or designer concerning underground utilities.

Summary date: May 22 2013

House committee substitute makes a technical correction to the 3rd edition.

Summary date: Jun 6 2013

House committee substitute to the 4th edition makes the following changes. Amends the term surveyor in GS 87-101 to no longer include designer and adds that the surveyor must be retained by an engineer, architect, or property owner.

Amends GS 87-107.1 to remove references to a designer. Amends the time frame for the required notice to require that it be provided no less than 10 working days before starting the survey (was, no less than two nor more than 10 working days before starting). Amends (c) to require that at least one of the specified items be provided (was, the specified information has to be provided) to the surveyor by the utility owner. Requires that the utility owner be given at least 10 days before the proposed start of the survey to provide the required information. Amends the information that is to be provided to require at least one of the following: (1) location and description of all of the underground utilities
within the area to be surveyed; (2) the best available description of the underground utilities in the area of the proposed survey; and (3) allowing the surveyor to inspect the drawing or other records for all underground utilities within the area to be surveyed at a location that is acceptable to both parties (deletes from the list location and description of all utility markers, temporary markings indicating the location of the underground utilities where permanent utility markers do not exist, and other information that would assist in locating the underground utilities). Adds that the requirements of (c) do not apply to a notice of intent to survey a single-family residence property given by an engineer or architect, but does apply to a notice given by a property owner or a surveyor who has been retained in connection with the development of the property.

**Summary date:** Jun 7 2013

House amendment makes the following changes to the 5th edition. Amends 87-107.1(c) to delete requirement that a utility owner or the utility owner's designated representative or association be allowed at least 10 days before the proposed start date of a survey to provide required information to the surveyor.

**Summary date:** Jun 10 2013

House amendment makes the following change to the 5th edition. Changes the effective date for this act to July 15, 2013 (was, July 1, 2013).

**Summary date:** Jun 24 2013

AN ACT REQUIRING UTILITY OWNERS TO LOCATE AND DESCRIBE UNDERGROUND UTILITIES UPON WRITTEN OR ORAL REQUEST FROM A PERSON WHO IS RESPONSIBLE FOR DESIGNING OR SURVEYING UNDERGROUND FACILITIES OR REQUIRES A GENERAL DESCRIPTION AND LOCATION OF EXISTING UNDERGROUND FACILITIES IN AN AREA. Enacted June 19, 2013. Effective July 15, 2013.

**SL 2013-143**

**APA TECHNICAL/CLARIFYING CHGES.**

**Bill S 36**

**Summary date:** Jan 31 2013

Amends GS 150B-21.2(c) and GS 150B-45(a) as the title indicates.

Amends GS 150B-21.7 to clarify that a rule remains in effect until the agency with authority over the rule amends or repeals it when (1) a law that authorizes an agency to adopt a rule is repealed and (2) another law gives the same or another agency substantially the same authority to adopt a rule. Structurally reorganizes the provisions into subsections (a), (b), and (c) and makes conforming changes.
Removes requirement that the Director of Fiscal Research must notify the Codifier of Rules when a rule is repealed, and instead requires the adopting agency to so notify.

Deletes the ten-day deadline for the Codifier to submit revisions for the form of a rule.

**Summary date:** Mar 6 2013

House committee substitute makes the following changes to the 1st edition. Amends proposed GS 150B-21.2(c)(2a) to require that a notice of proposed rule text include a link to the agency’s website including required information, as well as a statement that the procedure by which a person can object to a proposed rule and the requirements for subjecting a proposed rule to the legislative process are available on that website.

**Summary date:** Mar 13 2013

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

Deletes the requirement that a notice of the proposed text of a rule, which includes a link to the agency’s website containing information required by GS 150B-19.1(c), must also include a statement that the procedure by which a person can object to a proposed rule as well as the requirements for subjecting a proposed rule to the legislative review process are available on that website.

Amends GS 150B-19.1(c)(4), providing that agencies subject to this Article must post on its website instructions on how and where to submit oral or written comments on the proposed rule and a description of the procedure by which a person can object to a proposed rule and subject the proposed rule to legislative review.

Amends GS 150B-45(a)(2), regarding final decisions, requiring that to obtain judicial review of a final decision under this article, the person seeking review must file a petition within 30 days after the person is served with a written copy of the decision and for final decisions, other than contested tax cases, the petition for review must be filed in the superior court of the county where the person aggrieved by the administrative decision resides.

The above changes to GS 150B-45(a)(2) are effective October 1, 2013, and apply to petitions for judicial review filed on or after that date. The remainder of the act is effective when the act becomes law.

**Summary date:** Jun 5 2013

Conference report makes the following change to the 3rd edition. Amends GS 150B-45(a), which provides the procedure for obtaining judicial review of a final decision under Article 4 of GS Chapter 150B, to provide that a petition for judicial review in the case of a person residing outside of this state must be filed in the county where the contested case which resulted in the final decision was filed.

**Summary date:** Jun 24 2013
AN ACT TO MAKE CERTAIN TECHNICAL, CLARIFYING, AND CONFORMING CHANGES TO THE ADMINISTRATIVE PROCEDURE ACT, AS RECOMMENDED BY THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE. Enacted June 19, 2013. Section 4 is effective October 1, 2013. The remainder is effective June 19, 2013.

SL 2013-144

SHOOT GUN INSIDE/TO INCITE FEAR.

Bill S 124

Summary date: Feb 21 2013

Enacts new GS 14-34.10 making it a Class E felony to willfully or wantonly discharge or attempt to discharge a firearm within any building, structure, motor vehicle, or other conveyance or enclosure with the intent to do harm or incite fear. Effective December 1, 2013, and applies to offenses committed then and later.

Summary date: Apr 9 2013

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

Changes the long and short title

Amends GS 14, Article 8, creating new GS 14-34.10, (Discharge firearm within enclosure to incite fear), providing that it is a Class E felony to willfully or wantonly discharge, or attempt to discharge, a firearm within any occupied building, structure, motor vehicle, or other conveyance, erection, or enclosure with the intent to incite fear in another.

Summary date: Jun 5 2013

House committee substitute makes the following changes to the 2nd edition. Makes it a Class F (was, Class E) felony to willfully or wantonly discharge, or attempt to discharge, a firearm within any occupied building, structure, motor vehicle, or other conveyance, erection, or enclosure with the intent to incite fear in another.

Summary date: Jun 24 2013

AN ACT TO MAKE IT A CRIMINAL OFFENSE TO DISCHARGE A FIREARM WITHIN AN ENCLOSURE WITH THE INTENT TO INCITE FEAR. Enacted June 19, 2013. Effective December 1, 2013.

SL 2013-145

PROHIBIT CO-PAY WAIVER/MEDICAID PROVIDERS.
Amends GS 108A-63 (Medical Assistance Provider Fraud) making it illegal for any provider under the Medicaid Program (Medicaid) to knowingly and willfully execute, solicit, receive, or attempt to execute, by scheme or artifice, a waiver of co-payments owed by recipients of medical assistance under Medicaid, with the intent to induce recipients to purchase, lease, or order items or services. Also makes other quid pro quo arrangements for items or services under Medicaid illegal.

A medical provider that does so will be found in violation of this subsection unless the co-payment in question was waived, in full or partially, for any of the following reasons: (1) the waiver is authorized under Medicaid, (2) the provider decides on an individual basis that the collection of the co-payment amount would place a substantial financial hardship on the recipient, or (3) the provider has made a good faith effort to collect the co-payment but the reasonable efforts fail. A conviction under this subsection will result in a suspension or termination of the provider’s participation in Medicaid.

Makes conforming changes.

Effective December 1, 2013, and applies to acts and offenses committed on or after that date.

Enacts new GS 108C-13 (Certain waivers of Medicaid and Health Choice co-payments prohibited), establishing that providers permitted pursuant to GS 90-85.21 or GS 90-85-21A cannot waive the collection of co-payments owed by Medicaid or Health Choice recipients with the intent to induce recipients to purchase, lease, or order items or services from the provider.

A medical provider that does so will be found in violation of this subsection unless the co-payment in question was waived, in full or partially, for any of the following reasons: (1) the waiver is authorized, (2) the provider decides on an individual basis that the collection of the co-payment amount would place a substantial financial hardship on the recipient, (3) the provider has made a good faith effort to collect the co-payment but the reasonable efforts fail, or (4) the provider is a health care facility regulated pursuant to GS Chapter 131E or GS Chapter 122C or is owned or operated by the State.

A violation under this subsection will result in a suspension or termination of the provider’s participation in Medicaid and Health Choice.

Effective October 1, 2013, applying to acts committed on or after that date.
House committee substitute to the 2nd edition makes the following changes. Amends GS 108C-13 to refer to providers as permitted providers throughout the statute.

**Summary date:** Jun 24 2013


**SL 2013-146**

**CLARIFY LEC PROCEDURES/TC.**

**Bill S 156**

**Summary date:** Feb 28 2013

Identical to H 172, filed 2/27/13.

Amends GS 120-103.1, giving the Legislative Ethics Committee (Committee) authority to initiate investigation proceedings after receiving a signed and sworn allegation of unethical conduct by a legislator. Adds new subsection GS 120-103.1(a2), requiring the Committee to immediately issue written notice, after receiving a complaint, referral of a complaint, or beginning an inquiry on its own motion, to the legislator who is the subject of the allegation. Amends GS 120-103.1(c), establishing that the Committee must begin an investigation of complaints or referrals of complaints, received while the General Assembly is in Regular Session, within 10 business days. Complaints or referrals received at any other time require the Committee to begin investigation within 20 business days of receipt. Also requires Committee to make a recommendation, without further investigation, to the house in which the legislator who is the subject of the complaint is a member, if it is determined that the Committee does not have jurisdiction over the alleged conduct, but if true, the conduct could be unethical. Amends (c1) to allow the Committee to extend the amount of time of the preliminary investigation if Committee does not have sufficient information to dismiss the complaint or proceed with further investigation. Adds new subsection GS 120-103.1(h2), providing formal authority to the Committee to issue private admonishment without a hearing.

Amends GS 120-104(e), giving authority to the Committee to interpret GS 120, Article 14 (Legislative Ethics Act) as it applies to legislators, except the Lieutenant Governor. Effective January 1, 2007, and applies to advisory opinions issued by the Committee.

Makes technical and clarifying changes.

**Summary date:** Jun 4 2013

House committee substitute makes the following changes to the 2nd edition.
Amends GS 120-103.1(c)(4b), making a clarifying change.

**Summary date**: Jun 24 2013

AN ACT TO CLARIFY THE LEGISLATIVE ETHICS COMMITTEE'S INVESTIGATIVE PROCEDURES AND TO MAKE OTHER TECHNICAL CHANGES AS RECOMMENDED BY THE LEGISLATIVE ETHICS COMMITTEE. Enacted June 19, 2013. Section 2 is effective January 1, 2007, and applies to advisory opinions issued by the Legislative Ethics Committee on or after that date. The remainder is effective June 19, 2013.

**SL 2013-147**

POSSESSION OF NEEDLES/TELL LAW OFFICER.

**Bill H 850**

**Summary date**: Apr 15 2013

As title indicates. Effective December 1, 2013.

**Summary date**: May 8 2013

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

Changes long title.

Amends GS 90-113.22(c), deleting any occurrence of the words "law enforcement officer" and replacing them with "officer." Adds new language providing that, for the purposes of this subsection, the term "officer" includes criminal justice officers as defined in GS 17C-2(3) and a justice officer as defined in GS 17E-2(3).

Provides that the act becomes effective December 1, 2013, and applies to offenses committed on or after that date.

**Summary date**: Jun 24 2013

AN ACT TO PROVIDE THAT A PERSON WHO ALERTS AN OFFICER OF THE PRESENCE OF A HYPODERMIC NEEDLE OR OTHER SHARP OBJECT POSSESSED BY THE PERSON PRIOR TO A SEARCH BY THE OFFICER SHALL NOT BE CHARGED WITH POSSESSION OF DRUG PARAPHERNALIA FOR POSSESSION OF THE NEEDLE OR OTHER SHARP OBJECT. Enacted June 19, 2013. Effective December 1, 2013.

**SL 2013-148**

GRAND JURORS/SERVICE.
Bill H 879

**Summary date:** Apr 15 2013

Amends GS 15A-622, as the title indicates.

Amends GS 9-7 to make conforming changes and to require that information on individuals who serve a full term on a grand jury be retained for six years.

**Summary date:** Apr 24 2013

House committee substitute to the 1st edition makes the following changes. Makes a conforming change to GS 9-3, concerning qualifications of prospective jurors.

**Summary date:** Apr 30 2013

House amendment to the 2nd edition makes the following changes. Changes the act's effective date from when the act became law to January 1, 2014.

**Summary date:** Jun 24 2013


SL 2013-149

**NO FISCAL NOTE FOR RULE REPEAL.**

Bill H 892

**Summary date:** Apr 16 2013

As title indicates. Applies to all proposed rules published in the North Carolina Register on or after the date that the act becomes law.

**Summary date:** Apr 24 2013

House committee substitute to the 1st edition makes the following changes. Corrects the number of the amended statute to GS 150B-21.4.

**Summary date:** Jun 24 2013

MAINTAINING WATER & SEWER FISCAL HEALTH.

Bill S 207

Summary date: Mar 6 2013

Amends GS 159-181 by adding a new subsection giving the Local Government Commission (Commission) authority to impound the books and records of the water and/or sewer enterprise system of any unit of local government or public authority, assume full control of all its affairs, or take any lesser actions deemed necessary by the Commission when, for three consecutive fiscal years, the audited financial statements show that the unit or public authority meets any one of the following three criteria:

(1) The system experienced negative working capital.

(2) The system experienced a quick ratio of less than 1.0.

(3) The unit or public authority experienced a net loss of revenue in the enterprise system using the modified accrual budgetary basis of accounting.

Before the Commission assumes full control of an enterprise system, it must find that the impact of the three criteria above threatens the financial stability of the unit or public authority and that corrective changes in its operation of the system have not been made after the unit or public authority receives notice and warning from the Commission, which may come before the end of the three-year period. When a Commission takes action pursuant to this authority, it is vested with the powers of the governing board as the Commission deems necessary.

 Defines working capital for the purposes of this subsection as current assets, such as cash, inventory, and accounts receivable, less current liabilities, determined by generally accepted accounting principles, and quick ratio of less than 1.0 as meaning the ratio of liquid assets, cash, and receivables to current liabilities is less than 1.0.

Effective July 1, 2013.

Summary date: Mar 20 2013

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

Amends GS 159-181(d)(iii) to update the criteria that have to be met by a unit or public authority before the Local Government Commission may act to read, "the unit or public authority experienced a net loss of revenue from operations in the enterprise system using the modified accrual budgetary basis of accounting" (previously, "experienced a net loss of revenue in the enterprise system... ").

Summary date: Jun 24 2013

**SL 2013-151**

CITIES/PUBLIC NUISANCE NOTICE.

Bill S 211

**Summary date:** Mar 6 2013

Amends GS 160A-200.1 (*Annual notice to chronic violators of public nuisance ordinance*), stating that notice is served by registered or certified mail, and when service is attempted by registered or certified mail, a copy of the notice can also be sent by regular mail. Service is sufficient if the registered or certified mail is unclaimed or refused but the copy sent by regular mail is not returned by the post office within 10 days after the mailing. If service by regular mail is used, a copy of the notice must be posted in a conspicuous place on the property affected.

**Summary date:** Jun 24 2013

AN ACT AUTHORIZING CITIES TO PROVIDE ANNUAL NOTICE TO CHRONIC VIOLATORS OF PUBLIC NUISANCE ORDINANCES BY REGULAR MAIL AND POSTING. Enacted June 19, 2013. Effective June 19, 2013.

**SL 2013-152**

REVISE CONTROLLED SUBSTANCES REPORTING.

Bill S 222

**Summary date:** Mar 6 2013

Identical to H 173, filed 2/27/13.

Amends GS 160A-200.1 (*Annual notice to chronic violators of public nuisance ordinance*), stating that notice is served by registered or certified mail, and when service is attempted by registered or certified mail, a copy of the notice can also be sent by regular mail. Service is sufficient if the registered or certified mail is unclaimed or refused but the copy sent by regular mail is not returned by the post office within 10 days after the mailing. If service by regular mail is used, a copy of the notice must be posted in a conspicuous place on the property affected.

**Summary date:** Jun 24 2013

AN ACT AUTHORIZING CITIES TO PROVIDE ANNUAL NOTICE TO CHRONIC VIOLATORS OF PUBLIC NUISANCE ORDINANCES BY REGULAR MAIL AND POSTING. Enacted June 19, 2013. Effective June 19, 2013.

Amends GS 160A-200.1 (*Annual notice to chronic violators of public nuisance ordinance*), stating that notice is served by registered or certified mail, and when service is attempted by registered or certified mail, a copy of the notice can also be sent by regular mail. Service is sufficient if the registered or certified mail is unclaimed or refused but the copy sent by regular mail is not returned by the post office within 10 days after the mailing. If service by regular mail is used, a copy of the notice must be posted in a conspicuous place on the property affected.

**Summary date:** Jun 24 2013

AN ACT AUTHORIZING CITIES TO PROVIDE ANNUAL NOTICE TO CHRONIC VIOLATORS OF PUBLIC NUISANCE ORDINANCES BY REGULAR MAIL AND POSTING. Enacted June 19, 2013. Effective June 19, 2013.
Creates new subsection GS 90-113.74(b1), giving the Department of Health and Human Services (Department) the power to review prescription information data in the NC Controlled Substance Reporting System (System) for the purposes of identifying information that may indicate a person is obtaining prescriptions of controlled substances in a manner consistent with abuse, diversion, or increased risk of harm to patient. If such information is identified, the Department may notify the prescribing or dispensing practitioners. The Department may also review information in the System that might indicate a breach of professional standards and notify any agency responsible for licensing, registering, or certifying the practitioner. Allows System data to be released to a person delegated by an individual authorized to prescribe or dispense controlled substances for medical or pharmaceutical care.

Amends GS 90-113.75, increasing civil penalties to a max of $10,000 (was, $5,000) per violation. Rules establishing factors to be considered regarding the amount of penalty assessed will be adopted by the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services.

Amends GS 90-5.2 by adding a new subsection requiring the North Carolina Medical Board to make email addresses and fax numbers of physicians and physician assistants available to the Department for use in the System.

Makes clarifying and technical changes.

Summary date: Apr 15 2013

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

Amends GS 90-113.73 (Requirements for controlled substances reporting system), providing that the dispensers of specified controlled substances must report the information required under this section no later than the close of business three business days after the day when the prescription was delivered, beginning the next day after the delivery date; however, dispensers are encouraged to report the information no later than 24 hours after the prescription was delivered (was, dispenser was required to submit the information no later than 24 hours after the prescription was dispensed). Deletes the requirement that the dispensers submit the specialty of the practitioner and documentation of photographic identification presented by the person seeking dispensation of the prescription, when required by GS 90-106.1.

Amends GS 90-113.74 (Confidentiality), making technical and clarifying changes. Provides that information can be reported regarding the prescribing practice of a practitioner pursuant to rules adopted in subsection (b2). GS 90-113.74(b2) establishes that in order to receive a report pursuant to subdivision (2) of subsection (b1) of this section, an agency responsible for licensing, registering, or certifying a practitioner with prescriptive or dispensing authority must adopt rules establishing the criteria by which the Department may report the information to the agency.

Sections 1 and 2 of this act become effective on January 1, 2014, and apply to prescriptions delivered on or after that date. The remainder of this act is effective when it becomes law.

Summary date: Jun 4 2013
House amendment #1 makes the following changes to the 2nd edition. Amends subdivision (5) of GS 90-113.74(c) to expand the list of persons to whom the Department of Health and Human Services (DHHS) may release data from the controlled substances reporting system to include a sheriff or a police chief or their designees who are (1) assigned to investigate the diversion and illegal use of prescription medication or pharmaceutical products identified in Article 5 of GS Chapter 90 as schedule II through V controlled substances, and (2) engaged in a bona fide specific investigation related to the enforcement of laws governing licit drugs under a lawful court order. Amends subsection (e) to direct the state Attorney General's Office to review any findings reported to that office by DHHS to determine if the findings should be reported to the SBI and the appropriate sheriff for investigation of possible violations of state or federal law regarding controlled substances.

House amendment #2 makes the following changes to the 2nd edition. Amends subdivision (3) of GS 90-113.4(c) to provide that data from the controlled substances reporting system released by DHHS to special agents of the State Bureau of Investigation may be provided by SBI agents assigned to the Diversion & Environmental Crimes Unit who may then give this information to other SBI agents who are engaged in a bona fide specific investigation related to the enforcement of laws governing licit drugs. Amends GS 90-113.75(c) to provide that an entity (was, health care provider or entity) permitted to access data under Article 5 of GS Chapter 90 (the NC Controlled Substances Reporting System Act), who acting in good faith reports or transmits data required or allowed by this Article is immune from civil or criminal liability that might otherwise be incurred or imposed as a result of making the report or transmitting the data.

Summary date: Jun 24 2013

AN ACT TO REVISE THE NORTH CAROLINA CONTROLLED SUBSTANCES REPORTING SYSTEM ACT, AS RECOMMENDED BY THE CHILD FATALITY TASK FORCE. Enacted June 19, 2013. Sections 1 and 2 are effective January 1, 2014. The remainder is effective June 19, 2013.

**SL 2013-153**

**AMEND NC BUSINESS CORPORATION ACT.**

**Bill S 239**

Summary date: Mar 7 2013

Section #1

Amends GS 55-6-21(a), allowing powers granted to the board of directors (board) in GS 55-6-21 (Issuance of shares) to be delegated by the board to one or more officers of the corporation, unless the articles of incorporation or bylaws state otherwise.

Section #2
Amends GS 55-6-24(a), also allowing designated officers of the corporation, in addition to its board, to determine the terms on which the rights, options, or warrants are issued, their form and content, and the consideration needed for their issuance.

Section #3

Amends GS 55-7-05(a), requiring the board, if they have authorized participation in an annual and special shareholders’ meeting by means of remote communication, to issue notice, not only of the date, time, and the place of the meetings, but also of the means of remote communication to be used to participate in such meetings.

Section #4

Repeals GS 55-7-08. Majority of language repealed is incorporated into the below new section, GS 55-7-09.

Section #5

Enacts new GS 55-7-09 (Remote participation in meetings), allowing, to the extent authorized by the board, shareholders of any class or series to participate in any meeting of shareholders by remote communication. Such participation is subject to any guidelines and procedures set by the board. Shareholders participating by remote communication are considered present and can vote at such a meeting if the corporation has established reasonable measures to (1) verify that each person participating remotely is a shareholder and (2) to provide each shareholder participating remotely a reasonable opportunity to participate in the meeting and to vote on matters submitted to the shareholders, including an opportunity to communicate and read or hear the proceedings of the meeting, substantially concurrently with the proceedings.

Section #6

Amends GS 55-7-20(c), making conforming and technical changes, replacing a reference to GS 55-7-08 with GS 55-7-09.

Section #7

Enacts new GS 55-8-26 (Submission of matters for shareholder vote), authorizing a corporation to submit a matter to a vote of its shareholders even if, after approving the matter, the board determines it no longer recommends the matter.

Section #8

Amends GS 55-10-03(b) and (e), making technical and clarifying changes. Adds a reference to new section GS 55-8-26 (above) to language that requires the board to communicate the basis for not recommending the approval of an amendment if GS 55-8-26 is the reason for not recommending the amendment or a conflict of interest exists.
Section #9
Amends GS 55-11-03, making conforming and technical changes. Inserts a reference to GS 55-8-26 to language that requires the board to communicate the basis for not recommending the approval of the plan of merger if GS 55-8-26 is the reason for not recommending the merger plan or a conflict of interest exists.

Section #10
Amends GS 55-11-04, changing section title to Merger between parent and subsidiary or between subsidiaries. Makes several clarifying changes. Requires the board of foreign subsidiaries to get approval of its board and shareholders, as required under the law the foreign subsidiary is organized under, before merging.

Section #11
Amends GS 55-11A-11, making technical and clarifying changes. Inserts a reference to GS 55-8-26 to language that requires the board to communicate the basis for not recommending the approval of the plan of conversion if GS 55-8-26 is the reason for not recommending the plan or a conflict of interest exists.

Section #12
Amends GS 55-12-01, changing section title to Disposition of assets not requiring shareholder approval and mortgage of assets. Gives a corporation authority to, as approved by its board and without the approval of the shareholders, sell, lease, exchange, or otherwise dispose of any of its property not in the usual course of business, if such action does not dispose of all or substantially all of the corporation's property. If the action would leave the corporation with a continuing business activity of at least 25% of total assets at the end of the most recent completed fiscal year and at least 25% of either (1) income from continuing operations before taxes or (2) revenues from continuing operations for that fiscal year, then the action will be considered to be of less than all, or substantially all, of the corporation's property.

Section #13
Amends GS 55-12-02, changing section title to Disposition of assets requiring shareholder approval. Makes technical and clarifying changes. Inserts a reference to GS 55-8-26 to language that requires the board to communicate the basis for not recommending the approval of the proposed transaction if GS 55-8-26 is the reason for not recommending the transaction or a conflict of interest exists.

Section #14
Amends GS 55-14-02(b), making technical and clarifying changes. Inserts a reference to GS 55-8-26 to language that requires the board to communicate the basis for not recommending the approval of a
proposal to dissolve if GS 55-8-26 is the reason for not recommending the proposal to dissolve or a conflict of interest exists.

Effective October 1, 2013.

**Summary date:** Apr 16 2013

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

Makes a correction to GS 55-11-03(b) to clarify the specified requirements of subdivisions (1) and (2) are applicable to approval of a plan of merger or share exchange.

**Summary date:** Jun 3 2013

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

Amends GS 55-10-03, Amendment by board of directors and shareholders; GS 55-11-3, Action on plan; GS 55-11A-11, Plan of conversion; GS 55-12-02, Disposition of assets requiring shareholder approval; and GS 55-14-02, Dissolution by board of directors and shareholders to clarify that in order for an amendment, a plan of merger, share exchange, conversion, or a proposal to dissolve to be approved by the shareholders, or for a transaction to be authorized, the board of directors must recommend the approval of each unless one of the following circumstances exist, in which event the board of directors must communicate the basis for not recommending the approval: (1) the board determines that, because of a conflict of interest or other special circumstances, it should not make a recommendation for approval or (2) GS 55-8-26 applies.

Changes effective date to January 1, 2014 (was, October 1, 2013).

**Summary date:** Jun 24 2013


**SL 2013-154**

**CAPITAL PUNISHMENT/AMENDMENTS.**

**Bill S 306**

**Summary date:** Jul 8 2013

Enacts new GS 15-188.1 to (1) prohibit any board, commission or other authority, which regulates or oversees the practice of health care professionals, from sanctioning or subjecting to any disciplinary action, any licensed health care professionals for assisting with an execution under Article 19 of GS
Chapter 15 and (2) provide that the administration of lethal substances under Article 19 to inflict capital punishment is not to be construed as the practice of medicine.

Amends GS 90-1.1(5) to clarify that the administration of lethal substances or any other assistance with an execution under Article 19 does not constitute the practice of medicine or surgery. Makes a conforming change to this section. Amends GS 90-85.38(b) (pharmacy) and GS 90-171.20(4) (nursing) to specify that the administration of lethal substances or otherwise assisting with an execution does not constitute the practice of pharmacy or nursing, respectively.

Current law does not require the sentencing judge to specify a date and time to carry out the execution of a convicted defendant in a death penalty case. Amends GS 15-194 to direct the state Attorney General (AG) (was state AG or the district attorney who prosecuted the case) to provide written notification of specified events relating to post-conviction proceedings to the Secretary of the Department of Public Safety not less than 30 days nor more than 60 days from the occurrence of such events.

Requires the AG to submit a written report to the Joint Legislative Oversight Committee on Justice and Public Safety on the status of all pending post-conviction capital cases, with the first report due April 1, 2013.

Amends GS 15-188 to provide that the mode of execution must be in every case by administering an intravenous injection of a substance or substances in a lethal quantity sufficient to cause death until the person is dead. Requires that the procedure be determined by the Secretary of the Department of Public Safety in compliance with the federal and state constitutions (was, administer a lethal quantity of an ultrashort acting barbiturate in combination with a chemical paralytic agent until the convict or felon is dead). Provides that procedures and substances used to carry out a death sentence before this act becomes effective are not abated or changed by this act.

Amends GS 15-90 to require the warden to report to the Joint Legislative Committee on Justice and Public Safety on the status of persons designated by the warden to execute death sentences under Article 19 of GS Chapter 15, with the first report due April 1, 2013.

Section 5 of this act repeals Article 101 of GS Chapter 15A, the North Carolina Racial Justice Act (RJA). Asserts that the intent and purpose, and sole effect of this section, is to remove the use of statistics to prove intentional discrimination in a specific case. Provides that a district attorney may request the AG to assume primary responsibility for litigation in superior or appellate court of any claims or issues resulting from a petition for relief that has been filed or may be filed under the RJA, or any issues or matters relating to the repeal of the RJA under this act. Except as otherwise provided, this section is retroactive and applies to any motion for appropriate relief filed under the RJA before the effective date of this act. Voids all motions filed under the RJA prior to the effective date of this act. Provides an exception, declaring that this section does not apply in any case where a final order has been issued by a court of competent jurisdiction prior to the effective date of this act and the petitioner has been resentenced to life without parole under the provisions of the RJA.
This act is effective when it becomes law.

**Summary date:** Jul 8 2013

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

Amends GS 15-194 to direct the state Attorney General (AG) (was, state AG or the district attorney who prosecuted the case) to provide written notification of specified events relating to post-conviction proceedings to the Secretary of the Department of Public Safety not more than 60 days from the occurrence of such events (was, not less than 30 days nor more than 60 days from the occurrence of such events).

The 1st edition voids all motions filed under the Racial Justice Act (RJA) prior to the effective date of this act; however, provides an exception, declaring that this section does not apply in any case where a final order has been issued by a court of competent jurisdiction prior to the effective date of this act and the petitioner has been re-sentenced to life without parole under the provisions of the RJA. Modifies the exception to provide that it applies to a court order re-sentencing a petitioner to life imprisonment without parole under the RJA, only if the order is affirmed upon appellate review and becomes a final order issued by a court of competent jurisdiction. Also provides that this section applies to a case in which a court re-sentenced a petitioner to life imprisonment without parole under the RJA prior to the effective date of this act if the order is vacated upon appellate review by a court of competent jurisdiction.

Makes a technical correction to GS 90-85.38(b) as amended by this act.

**Summary date:** Jul 8 2013

House committee substitute to the 2nd edition makes the following changes. Amends GS 15-194 to require the Attorney General to provide written notification to the Secretary of the Department of Public Safety of specified events triggering the implementation of the sentence no more than 90 days (was, 60) after the event occurs. Also requires the Secretary to schedule a date for the execution of the death sentence no less than 15 days (was, 30 days) or more than 120 days (was, 60 days) from the date of receiving the notification. Changes the due date of the report to be made by the Attorney General to the Joint Legislative Oversight Committee on Justice and Public Safety to April 1, 2014 (was, 2013).

Amends GS 15-190 to require a licensed physician (was, surgeon or physician of the penitentiary) to be present at executions. Changes the due date of the report to be made by the warden to the Joint Legislative Oversight Committee on Justice and Public Safety to April 1, 2014 (was, 2013).

**Summary date:** Jul 8 2013

AN ACT TO EXCLUDE THE ADMINISTRATION OF A LETHAL INJECTION FROM THE PRACTICE OF MEDICINE; TO CODIFY THE LAW THAT PROHIBITS REGULATORY BOARDS FROM SANCTIONING HEALTH CARE PROFESSIONALS FOR ASSISTING IN THE EXECUTION PROCESS; TO AMEND THE LAW ON THE ADMINISTRATION OF A LETHAL INJECTION; TO REQUIRE THE SETTING OF AN EXECUTION DATE IF ANY
OF THE EVENTS WHICH ARE PROVIDED BY STATUTE HAVE OCCURRED; TO ELIMINATE THE PROCESS BY WHICH A DEFENDANT MAY USE STATISTICS TO HAVE A SENTENCE OF DEATH REDUCED TO LIFE IN PRISON WITHOUT PAROLE; TO REQUIRE PERIODIC REPORTS ON THE TRAINING AND AVAILABILITY OF PERSONNEL TO CARRY OUT A DEATH SENTENCE; AND TO REQUIRE PERIODIC REPORTS ON THE STATUS OF PENDING POSTCONVICTION CAPITAL CASES. Enacted June 19, 2013. Effective June 19, 2013.

SL 2013-155

FOREST SERVICE CHANGES/BEDDING LAW ROE.

Bill S 387

Summary date: Mar 20 2013

Identical to H 366, filed 3/20/13.

Amends GS 1-339.17(c1) and GS 20-81.12(b35) making technical changes, replacing "Division of Forest Resources" with "North Carolina Forest Service," conforming to the renaming of the NC Forest Service.

Amends GS 77-13 and GS 77-14, making technical changes, replacing "Department of Environment and Natural Resources" with "Department of Agriculture and Consumer Services."

Amends GS 97-2 (Definitions), GS 105-259(b)(41), GS 105-277.7(a)(2), GS 105-296(j), and GS 106-202.14(b)(3), making technical changes, replacing "Division of Forest Resources" with "North Carolina Forest Service."

Amends GS 106-860(d)(11), making technical changes, replacing "Director of Forest Resources" with "Assistant Commissioner of the North Carolina Forest Service."

Amends GS 106-878, 106-887(a), and 106-903, making technical changes, replacing "Division of Forest Resources" with "North Carolina Forest Service."

Amends GS 106-955 (Definitions), replacing "Division of Forest Resources" with "North Carolina Forest Service" and making other technical changes. Provides that the term fire fighter also now includes engaging in emergency response duties pursuant to GS 166A-19.77.

Amends GS 106-956, changing the title from Standby duty to On-call. Provides that on-call duty is when a firefighter is required to be available to return to the duty station or respond to an emergency within 30 minutes. Firefighters on call will receive an electronic communication device. After 14 consecutive days on duty, the fire fighter will be off duty for two days. On the days the firefighter is off duty, he or she can only be contacted in times of emergency.

Amends GS 106-966(1), GS 106-968, GS 106-969, making technical changes, replacing "Division of Forest Resources" with "North Carolina Forest Service."
Amends GS 113-291.10(a)(3), making technical changes, replacing "Director" with "Assistant Commissioner."

Amends GS 143-116.8 (Motor vehicle laws applicable to State parks and forests road system), making technical changes, adding Department of Agriculture and Consumer Services to those administering land in the state parks and forests.

Provides that it is illegal to operate a vehicle in the State forest system at a speed above 25 mph. This speed limit is subject to change depending on the conditions. No speed limit is effective until posted.

Provides that the Commissioner of Agriculture (Commissioner) has authority to place vehicle control signs and signals in the state forest road system, or any other signs as seems appropriate. Failure to obey any of these signs is an infraction and can be punished as provided in GS 20-176.

Provides that the Commissioner may, through rules and regulations, establish parking areas and can remove illegally parked vehicles.

Amends GS 143-166.2(d), GS 143-166.7, and GS 143-214.25A(a), making technical changes.

Amends GS 143A-65.1, changing section title to North Carolina Forest Service.

Effective July 1, 2013.

Summary date: Apr 3 2013

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

Makes technical changes to the act to insert gender neutral language and to replace "fire fighter" with "firefighter." Replaces occurrences of "North Carolina Forest Service, Department of Agriculture and Consumer Services" with North Carolina Forest Service of the Department of Agriculture and Consumer Services." Makes additional technical changes to maintain consistency of titles and terms used.

Amends GS 166A-19.77 to replace occurrences of "Division of Forest Resources" with "North Carolina Forest Service."

Summary date: Jun 3 2013

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

Adds a new section amending GS 106-65.105 to give the Commissioner of Agriculture the right of entry on the premises where necessary to enforce the provisions of Article 4H (Bedding) or rules adopted by the Board of Agriculture. Requires an administrative search and inspection warrant if consent to entry is not obtained.

Makes organizational changes to the act and updates the act's short and long titles.

Summary date: Jun 24 2013
AN ACT TO (1) MAKE TECHNICAL AND CONFORMING CHANGES PERTAINING TO THE RENAMING OF THE NORTH CAROLINA FOREST SERVICE AND TO MAKE OTHER CHANGES IN THE FOREST SERVICE STATUTES AND (2) PROVIDE A RIGHT OF ENTRY FOR THE COMMISSIONER OF AGRICULTURE TO ENFORCE THE LAWS RELATED TO BEDDING. Enacted June 19, 2013. Effective July 1, 2013.

SL 2013-156

ETHICS REQUIREMENTS FOR MPOS/RPOS.

Bill S 411

Summary date: Mar 25 2013

Adds new subsections to GS 136-200.2 regarding Metropolitan Planning Organizations (MPO) and GS 136-211, regarding rural transportation planning organizations (RPO) to require that all individuals with voting authority and who serve on an MPO or an RPO are subject to the ethics provisions of state government, including an affirmative duty to promptly disclose in writing any conflict of interest or potential conflict of interest and to file a statement of economic interest with the State Ethics Commission (SEC). Provides penalties for violations. Requires all individuals with voting authority, who are serving on an MPO or an RPO to file a statement of economic interest and additional real estate lists with SEC no later than April 15, 2003. Provides that any member of an MPO or RPO who filed a statement of economic interest in compliance with GS 136-202(e) and GS 136-211(e) is not required to file again and SEC will prepare the evaluation under that filing.

Makes conforming changes, repealing GS 136-202(e) and GS 136-211(e).

Summary date: Apr 9 2013

Senate committee substitute makes the following changes to the 1st edition. Removes Metropolitan Planning Organizations (MPOs) and Rural Transportation Planning Organizations (RPOs) from the general application of the State Government Ethics Act and requires specific ethics requirements of members serving on a transportation advisory committee of either an MPO or an RPO. Requires all individuals with voting authority who serve on an MPO and an RPO, and who are members of the Board of Transportation, to comply with GS Chapter 138A and GS 143A-350 while serving on the RPO or MPO.

Also makes technical and clarifying changes.

Summary date: Jun 4 2013

House committee substitute to the 2nd edition makes the following changes. Amends the effective date provision as follows. Prohibits the State Ethics Commission from requiring individuals serving on a metropolitan planning organization or rural transportation planning organization, who are not also members of the Board of Transportation, who have not yet complied with GS 138A-13 to complete ethics education as required by the statute, and the Commission may not apply Article 5 of GS Chapter
138A to those individuals (was, required individuals with voting authority serving on a metropolitan planning organization or a rural transportation planning organization to file statements of economic interest and additional real estate lists with the State Ethics Commission by April 15, 2013). Allows the State Ethics Commission to destroy the statement of economic interest forms filed by individuals under GS 136-202(e) and GS 136-211(e) and associated written evaluations if the filer does not have the authority to give final approval for actions of the metropolitan planning organization or rural transportation planning organization on which the filer serves and is not otherwise a covered person required to file a statement of economic interest (was, provided that members of a metropolitan planning organization or a rural transportation planning organization that filed a statement of economic interest under GS 136-202(e) or GS 136-211(e) are not required to file again, and required the State Ethics Commission to prepare the evaluation).

Summary date: Jun 24 2013


SL 2013-157

AMEND & RESTATE NC LIMITED LIABILITY CO. ACT.

Bill S 439

Summary date: Jul 8 2013

Repeals GS Chapter 57C, the "NC Limited Liability Company Act" and enacts a new GS Chapter 57D, also to be known as the "North Carolina Limited Liability Company Act" (Act) to amend, restate, and make conforming changes to the Act as the title indicates.

Provides that new Chapter 57D and any other applicable state laws govern the internal affairs of every Limited Liability Corporation (LLC) and any liability that interest owners, managers, or other company officials may have for the liabilities of the LLC. Declares that North Carolina's superior courts have jurisdiction to enforce the provisions of this Chapter. Reserves the power to amend or repeal all or any part of this Chapter at any time to the General Assembly. Provides that the scope of any amendments to this Chapter applies to all LLCs, foreign LLCs, interest owners, managers, and other company officials and includes LLCs and foreign LLCs in existence, or persons having such interests and status, at the time any amendments are enacted. Makes each provision of this Chapter severable, so that if any provision or application of this Chapter is held to be invalid, its invalidity will not affect other provisions or applications of the Chapter that can be given effect without the invalid provision or application.

Sets out definitions of terms as they apply in this Chapter, including: (1) defines LLC as an entity formed under new Chapter 57D or former Chapter 57C that has not become another entity or form of entity by
merger, conversion, or other means; (2) defines Limited liability company to mean an LLC or a foreign LLC; (3) defines person to mean an individual or an entity, and defines individual to mean a human being; and (4) provides that liabilities, debts, and obligations have the same meaning and are used interchangeably through this Chapter.

Specifies requirements for the filing of documents under this Chapter. Requires that a document filed by the Secretary of State of North Carolina (Secretary) must be filed as provided in GS Chapter 55D. Identifies persons who are authorized to file documents on behalf of an LLC under specified circumstances.

Authorizes the Secretary to make the use of certain application forms mandatory and provides that the Secretary may promulgate and furnish other forms for documents required or permitted to be filed under this Chapter, but their use is not mandatory.

Delineates fees to be collected by the Secretary (1) for filing documents with the Secretary, (2) for service of process on the Secretary (if the serving party prevails then the party may recover the process fee), and (3) for copying and certifying a copy of any filed document related to an LLC.

Provides that any person adversely affected by the failure or refusal of any person to execute and deliver any document to the Secretary that required to be filed under this Chapter may petition the superior court with appropriate jurisdiction as specified in this Chapter to direct the filing and execution of the document. If the court finds that it is proper for the document to be executed and delivered to the Secretary and the applicable company official has refused or failed to do so, then the court must order the Secretary to make the filing.

Permits anyone to apply to the Secretary for a certificate of existence for an LLC or a certificate of authorization for a foreign LLC. Specifies the information that the certificate or existence or authorization must contain. Provides that a certificate of existence or authorization issued by the Secretary may be relied upon as conclusive evidence as to the accuracy of its contents.

 Declares that the Secretary has the power necessary to perform the duties required by this Chapter. Authorizes the Secretary to present written interrogatories to any LLC to enable the Secretary to determine if the LLC has complied with all applicable provisions of this Chapter. Indicates timelines (30 days from the request by the Secretary or within an additional time frame set by the Secretary) for a response from the LLC and requires that the answers to the Secretary’s interrogatories must be full and complete, and made in writing and under oath. Makes it a Class 1 misdemeanor for a manager or other company official of an LLC to fail or refuse to respond within the prescribed time to answer truthfully and fully the interrogatories proposed by the Secretary. Provides that the interrogatories and the answers are not open to public inspection. Prohibits the Secretary from disclosing any facts or information gained from the interrogatories except to the extent applicable law requires the Secretary to disclose the information publicly, or the interrogatories or the answers are required as evidence in any proceedings by the state. Directs the Secretary to certify to the state Attorney General all interrogatories and answers that disclose a violation of any provisions under this Chapter which require or permit action by the Attorney General. Provides that the Secretary may impose penalties on an LLC
for failing to answer interrogatories. Penalties include the suspension of an LLC’s articles of organization or its certificate of authority to do business in this state. Requires the Secretary to immediately notify an LLC of its suspension by mail. Sets out criteria under which the Secretary is to reinstate a suspended LLC. Requires the LLC to fully comply with its obligations under new GS 57D-1-31, pay all state taxes, fees, and penalties that are due, and pay a $25.00 fee to the secretary to cover the cost of reinstatement. Directs the Secretary to immediately notify the LLC of the reinstatement by mail. Also provides criteria for disposing of the assets of an LLC when its articles of organization or certificate of authority have been suspended and the LLC has ceased to operate, but property remains in the name of the LLC or where remain future interests that may accrue to the LLC, its successor, or its interest owners.

Provides that an LLC is an entity distinct from its interest owners; has perpetual duration; and continues its existence after its dissolution subject to wind up under the provisions of new GS 57D-6-07. Provides that an LLC may engage in any lawful business but provides that an LLC engaging in a business subject to regulation under another North Carolina statute may be formed under this Chapter if not precluded by the provisions of the other statute. Provides guidelines regarding an LLC rendering professional services. Except as otherwise indicated in subsection (a) of new GS 57D-2-02, limits an LLC to rendering professional services only to the extent that it would be able to provide those services if it were a corporation, including complying as applicable with GS Chapter 55B and the statutes referenced in the definition of "professional service" in GS 55B-2(6). Provides rules of construction for applying the provisions of GS Chapter 55B and the statutes referenced in Chapter 55B to LLCs that render professional services, unless the context specifically requires a different construction. Asserts that nothing in new GS Chapter 57D alters or abolishes North Carolina’s law applicable to the professional relationship and liabilities between a provider of professional services and the person receiving the professional services, the standards of professional conduct in rendering the professional service, or any responsibilities, obligations, or sanctions imposed by applicable licensing statutes. Provides criteria regarding the question of liability of a member or manager or other company official of a professional LLC.

Unless provided otherwise under this Chapter or limited under the operating agreement, an LLC has the same powers as an individual or a domestic corporation to do everything necessary to carry out its business.

Provides that one or more persons may form an LLC by delivering executed articles of organization to the Secretary for filing in accordance with this Chapter and Chapter 55D. Also provides for the formation of an LLC through the conversion of another eligible entity into an LLC under Part 2 of Article 9 of GS Chapter 57D. Declares that an LLC is formed at the time that the articles of organization filed by the Secretary become effective. Provides additional guidelines regarding the formation of an LLC.

Specifies the required content of the articles of organization, and indicates the process of amending the articles of organization. Permits an LLC to restate its articles of organization at any time. Requires that the restated articles of organization must be delivered to the Secretary for filing and indicates the required elements of the restatement to be filed with the Secretary.
Requires each LLC and each foreign LLC, except for professional LLCs governed by new GS 57D-2-02, to file annual reports with the Secretary on a form and in a manner as prescribed by the Secretary. Specifies information that must be included in each annual report. Directs the Secretary to notify LLCs of the annual report filing requirement. Provides schedule for submitting the annual report.

Provides for the scope, function, and limitations of the operating agreement that governs the internal affairs of an LLC, and the rights, duties, and obligations of (1) the interest owners, and the rights of any other persons to become interests owners, in relation to each other, the LLC, and their ownership interests or rights to acquire ownership interests, and (2) the company officials in relation to each other, the LLC, and the interest owners. Provides that the provisions of the operating agreement are severable and each provision will apply to the extent that it is valid and enforceable. Declares that the operating agreement may not supplant, vary, disclaim, or nullify specified provisions of this Chapter or the application of those provisions. Provides that except as otherwise provide in this Chapter or other applicable law, the laws of agency and contract govern the administration and enforcement of operating agreements.

Identifies persons deemed to be a party to the operating agreement and other persons subject to or having rights under the operating agreement. Provides that a person does not have to be an interest owner to be a party to the operating agreement. Provides that any person bound by the operating agreement is also bound by any adopted amendment to the operating agreement. Indicates that an operating agreement may contain specified remedies applicable to the breach of the operation agreement or the occurrence of a specified event. Provides that unless otherwise specified in the operating agreement, an interest owner or other person, who is a party or bound by the operating agreement, will not be liable to the LLC, an interest owner, or a party to the operating agreement for that person's reliance on the provisions of the operating agreement.

Requires each LLC to maintain a registered office and registered agent as required under Article 4 of GS Chapter 55D and provides that each LLC is subject to service on the Secretary under that Article.

Provides criteria for the admission of members to an LLC and for becoming an economic interest owner. Also provides criteria for ceasing to be a member of an LLC, including death and a declaration of incompetence.

Requires the approval of all members to (1) adopt or amend an operating agreement, (2) admit any person as a member, (3) transfer in one transaction or series of related transactions all or substantially all of the assets of the LLC prior to the dissolution of the LLC, other than in the ordinary course of business, (4) dissolve the LLC under circumstances other than those for which an LLC may be dissolved under Article 6 of this Chapter, (5) convert the LLC into a different eligible entity under Article 9 of this Chapter, or (6) merge the LLC with or into another eligible entity under Article 9 of this Chapter.

Specifies the rights of members to inspect and review information including the articles of organization, tax returns, and other information from which the status of the business and financial condition of the LLC may be ascertained. Permits the inspection rights and rights to copy LLC records to be exercised through a member's agent.
Provides standards of conduct for managers in the discharge of their duties in managing the LLC and conducting its business. Provides that the management of an LLC and its business is vested in the managers, and that all members are managers of the LLC, as well as any person or persons designated as a manager in the operating agreement. However, the operating agreement may provide that members are not managers by virtue of their status as members and may also designate that the LLC is to be managed by company officials who are not managers. Provides additional criteria regarding terms of service as a manager and the duties of company officials. Directs managers to manage the LLC and conduct its business in accordance with the operating agreement and asserts that a manager acting in compliance with this section is not liable to the LLC for any act or omission as a manager.

Attaches no liability to a person who is an interest owner, manager, or other company official for the obligations of the LLC solely because of their position in the LLC. Provides criteria for when indemnification is required for an LLC member, manager, or other company official and criteria when the LLC must reimburse a person who is or was a member for any payment made by that person, in the authorized conduct of the LLC’s business or preservation of the LLC’s business or property.

Also provides criteria for contributions by an interest owner in any form including money or other property, or services rendered, for interim distribution to interest owners before the dissolution and winding up of an LLC, and restrictions on making distributions. Provides additional information on liability for contributions, liability for wrongful distributions distribution in kind, and the right to distribution.

Categorizes an ownership interest as personal property. States that an economic interest may be transferred in whole or part; however, the transfer, in whole or part, of an economic interest does not entitle the recipient of the transfer to become a member or exercise any rights of a member other than to receive the economic interest. Provides for the rights of a judgment creditor of an interest owner. Provides additional criteria regarding the transfer of ownership interests with respect to an LLC. Declares that there is no right for an interest owner to voluntarily withdraw capital or terminate obligations except as may be required by this Chapter or other applicable law.

Specifies occurrences which dissolve an LLC. Provides the grounds and procedure for a judicial dissolution of an LLC. Authorizes the court in a proceeding to dissolve an LLC, to create a receivership pending the court’s decision on dissolution, and provides specifications regarding a decree of judicial dissolution and the court’s authority to direct the winding up of the LLC. Also provides acts or omissions that serve as grounds to permit the Secretary to administratively dissolve an LLC. Allows an LLC dissolved under this section to apply to the Secretary for reinstatement.

Directs an LLC to wind up after its dissolution and provides that the winding up may include continuing the business of the LLC for a period of time. Elaborates on the process of winding up an LLC after its dissolution, identifying the process for determining the person or persons charged with winding up the LLC. Provides that during the winding up of an LLC, the LLC’s assets are to be applied first to creditors and the balance to the interest owners as distributions made in the manner provided in GS 57D-4-03.
Requires the LLC to deliver articles of dissolution to the Secretary for filing upon the dissolution of the LLC. Specifies that the articles of dissolution must contain (1) the name of the LLC, (2) the effective date of the dissolution, and (3) any other information the LLC elects to provide.

Permits a dissolved LLC with articles of dissolution, a certificate of dissolution, or an effective decree of dissolution filed by the Secretary, to dispose of known claims against it by providing claimants with a written notification of the dissolution with specified content. Also provides for the publication of notice of an LLC's dissolution to request that persons with claims against the LLC present those claims as prescribed in the notice. Provides for the content requirements of the notice.

Provides criteria for the enforcement of claims against a dissolved LLC under new GS 57D-6-10 or GS 57D-6-11, and provides that neither of the proposed statutes extends any applicable period of limitation. Describes the procedures for court proceedings for contingent claims against a dissolved LLC.

GS 57D-7-01, (Authority to transact business), establishes that a foreign LLC may only transact business in NC after obtaining a certificate of authority (certificate) from the Secretary. Provides a list of 12 activities, which when done are not considered to be the transaction of business by a foreign LLC, including selling property or services through independent contractors and owning real or personal property.

Enacts GS 57D-7-02, (Consequences of transacting business without authority), providing that no foreign LLC may maintain a proceeding in any court of NC without first obtaining a certificate of authority. Such an issue must be raised by motion and determined by the trial judge before trial begins. Provides that a foreign LLC failing to obtain a certificate is liable to NC for any amount of fees and taxes that would have been imposed by law had the foreign LLC properly applied for and received permission to transact business in NC. A civil penalty of $10 for each day that a foreign LLC transacts business will be assessed, not to exceed $1,000 per year. Such penalty funds are to be sent to the Civil Penalty and Forfeiture Fund. Establishes that a failure of the LLC to obtain a certificate does not otherwise impair or invalidate its acts or prevent it from defending any proceeding in NC. Provides that the Secretary requires every foreign LLC transacting business in NC to comply with the provisions of this Chapter. Authorizes the Secretary to undertake investigations necessary to determine compliance of this Chapter.

GS 57D-7-03, (Application for certificate of authority), states that a foreign LLC may apply for a certificate by submitting an application to the Secretary. Provides what information must be provided in the application, including, the name of the foreign LLC, the jurisdiction under whose law it is organized, and the names, titles, and business addresses of the principal company officials. The foreign LLC will also submit with the application for certificate, a certificate of existence, or a similar document, authenticated by the secretary of state or other proper official who has custody of LLC records in the jurisdiction where the foreign LLC is organized. When the Secretary deems the application as conforming to law and all applicable taxes and fees have been paid, the application and certificate of existence will be filed, and a certificate will be issued to transact business in NC and sent to the foreign LLC.
GS 57D-7-04, *(Amended certificate of authority)* provides that a foreign LLC must amend its certificate if its name or jurisdiction of organization changes. A foreign LLC can apply for an amended certificate by submitting an application to the Secretary that sets forth the name, organizing jurisdiction name, the date it was originally authorized to transact business in NC, and a statement of the change(s) being made. Provides that the requirements of GS 57D-7-03 are applicable when applying for an amended certificate.

GS 57D-7-05, *(Effect of certificate of authority)*, establishes that a certificate authorizes the foreign LLC to transact business in NC and to qualify as an executor, administrator, guardian, or trustee under the will of any person. If qualifying as a testamentary trustee or executor the foreign LLC must appoint a process agent and file that appointment with the court per GS 28A-4-2. Provides that an LLC is held to the same duties, restrictions, penalties, and liabilities as LLCs of like character.

GS 57D-7-06, *(Registered office and registered agent of foreign LLC)*, provides that each authorized foreign LLC must maintain a registered office and agent pursuant to GS 55D, Article 4.

GS 57D-7-20, *(Withdrawal of foreign LLC)*, requires a foreign LLC to obtain a certificate of withdrawal from the Secretary before being able to withdraw from NC. In order to obtain a withdrawal certificate, the foreign LLC must submit an application to the Secretary stating, among other things, that the foreign LLC revokes its authority of its registered agent to accept service of process and that it is not transacting business in NC and it surrenders its authority to transact business in NC. When the Secretary deems the application for withdrawal as conforming to law, the application and certificate of withdrawal will be filed and sent to the foreign LLC. Provides for the service of process after the withdrawal of the foreign LLC is effective.

GS 57D-7-21, *(Withdrawal of foreign LLC by reason of a merger, consolidation, or conversion; qualification of successor)*, provides that if a foreign LLC ceases to exist as a result of merger, consolidation, or other reorganization, the resulting entity must apply for a certificate of withdrawal for the foreign LLC. If the resulting entity is not authorized to transact business in NC, the application for withdrawal must state and otherwise modify the described information required pursuant to GS 57D-7-20(b). When the Secretary deems the information submitted by the resulting entity conforms to law, the application and certificate of withdrawal will be filed and sent to the foreign LLC. Provides for the service of process after the withdrawal of the foreign LLC is effective.

GS 57D-7-22, *(Authority of Attorney General)*, establishes that the Attorney General (AG) can maintain an action to restrain a foreign LLC from transacting business in NC, in violation of this Article.

GS 57D-7-30, *(Grounds for revocation)*, provides that the Secretary can commence a proceeding to revoke the certificate of a foreign LLC in certain situations, including, the foreign LLC is delinquent in delivering its annual report, or the foreign LLC is exceeding the authority conferred upon it by this Chapter. Provides that the Revenue Act, relating to the suspension of the certificate, is not preempted by this section.
GS 57D-7-31, *(Procedures for and effect of revocation)*, provides that if the Secretary determines that one or more grounds exist for revocation under GS 57D-7-30, the Secretary will mail to the foreign LLC a written notice of that determination. If the grounds for revocation are not corrected to the satisfaction of the Secretary within 60 days after having received notice, the Secretary can revoke the foreign LLCs certificate, filing the revocation and sending a copy of it to the foreign LLC. After which, the authority of the foreign LLC to transact business in NC ceases. Such revocation results in the Secretary becoming the agent for service of process for the foreign LLC; however the authority of the registered agent of the foreign LLC is not terminated by the revocation. A new certificate will not be granted until the grounds for revocation have been substantially corrected to the satisfaction of the Secretary.

GS 57D-7-32, *(Appeal from revocation)*, enacts that a foreign LLC can appeal the Secretary's revocation of its certificate to the Superior Court of Wake County within 30 days after the revocation is mailed to the foreign LLC. The foreign LLC must file a petition with the court and with the Secretary, requesting to set aside the revocation. Provides the further process and procedure of the appeal. States that any final decision by the court can be appealed as in other civil proceedings.

GS 57D-7-33 *(Inapplicability of Administrative Procedure Act)*, states that the Administrative Procedure Act does not apply to proceedings or appeals provided for in GS 57D-7-30 through GS 57D-7-32.

GS 57D-8-01, *(Member derivative actions)*, establishes the reasons and conditions by which a member may bring a derivative action. Defines, for the purpose of this article, the terms "derivative action" and "derivative proceeding".

GS 57D-8-02, *(Stay of proceedings)*, provides that if the LLC commences an inquiry into the allegations in the derivative suit, the court can stay the derivative proceeding.

GS 57D-8-03, *(Dismissal)*, provides the processes and procedures for the dismissal of a derivative proceeding, including, a court appointed panel composed of one or more independent persons tasked with determining whether the derivative proceeding is in the best interest of the LLC. The plaintiff bears the burden of proving that the suit is in the interest of the LLC.

GS 57D-8-04, *(Discontinuance or settlement)*, establishing that a derivative proceeding cannot be discontinued or settled without the court's approval. On the court's determination that a proposed discontinuance or settlement will substantially affect the interest of the LLC's members, a notice will be given to the members who would be affected. The manner, form of the notice, and who will bear the cost of the notice, will be determined by the court.

GS 57D-8-05, *(Payment of expenses)*, provides what the court may do on the termination of the derivative proceeding, including, but not limited to, ordering the LLC to pay the plaintiff's expenses, including attorney's fees.

GS 57D-06, *(Applicability to foreign LLCs)*, provides that except for the matters governed by GS 57D-8-02, GS 57D-8-04, and GS 57D-8-05, the matters of any derivative proceeding in the right of a foreign LLC will be governed by the law of the jurisdiction of the LLC.
GS 57D-8-7, *(Privileged communications)*, provides that in any derivative proceeding, no member is entitled to access to any communication within the scope of the LLC’s attorney-client privilege that is not otherwise accessible in a proceeding other than on behalf of the LLC.

GS 57D-9-01, *(Definitions)*, provides the terms and definitions to be used in this article, including Articles of organization and conversion, converting entity, converting LLC, eligible entity, merging entity, merging LLC, and surviving entity.

GS 57D-9-20, *(Conversion)*, provides the requirements by which an eligible entity, other than an LLC, may convert to an LLC.

GS 57D-9-21, *(Plan of conversion)*, establishes that a converting entity must approve a written plan of conversion which includes specified information such as, but not limited to, the terms and conditions of the conversion and the name the entity will have after an effective conversion. Provides that certain provisions of the plan can be made on facts objectively ascertainable outside the plan of conversion. Plans of conversions must be approved in accordance with the law governing the organizations and internal affairs of the converting entity. Provides when the plan of conversion can be amended or abandoned.

GS 57D-9-22, *(Filing articles of organization and conversion by the converting entity)*, establishes that after the plan of conversion has been approved by the converting entity, the entity must deliver articles of organization and conversion to the Secretary for filing. Specifies the information the articles must contain. Details what must happen if a plan of conversion is abandoned after delivery to the Secretary but before the conversion is effective. Requires certificates of conversion to be registered, pursuant to GS 47-18.1.

GS 57D-9-23, *(Effective date; Effects of conversion)*, provides when the conversion is final and takes effect as well as what occurs when the conversion is final, including, but not limited to, the converting entity ceases its prior form or organization and continues as the surviving entity and all liabilities of the converting entity continue as liabilities of the surviving entity.

GS 57D-9-30, *(Conversion)*, provides the requirements by which a LLC may convert to a different eligible entity.

GS 57D-9-31, *(Plan of conversion)*, establishes that a converting LLC must approve a written plan of conversion which includes specified information such as, but not limited to, the terms and conditions of the conversion and the name the entity will have after an effective conversion. Provides that certain provisions of the plan can be made on facts objectively ascertainable outside the plan of conversion. The converting LLC must provide a copy of the plan of conversion to each member of the converting LLC prior to its approval; all members must approve the plan of conversion. Provides when the plan of conversion can be amended or abandoned.

GS 57D-9-32, *(Articles of conversion)*, establishes that after the plan of conversion has been approved by the converting entity, the entity must deliver articles of organization and conversion to the Secretary for
filing. Specifies the information the articles must contain. Describes what must happen if a plan of conversion is abandoned after delivery to the Secretary but before the conversion is effective. Requires certificates of conversion to be registered, pursuant to GS 47-18.1.

GS 57D-9-33, *(Effects of conversion)*, provides what occurs when the conversion is final, including, but not limited to, the converting entity ceases its prior form or organization and continues as the surviving entity, and the title to all real estate and other property owned by the converting LLC continues to be vested in the surviving entity without reversion or impairment. The surviving entity, if not a domestic corporation or a domestic limited partnership, is deemed to consent to being served with process in this State for enforcement of specified obligations and rights and as having appointed the Secretary as its agent for service of process in any such proceeding.

GS 57D-9-40, *(Merger)*, establishes that an LLC may merge with one or more eligible entities if specified requirements are met.

GS 57D-9-41, *(Plan of merger)*, establishes that a merging entity must approve a written plan of merger which includes specified information such as, but not limited to, the terms and conditions of the merger and the name of the surviving entity. Provides that certain provisions of the plan can be made on facts objectively ascertainable outside the plan of merger. Plans of merger must be approved in accordance with the law governing the organizations and internal affairs of the converting entity. The merging entity must provide a copy of the plan of merger to each member of the merging entity prior to its approval; all members must approve the plan of merger. Provides when the plan of conversion can be amended or abandoned.

GS 57d-9-42, *(Articles of merger)*, establishes that after the plan of merger has been approved by the merging entity, the entity must deliver articles of merger to the Secretary for filing. Specifies the information the articles must contain. Details what must happen if a plan of merger is amended or abandoned after delivery to the Secretary but before the merger is effective. Merger becomes effective when the articles of merger filed by the Secretary of State become effective. Requires certificates of merger to be registered, pursuant to GS 47-18.1.

GS 57D-9-43, *(Effects of merger)*, provides what occurs when the merger is final, including, but not limited to, the merging entity ceases its prior form or organization and merges into the surviving entity and the title to all real estate and other property owned by the merging entity continues to be vested in the surviving entity without reversion or impairment. The surviving entity, if not a domestic eligible entity, is deemed to consent to being served with process in this State for enforcement of specified obligations and rights and as having appointed the Secretary as its agent for service of process in any such proceeding.

GS 57D-10-01, *(Purpose; public policy)*, states that the purpose of this Chapter is to provide a flexible framework under which one or more person may organize and manage one or more businesses. Provides that the policy of this Chapter is to give maximum effect to the principle of freedom of contract and the enforceability of operating agreements.
GS 57D-10-02, *(Rules of construction; coordination with other law)*, establishes that the rule of law and equity supplement this Chapter. Statutes in derogation of the common law are not to be strictly construed, in regards to this Chapter. Provides that this Chapter modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, with specified limitations. Provides the limitations of this Chapter and issues of applicability. Establishes the applicable rules of construction for the Chapter.

GS 57D-11-01, *(Applicability of act)*, provides that this Chapter applies to every LLC, regardless of time of formation, and the interest owners of every LLC, unless otherwise excepted by this Chapter.

GS 57D-11-02, *(Application to qualified foreign LLCs)*, provides that a foreign LLC that was authorized to transact business in this State immediately before the repeal of GS Chapter 57C is subject to this Chapter but is not required to obtain a new certificate of authority.

GS 57D-11-03, *(Saving provisions)*, provides that LLCs formed before January 1, 2014, will not be impaired by the repeal of GS Chapter 57C or the enactment of any part of this Chapter. Provides the procedures for dealing with proceedings commenced before January 1, 2014, as well as dissolutions of LLCs that occurred before that date. Provides that any references in articles of organizations or operating agreements of LLC made before January 1, 2014 concerning GS Chapter 57C are deemed, where possible, to be made to the corresponding provisions of GS Chapter 57D.

Amends GS 55-1-40 and GS 55A-1-40, making conforming changes.

Amends GS 55A-11-02(a), making technical and conforming changes.

Amends GS 55D-1, making clarifying and conforming changes.

Amends GS 55D-10, making conforming and clarifying changes.

Amends GS 55D-13(c), GS 55D-15, and GS 55D-17, making conforming changes.

Amends GS 55D-20, deleting the provision concerning and allowing "low-profit limited liability companies", as well as deleting the naming requirements for such companies. Provides an exception to the naming requirement that requires "limited liability company", "L.L.C.", "LLC", or other specified abbreviations to be used in the name, allowing any limited liability company whose name contained the words "low-profit limited liability company" or the abbreviation "L3C" pursuant to subdivision (6) prior to its repeal on January 1, 2014, may continue to use that name unless the limited liability company amends its articles of organization to change its name. Makes conforming changes.

Amends GS 55D-21(d), GS 55D-22(b), and GS 55D-31(c), making conforming changes.

Amends GS 59-32 and GS 59-102, making clarifying and conforming changes.

Amends GS 66-260(11)(n), GS 66-352(a), GS 66-353, making conforming changes.

Amends GS 87-10.1, GS 87-22.2, GS 87-44.2 and GS 89C-18.1, making clarifying and technical changes.
Amends GS 89F-6, making a conforming change.

Amends GS 105-114.1(a)(4), providing that the governing law is defined as the law under which a LLC is organized (was, LLC’s governing law is determined under GS 57C-6-05 or GS 57C-7-01, as applicable).

Amends GS 105-122.1, GS 105-130.2(11), and GS 105-134.1(7a), making conforming changes.

Amends GS 105-163.1(8), making a technical and clarifying change.

Amends GS 117-18.1(a)(4), making a conforming change.

Amends GS 25-9-406(i), (Inapplicability), providing that this section does not apply to an assignment of a health-care-insurance receivable or an interest in a partnership or LLC.

Amends GS 25-9-408(f), (Inapplicability), providing that this section does not apply to an assignment of an interest in a partnership or LLC.

Except as otherwise provided, this act becomes effective January 1, 2014.

Summary date: Jul 8 2013

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

Amends GS 57D-2-30(c), providing that oral or implied provisions in the operating agreement cannot supplant or nullify any contrary or inconsistent written provisions in the operating agreement to the detriment of the rights of persons who are not parties to the operating agreement. Amends GS 57D-2-30, making conforming changes.

Enacts new GS 57D-2-30(d), setting out the priority between conflicting operating agreements or documents filed with the Secretary of State (Secretary), providing that an operating agreement prevails as to parties to the operating agreement and company officials but that a document filed with the Secretary will prevail as to persons not party to the operating agreement to the extent they reasonably rely on the filed document.

Amends GS 57D-5-03(b), providing that the priority among multiple charging orders would be determined by the date of service of the charging order upon the LLC, except that a charging order in favor of a judgment creditor which has been previously issued for garnishment to the LLC would relate back to the original date of the service of garnishment process.

Summary date: Jul 8 2013

Senate amendment to the 2nd edition makes the following changes. Amends proposed GS 57D-2-30(c) to limit the provision that oral or implied provisions in the operating agreement may not supplant, vary, disclaim, or nullify any contrary or inconsistent written provision in the operating agreement to the detriment of the rights of the persons who are not parties to the operating agreement, to the extent that they reasonably rely on those written provisions in the operating agreement.
Summary date: Jul 8 2013

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

Makes various technical corrections throughout the act.

Summary date: Jul 8 2013

AN ACT TO AMEND AND RESTATE THE NORTH CAROLINA LIMITED LIABILITY COMPANY ACT AND TO MAKE OTHER CONFORMING CHANGES. Enacted June 19, 2013. Effective January 1, 2014, except as otherwise provided.

SL 2013-158

DISPOSITION OF ABANDONED FIREARMS.

Bill S 443

Summary date: Apr 10 2013

Amends GS 15-11.2 (Disposition of unclaimed firearms not confiscated or seized as trial evidence), deleting GS 15-11.2(c), which allowed a person finding a firearm and giving it to law enforcement to then claim the firearm in specified circumstances.

Amends GS 15-11.2(d) to require the head or chief of the law enforcement agency to transfer the unclaimed firearm to the State Bureau of Investigation (SBI), (previously, head or chief could apply to the appropriate district court for disposition of the unclaimed firearm).

Amends GS 15-11.2(e) (Disposition of Firearm), requiring the SBI to dispose of the firearm in one of three ways: (1) having the firearm destroyed if it does not have a legible identification number or because it is unsafe for use; (2) by transferring it to a law enforcement agency applying for the disposition of the firearm for official use or selling it at a public auction to a licensed collector, dealer, importer, or manufacturer, in accordance with laws; or (3) by maintaining the firearm for training or experimental purposes or for use in a museum or historical society.

Provides that if the SBI sells the firearm, the SBI will keep the proceeds of the sale and use them for law enforcement purposes. The SBI will maintain records and inventory of all firearms received from local law enforcement agencies, the disposition of the firearm, and any funds associated with the disposition of firearms.

Effective July 1, 2013, applying to any firearm found or received by local law enforcement agencies on or after that date.

Summary date: May 2 2013
Senate committee substitute makes the following changes to the 1st edition.

Deletes all the changes to subsections (c), (d), and (f) of GS 15-11.2.

Further amends subsection (e) to reinstate a provision removed in the 1st edition that vests the
authority in the judge to order the disposition of the firearm after the hearing (was, authorized the SBI,
at the discretion of the agency director, to determine the disposition of the firearm). Also reinstates the
original language of subdivision (1) of subsection (e), which provides that the judge has the option of
ordering the firearm to be turned over to be destroyed to the sheriff of the county in which the
audience applying for the disposition order is located. Also makes conforming changes to reinstate
language to subdivision (2) that was deleted in the 1st edition but retains amendment to this subdivision
which authorizes a judge to order the sale of an abandoned firearm to licensed firearms collectors,
importers, or manufacturers at public auction.

Summary date: Jun 5 2013

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

Amends GS 15-11.1(b1), regarding the disposition of seized property when that property is a firearm.
Provides that after a hearing, the judge may order that a firearm without a legible, unique identification
number or that is unsafe for use because of wear, damage, age, or modification be turned over to be
destroyed by the sheriff of the county in which the firearm was seized, or by the sheriff's authorized
agent.

Amends GS 15-11.2, regarding the disposition of unclaimed firearms that were not confiscated or seized
as trial evidence. Provides that if a firearm is not claimed for a period of 30 days after publication of
notice, then the head or chief of the law enforcement agency must order the disposition of the firearm
(was, the judge, after hearing, may order the disposition of the firearm) in one of the specified ways.
Disposition of the firearm includes destroying a firearm that lacks a legible, unique identification number
or that is unsafe for use. Requires the head or chief of the law enforcement agency to maintain a record
of the destruction of the firearm. Removes as an option for the disposition of the firearm turning it over
to the law enforcement agency applying for the disposition of the firearm for official use of that agency.
Permits disposition of the firearm by transferring it to a museum or historical society or by maintaining
the firearm for training or experimental purposes. Directs that the law enforcement agency receiving a
firearm in a transaction under this section must maintain records as to the disposition of the firearm
including any funds received from a sale of a firearms or other property received in the exchange or
trade of a firearm.

Amends GS 14-269.1(4) regarding the confiscation and disposition of deadly weapons to allow a firearm
that does not have a legible, unique identification number or is unsafe for use to be turned over for
destruction (was, any firearm may be turned over for destruction) to the sheriff, or the sheriff's duly
authorized agent, in the county in which the trial is held.

Rewrites the long and short titles of this act.
Makes this act effective September 1, 2013 (was, July 1, 2013), and applies to any firearm found or received by a local law enforcement agency on or after that date and to any judicial order for the disposition of any firearm on or after that date.

Summary date: Jun 24 2013


SL 2013-159

JURISDICTIONAL AMTS/ARBITRATION/SM CLAIMS CT.

Bill S 452

Summary date: Mar 26 2013

Amends GS 7A-210 to increase the amount-in-controversy threshold for a small claim action to $10,000 (was $5,000). Amends GS 7A-243 to provide that the district court division is the proper division for civil actions in which the amount in controversy is $20,000 or less and the superior court division is the proper division for actions in which the amount in controversy exceeds $20,000 (was, $10,000). Amends GS 7A-37.1 to make nonbinding arbitration mandatory in all civil actions where claims do not exceed $20,000, unless all parties to the action waive arbitration. Adds new subsection GS 7A-37.1(c2) to require a court to consider the fact that an arbitrator's decision in a small claim matter was affirmed by the court on appeal for trial de novo as a significant factor in favor of assessing all court costs and attorneys' fees against the appellant.

Effective July 1, 2013, and applies to actions filed on or after that date.

Summary date: Jun 3 2013

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

Amends GS 7A-243 to provide that the district court division is the proper division for civil actions in which the amount in controversy is $25,000 (was, $20,000 in the previous edition) or less and the superior court division is the proper division for actions in which the amount in controversy exceeds $25,000 (was, $20,000 in the previous edition).

Amends GS 7A-37.1(c), regarding court-ordered, nonbinding arbitration, providing that, except as otherwise provided in rules established by the NC Supreme Court pursuant to GS 7A-37.1(b), court-ordered, nonbinding arbitration will be used in all civil actions where claims do not exceed $25,000, unless all parties to the action waive arbitration.
Establishes that, notwithstanding the provisions of GS 7A-243 as amended by this act, from July 1, 2013, until June 30, 2015, either the district court or the superior court is the proper division for trial of civil actions where the amount in controversy is between $10,000 and $25,000.

Makes conforming changes.

Summary date: Jun 5 2013

House amendment to the 2nd edition makes the following changes. Changes the act's effective date from July 1, 2013, to August 1, 2013. Provides that from August 1, 2013 (was, July 1, 2013) until June 30, 2015, either the district court or the superior court is the proper division for trial of civil action where the amount in controversy is between $10,000 and $25,000.

Summary date: Jun 6 2013

House amendment makes the following changes to the 2nd edition, as amended.

Amends GS 6-21.1(a), concerning allowance of counsel fees in certain cases, providing that the attorney's fees awarded in a personal injury or property damage case, or suit against an insurance company under a policy issued by the company where the insured or beneficiary is the plaintiff, and specified conditions are met, cannot exceed $10,000 when, among other requirements, the amount of damages recovered is $25,000 or less (was, $20,000 or less).

Changes the act's effective date from July 1, 2013 to August 1, 2013.

Summary date: Jun 24 2013

AN ACT TO INCREASE THE JURISDICTIONAL AMOUNTS IN THE GENERAL COURT OF JUSTICE, TO MAKE ARBITRATION MANDATORY IN CERTAIN CIVIL CASES, AND TO PROVIDE GUIDANCE TO THE COURT FOR THE ASSESSMENT OF COURT COSTS AND ATTORNEYS' FEES IN SMALL CLAIMS MATTERS WHEN AN ARBITRATOR'S DECISION IN FAVOR OF THE APPELLEE IS AFFIRMED ON APPEAL. Enacted June 19, 2013. Effective August 1, 2013.

SL 2013-160

ALIGN INSPECTIONS W/INSTALLER LICENSING.

Bill S 468

Summary date: Mar 27 2013

Amends GS 153A-360 (applicable to counties) and GS 160A-420 (applicable to cities) to prohibit requiring any permit other than a plumbing permit for the installation of any natural gas or propane appliance by an installer who has a plumbing license, as long as the installation does not otherwise require the installer to hold another license. Effective July 1, 2013.
Summary date: May 15 2013

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

Amends GS 153A-360 (applicable to counties) and GS 160A-420 (applicable to cities) to provide that when a person licensed under GS 87-21 (plumbing) or GS 87-43 (electrical contracting) installs or replaces any natural gas, propane gas, or electrical appliance on an existing structure, cities and counties may not require more than one permit. Provides that the cost of the permit must not exceed the cost of any one individual trade permit issued by that city or county. Previous version did not include electrical contracting or the installation or replacement of electrical appliances.

Summary date: Jun 5 2013

House committee substitute to the 2nd edition makes the following changes. Removes the proposed language from GS 153A-360 and GS 160A-420 and instead adds that language to GS 153A-357 and GS 160A-417. Adds that in addition to capping the cost of the permit to the cost of any one individual trade permit, a city or county is also prohibited from increasing the costs of fees to offset the loss of revenue caused by the provision.

Summary date: Jun 24 2013

AN ACT TO SPECIFY THAT WHEN APPLIANCE INSTALLERS ARE LICENSED TO PERFORM ALL ASPECTS OF AN INSTALLATION, JUST ONE PERMIT AND INSPECTION WILL BE REQUIRED. Enacted June 19, 2013. Effective July 1, 2013.

SL 2013-161

PERTUSSIS EDUCATION & AWARENESS.

Bill S 486

Summary date: Mar 27 2013

Enacts new GS 131E-79.2 requiring licensed hospitals to provide parents of newborns delivered at the hospital with free information about pertussis and the availability of the tetanus-diphtheria and pertussis vaccine. Requires the information to be provided during the postpartum period and before the mother is discharged from the hospital. Specifies recommendations to be included in the information. Provides that the act does not require a hospital to provide or pay for any vaccination against pertussis disease. Effective October 1, 2013.

Summary date: Jun 4 2013

House committee substitute to the 1st edition makes the following changes. Makes a technical correction only.
AN ACT REQUIRING HOSPITALS TO PROVIDE PARENTS OF NEWBORNS WITH EDUCATIONAL INFORMATION ABOUT PERTUSSIS DISEASE AND AVAILABLE VACCINE PROTECTIONS IN ORDER TO BETTER PROTECT NEWBORNS AGAINST PERTUSSIS DISEASE. Enacted June 19, 2013. Effective October 1, 2013.

SL 2013-162

CONSUMER FINANCE ACT AMENDMENTS.

Bill S 489

Summary date: Mar 27 2013

Amends GS 53-166(a), changing the lending limits that subject an individual to the provisions of this section from $10,000 to $15,000 or less.

Amends GS 53-172(a), making clarifying changes and further classifying acts that are not considered as being other business in violation of conducting other business in the same office.

Amends GS 53-173, changing section title to Computation of interest; application of payments; limitation on interest after judgment; limitation on interest after maturity of the loan. Deletes GS 53-173(a) and (a1). Deletes language in GS 53-173(b), which states that payment made on a loan will first be applied to any accrued interest and then to principal. Creates new subsection GS 53-173(b1) (Application of payments), providing that payments made on a loan are first applied to late or other permissible charges, and then to any accrued interest, then principal.

Amends GS 53-176, changing title to Rates, maturities and amounts (was, Optional rate, maturities and amounts). Makes technical and clarifying changes. Establishes that a licensee can only make loans in installments not exceeding $15,000 and which cannot be repaid in less than 12 months or more than 96 months (was, $10,000, and 12 and 84 months). Establishes new actuarial rates which the licensee cannot exceed in requiring repayment for the loan. Provides that interest will be contracted for and collected at the single simple interest rate. Deletes GS 53-176(d) and (f).

Amends GS 53-177, changing title to Fees (was, Recording fees). Deletes provision allowing the licensee to retain fees, thereby self-insuring against the loss of a security interest.

Amends GS 53-177 by creating new GS 53-177(b) (Late fees), (c) (Deferral Charges), and (d) (Insurance Policy), establishing that a licensee can charge a late payment for a payment outstanding for 10 days or more but that the late payment fee cannot exceed $15, nor can it be charged more than once for a single late payment. Also provides that a licensee can collect a deferral charge and defer the due date of all or part of one or more installments. Provides that a licensee can collect a fee to purchase a non-filing
or non-recording insurance policy; provides what the licensees must do if they receive funds from an insurance claim.

Amends GS 53-180 (Limitations and prohibitions on practices and agreements), deleting language dealing with loan amounts and payback periods, and instead provides for repayment of the amount loaned in substantially equal installments. Provides language stating that an agreement between a licensee and borrower pursuant to a loan is only enforceable to the extent that the borrower fails to maintain contractually required insurance coverage. Amends GS 53-180(e) (Limitation on Attorney’s fees), replacing a reference to GS 53-173 with GS 53-176.

Amends GS 53 by creating a new section GS 53-180.1 (Military service members limitation), providing the requirements and limitations of granting loans to military service members. Establishes that a licensee may not make a loan to a borrower who is a military service member with a rank of E4 or below unless six requirements are met. Provides penalties and remedies for violating the requirements for granting a loan to a military service member in the appropriate manner. Provides that no licensee will contact a military service member by phone or email when deployed to a theater of combat.

Effective July 1, 2013.

Summary date: May 1 2013

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

Amends GS 53-180.1 (Military service members limitation), defining, for the purposes of this section, a military service member with a rank of E4 or below as a "covered member." Deletes all references or inclusions of "military service member" and replaces them with "covered member." Also makes technical and clarifying changes to this section.

Summary date: May 2 2013

Senate amendment #1 makes the following changes to the 2nd edition.

Amends GS 53-180.1 (Military service members limitation), providing that no licensee will contact a military service member or member’s spouse by phone or email, for the purposes of collecting on the loan, when the military service member has been deployed to a theater of combat (previously, only provided for no contact to the military service member, not spouse).

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

Amends GS 53-177(b) (Late fees), providing that if a late payment fee has been imposed once, with respect to a particular late payment, no such fee can be imposed with respect to any future payment which would have been timely and sufficient but for the previous default.

Senate amendment #5 makes the following changes to the 2nd edition.
Deletes GS 53-176(a)(1), (2), and (3). Enacts new GS 53-176(1) and (2), providing that loans issued in accordance with GS 53-176(a) cannot charge interest that exceeds the following actuarial rates:

(1) With respect to a loan not exceeding $10,000, cannot exceed 30% per annum on that part of the unpaid principal balance not exceeding $5,000 and cannot exceed 24% per annum on that part of the remainder of the unpaid principal balance.

(2) With respect to a loan exceeding $10,000, cannot exceed 18% per annum on the outstanding principal balance.

Senate amendment #6 makes the following changes to the 2nd edition.

Makes technical and clarifying changes to GS 53-176(a).

**Summary date:** Jun 3 2013

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

Provides that loans issued in accordance with GS 53-176(a) cannot charge interest that exceeds the following actuarial rates with respect to a loan not exceeding $10,000: (1) cannot exceed 30% per annum on that part of the unpaid principal balance not exceeding $4,000 (was, $5,000); (2) cannot exceed 24% per annum on that part of the unpaid principal balance that exceeds $4,000 but does not exceed $8,000; and (3) and 18% per annum (was, 24% per annum) on the remainder of the unpaid principal balance.

Makes a technical correction to subsection (c) of GS 53-176.

Amends new GS 53-180.1 regarding the requirements and limitations of granting loans to military service members. Expands the restriction that prohibits a licensee from contacting a military service member deployed to a theater of combat or that member's spouse to collect on a loan providing that the licensee has received sufficient proof of the service member’s deployment. Specifies that the restriction applies to a military service member deployed to a theater of combat, in a combat supporting role, in an area where there is hostile fire and/or when Imminent Danger Pay is authorized to the service member. Provides that written verification from the service member's commanding officer constitutes sufficient proof of the service member's deployment (was, only specified that an official copy of the member's deployment orders provided sufficient proof).

**Summary date:** Jun 4 2013

House amendment to the 4th edition makes the following changes. Amends GS 53-180.1(c) to provide that any credit agreement, promissory note, or other contract prohibited by the statutes is null and void [no longer provides for an exception from the provision as provided in (b)(6), which requires a licensee to take precautions to prevent making loans that violate the statute and sets the interest rate at 8% for loans where a licensee does not take reasonable precautions to identify covered members].

**Summary date:** Jun 24 2013
AN ACT TO MODIFY THE MAXIMUM INTEREST RATE ALLOWED AND TO MAKE VARIOUS AMENDMENTS TO THE NORTH CAROLINA CONSUMER FINANCE ACT TO ENSURE CONTINUED ACCESS TO CREDIT. Enacted June 19, 2013. Effective July 1, 2013.

SL 2013-163

WC/RECORD FULL IC HEARINGS.

Bill S 520

Summary date: Mar 28 2013

Amends GS 97-84 to require the recording of all Industrial Commission (Commission) hearings, unless waived by consent of all parties. Provides for the making of the recording and the preservation and custody of the recordings depending on what type of electronic or mechanical device is used to make the recording.

Summary date: Apr 17 2013

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

Amends GS 97-85, creating new GS 97-85(b), previously enacted as GS 97-84(b) in 1st edition. Makes technical changes to original language.

Summary date: Apr 29 2013

Senate amendment to the 2nd edition makes the following changes. Provides that nothing in the act is to be construed to obligate the General Assembly to appropriate funds to implement the act's provisions.

Summary date: Jun 3 2013

Senate committee substitute to the 3rd edition makes a technical correction only.

Summary date: Jun 5 2013

The House amendment to the 4th edition changes the act's effective date from when the act became law to August 1, 2013.

Summary date: Jun 24 2013

AN ACT TO REQUIRE THAT HEARINGS OF THE INDUSTRIAL COMMISSION ARE RECORDED. Enacted June 19, 2013. Effective August 1, 2013.
**SL 2013-164**

**CLARIFY PETIT JUROR OATH.**

**Bill S 528**

**Summary date:** Mar 28 2013

Amends GS 9-14 (*Jury Sworn; judge decides competency*), providing that the oath grand jurors will affirm or swear includes the oath required by Article VI, Section 7, of the Constitution of North Carolina and the oath required by GS 11-11.

Amends GS 11-11, making a clarifying change.

**Summary date:** Apr 9 2013

Senate committee substitute to the first edition changes the effective date to October 1, 2013 (was, when the act becomes law).

**Summary date:** Jun 3 2013

House committee substitute to the 2nd edition makes the following changes. Amends the proposed changes to GS 9-14 to provide that the grand juror oath must include affirming to support the state's laws (was, the laws of the United States).

**Summary date:** Jun 24 2013

AN ACT TO CLARIFY THAT PETIT JURORS ARE REQUIRED TO TAKE THE OATH SET FORTH IN THE NORTH CAROLINA CONSTITUTION AND TO PROVIDE CONSISTENCY BETWEEN THE STATUTES SETTING FORTH THE OATHS TO BE TAKEN BY PETIT JURORS. Enacted June 19, 2013. Effective October 1, 2013.

**SL 2013-165**

**PROHIBIT E-CIGARETTE SALES TO MINORS.**

**Bill S 530**

**Summary date:** Mar 28 2013

Amends GS 14-313, changing its title to *Youth access to tobacco products, tobacco-derived products, vapor products, and cigarette wrapping papers* (was, *Youth access to tobacco products*). Provides new terms and definitions to GS 14-313(a), the definitions section, including *tobacco-derived product* and *vapor product*. Makes technical and clarifying changes, highlighting the difference between traditional tobacco and tobacco-derived products and newer vapor products. Provides that it is also a Class 2 misdemeanor to sell, distribute, or purchase on behalf of any person under the age of 18 any tobacco products, tobacco-derived products, vapor products, or components of vapor products. Provides
language for the sign which should be prominently displayed near the point of sale prohibiting the sale of these products. Makes conforming changes for the inclusion of these new products and terms in various prohibitions and limitations that previously only applied to tobacco products. Provides for the removal of vending machines distributing tobacco-derived products, vapor products, or components of vapor products by December 1, 2013. Provides rules and procedures for the sale of tobacco products, tobacco-derived products, vapor products, or components of vapor products over the Internet. Adds exception for minor receiving such products as part of his work duties. Provides that rules and regulations regarding these products will be uniform across the state. No rules or regulations to the contrary will be enacted after December 1, 2013.

Summary date: May 2 2013

Senate committee substitute to the 1st edition makes the following changes. Adds a severability clause.

Summary date: May 7 2013

Senate committee substitute to the 2nd edition makes the following changes. Amends the definition of vapor product to be any noncombustible product (was, noncombustible product containing nicotine) that employs a mechanical heating element, battery, or electronic circuit that can be used to heat a liquid nicotine solution contained in a vapor cartridge. Also amends GS 14-313(b2) so that it applies to the internet distribution (was, internet sale) of tobacco products, tobacco-derived products, vapor products, or components of vapor products.

Summary date: Jun 3 2013

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

Amends GS 14-313(a), the definitions section, providing that the term tobacco product now includes tobacco-derived products, vapor products, or components of a vapor product (previously, the 3rd edition specifically excluded these products and components from the term tobacco product).

Makes conforming changes throughout the remainder of the act reflecting the change and inclusion of vapor products in the term and definition of tobacco product.

Amends GS 14-313(b1), regarding the distribution of tobacco products, providing for the removal of vending machines distributing tobacco-derived products, vapor products, or components of vapor products by August 1, 2013 (was, December 1, 2013).

Amends GS 14-313(e), regarding statewide uniformity of laws, providing that rules and regulations regarding these products will be uniform across the state and rules or regulations to the contrary cannot be enacted after August 1, 2013 (was, December 1, 2013).

Establishes that nothing in this act will be construed to affect the taxation of tobacco products, tobacco-derived products, vapor products, or components of a vapor product.
Changes the effective date, providing the act will become effective August 1, 2013 (was, December 1, 2013).

Summary date: Jun 24 2013

AN ACT TO PROHIBIT THE DISTRIBUTION OF TOBACCO-DERIVED PRODUCTS AND VAPOR PRODUCTS TO MINORS. Enacted June 19, 2013. Effective August 1, 2013.

SL 2013-166

JURY LIST/DATE OF BIRTH INFORMATION.

Bill S 539

Summary date: Mar 28 2013

Amends GS 163-82.10B, as the title indicates.

Summary date: Apr 18 2013

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

Amends GS 9-4(b), providing that dates of birth of prospective jurors, included in juror information pursuant to this act, will be maintained as confidential information and not subject to disclosure without a court order.

Summary date: Jul 8 2013

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

Replaces GS 163-82.10B(5), an exemption to the confidentiality of dates of birth, providing that boards of elections will keep the birth dates of every voter-registration applicant and registered voter confidential except when requested by a county jury commission established pursuant to GS 9-1 for purposes of preparing the master jury list in that county, pursuant to GS 9-2 (previous edition exempted confidentiality when the Administrative Office of the Courts was preparing the master jury list in judicial districts).

Summary date: Jul 8 2013

Senate committee substitute to the 3rd edition amends the act’s long title.

Summary date: Jul 8 2013

AN ACT TO AUTHORIZE A COUNTY JURY COMMISSION TO OBTAIN DATE OF BIRTH INFORMATION FROM BOARDS OF ELECTIONS WHEN PREPARING THE MASTER JURY LIST AND TO ENSURE THE

SL 2013-167

DRUG TESTING FOR LTC APPLICANTS & EMPLOYEES.

Bill S 542

Summary date: Mar 28 2013

Enacts new GS 131D-45 (concerning adult care homes) and GS 131E-114.4 (concerning nursing homes) to make an offer of employment in either type of home conditioned on the applicant's consent to a controlled substances exam and screening. Provides that if the results indicate the presence of a controlled substance, the home must not employ the applicant unless the applicant provides the home with written verification from his or her doctor stating that every controlled substance identified has been prescribed. Specifies information to be included in the verification. Also allows the home to conduct a second test to verify an initial positive test. Allows the home to require random controlled substance testing as a condition of continued employment and require examination and screening of an employee that the home has reasonable grounds to believe is abusing controlled substances. Provides the home, officers, and employees thereof who comply with the statute with immunity for the failure of the home to employ an individual based on the screening results and also makes those individuals conducting the exams and screenings immune from civil liability for conducting or failing to conduct the exam and screening if they are requested and received in compliance with the statute and relevant Article. Makes the exam and screening results confidential and not a public record. Effective October 1, 2013.

Summary date: May 8 2013

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

Amends proposed GS 131D-45 (concerning adult care homes) and GS 131E-114.4 (concerning nursing homes) to require that the cost of the drug testing for applicants for employment be paid by the prospective employing entity.

Summary date: May 9 2013

Senate amendment to the 2nd edition makes the following changes. Amends GS 131D-45 and GS 131E-114.4 to provide that while the adult care home/nursing home is to pay expenses related to controlled substance exam and screening, it does not have to pay for examinee-requested retests. Requires the examinee to pay expenses for retests of confirmed positive results.

Summary date: Jun 5 2013
The House amendment to the 3rd edition makes the following changes. Amends GS 131D-45 and GS 131E-114.4 to allow the use of a screening procedure that uses a single-use test device and also allows the examination and screening to be administered on site.

Summary date: Jun 24 2013

AN ACT TO REQUIRE LONG-TERM CARE FACILITIES TO REQUIRE APPLICANTS FOR EMPLOYMENT AND CERTAIN EMPLOYEES TO SUBMIT TO DRUG TESTING FOR CONTROLLED SUBSTANCES. Enacted June 19, 2013. Effective October 1, 2013.

SL 2013-168

MASTER METERS/LANDLORD-TENANT AGREEMENT.

Bill S 545

Summary date: Mar 28 2013

Amends GS 143-151.42, as the title indicates.

Summary date: Jun 3 2013

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

Moves proposed changes to GS 143-151.42(a) found in the 1st edition to GS 143-151.42(b).

Summary date: Jun 24 2013


SL 2013-169

METAL THEFT STATUTE AMENDMENTS.

Bill S 583

Summary date: Apr 2 2013

Part 3 of GS Chapter 66, Article 45, applies to the Regulation of Sales and Purchases of Metals.

Amends GS 66-420 of Part 3 to modify the definition of "cash card system" to mean a payment system, which pays in cash or in a form other than cash, and when the payment is in cash, (1) takes a picture of
the seller at the time the payment is received, and (2) uses an automated cash dispenser such as an Automated Teller Machine (was, a payment system that takes a photograph of the receipt regardless of whether payment was in cash or some other form).

Amends GS 66-424(a) to prohibit a secondary metals recycler from purchasing any central air conditioner condensers that are not attached to a unit. Provides an additional exception to the prohibited activities and transactions under this section to permit a secondary metals recycler to purchase central air conditioner evaporator coils or condensers not attached to a unit, or catalytic converters not attached to a vehicle, from a seller with a purchase receipt or other proof of ownership. Provides that "central air conditioner evaporator coils" as used in this subsection and in subdivision (11) of GS 66-421(b) does not include coils from a window air conditioning system if the coils are contained within the system itself or a coil from a vehicle condenser. Makes an additional conforming change to GS 66-421(b)(11).

**Summary date:** May 14 2013

Senate committee substitute to the 1st edition makes the following changes. Amends GS 66-420 to add the term copper, defined as nonferrous metals including copper wire, copper clad steel wire, copper pipe, copper bars, copper sheeting, copper tubing and pipe fittings, and insulated copper wire. The term does not include brass alloys, bronze alloys, lead, nickel, zinc, or items not containing a significant quantity of copper. Makes a conforming change to the definition of nonferrous metals to include copper, removing references to specified copper items that are now included under the term "copper." Deletes proposed amendments to GS 66-424 and GS 66-421.

**Summary date:** Jun 24 2013


**SL 2013-170**

**AMEND FALSE LIENS LAW.**

**Bill S 584**

**Summary date:** Apr 2 2013

Amends GS 14-118.6(a), expanding the prohibition on filing false liens against the real or personal property of a public officer or public employee for the performance of their official duties to include immediate family members, defined as a spouse or child. Effective for offenses committed on or after December 1, 2013.

**Summary date:** Jun 24 2013
AN ACT TO EXPAND THE PROTECTION AGAINST FALSE LIENS TO INCLUDE THE IMMEDIATE FAMILY OF A PUBLIC OFFICER OR PUBLIC EMPLOYEE. Enacted June 19, 2013. Effective December 1, 2013.

SL 2013-171

EVIDENCE & DNA EXPUNCTION LAWS.-AB

Bill S 630

Summary date: Apr 2 2013

Substantively identical to H 386 filed on 3/20/13.

Amends GS 20-139.1 to provide that an agency that conducts a chemical analysis of blood or urine samples for the presence of alcohol, a controlled substance or its metabolite, or any impairing substance may destroy the samples 12 months after the agency issues its report on all the examinations conducted without further notice to the parties. Also provides that if either party files a motion to preserve the evidence then the evidence must remain in the custody of the analyzing agency or the agency that collected the sample until a court of competent jurisdiction enters an order regarding the disposition of the evidence.

Amends GS 8-58.20(f), 8-58.20(g)(5), 20-139.1(c1), 20-139.1(c3), 20-139.1(e1), 90-95(g), and 90-95(g1) to provide for the admissibility of reports and other evidence after notice and demand if the defendant’s attorney of record, or if there is no attorney, the defendant, fails to file a written objection to the admissibility of the evidence, reports, samples, statement, or testimony.

Amends GS 15A-266.3A(k) to require the SBI to act within 90 days (was, 30) of receipt of the verification form to mail notice acting on a defendant’s request for expunction of a DNA record and destruction of DNA and to provide notice to the defendant of the disposition of the request for expunction.

Effective December 1, 2013, and all provisions of this act, except the amendments to GS 20-139.1 and GS 15A-266.3A(k), apply to proceedings that occur on or after December 1, 2013.

Summary date: May 14 2013

Senate amendment makes the following changes to the 1st edition:

Amends GS 20-139.1 to change the date after which blood or urine evidence may be destroyed by the analyzing agency without further notice to the parties from 12 months after the issuance of the report to 12 months after the case is filed or after the case is concluded in the trial court and not under appeal, whichever is later.

Modifies the effective date clause to make Section 1, amending GS 20-139.1, effective when the act becomes law (was, December 1, 2013).
House committee substitute makes the following changes to the 2nd edition. Provides that sections 2 through 9 of this act become effective December 1, 2013, and apply to (1) proceedings held on or after that date and (2) verification forms received by the State Bureau of Investigation on or after that date (was, sections 2 through 8 of this act apply to proceedings that occur on or after December 1, 2013).

AN ACT TO AMEND THE LAWS REGARDING DISPOSITION OF BLOOD EVIDENCE, ADMISSIBILITY OF REPORTS AFTER NOTICE AND DEMAND, AND EXPUNCTION OF DNA SAMPLES TAKEN UPON ARREST. Enacted June 19, 2013. Section 1 is effective June 19, 2013. The remainder is effective December 1, 2013, and applies to proceedings held on or after that date and verification forms received by the SBI on or after that date.

**SL 2013-172**

**CITY OFLOWELL / REGULATE UTILITY VEHICLES.**

**Bill H 140**

Summary date: Feb 21 2013

Amends local act that has previously allowed towns of Beech Mountain, Cramerton, North Topsail Beach, Seven Devils, and Conover to regulate, by ordinance, the operation of utility vehicles on public streets to extend that authority to the city of Lowell.

Summary date: Jun 24 2013

AN ACT TO ALLOW THE CITY OFLOWELL TO REGULATE UTILITY VEHICLES. Enacted June 20, 2013. Effective June 20, 2013.

**SL 2013-173**

**CHAPEL HILL/ECONOMIC DEVELOPMENT PROJECTS.**

**Bill H 305**

Summary date: Mar 13 2013

Identical to S 265, filed 3/12/13.

Amends the Chapel Hill Town Charter, SL 1975-473, as the title indicates.
AN ACT AMENDING THE CHARTER OF THE TOWN OF CHAPEL HILL TO AUTHORIZE THE TOWN TO
PARTICIPATE IN ECONOMIC DEVELOPMENT PROJECTS THAT ARE NOT IN THE TOWN'S DOWNTOWN
AREA. Enacted June 20, 2013. Effective June 20, 2013.

SL 2013-174

RUTHERFORD COUNTY CONDEMNATION CONSENT.

Bill H 326

Summary date: Jul 8 2013

Amends GS 153A-15, requiring the consent of Rutherford County before land in the county can be
acquired or condemned by a county, city, town, special district, or other unit of local government that is
located fully or primarily outside the bounds of Rutherford County.

Summary date: Jul 8 2013

AN ACT REQUIRING THE CONSENT OF RUTHERFORD COUNTY BEFORE LAND IN THE COUNTY MAY BE
CONDEMNED OR ACQUIRED BY A UNIT OF LOCAL GOVERNMENT OUTSIDE THE COUNTY. Enacted June

SL 2013-175

2 COUNTY COMMISSIONERS MAY SERVE/AB TECH. BD.

Bill H 354

Summary date: Jul 8 2013

Amends GS 115D-12(a), as the title indicates. Applies to appointments made on or after the date that
the act becomes effective.

Summary date: Jul 8 2013

AN ACT AUTHORIZING TWO COUNTY COMMISSIONERS TO SERVE ON THE BOARD OF ASHEVILLE-
BUNCOMBE TECHNICAL COMMUNITY COLLEGE. Enacted June 20, 2013. Effective June 20, 2013.

SL 2013-176

BEAUFORT/RIGHT-OF-WAY SAFETY.
Bill H 408

Summary date: Mar 21 2013

Makes it unlawful to discharge a firearm or bow and arrow, or attempt to do so, from, on, across, or over the roadway or right-of-way of any public road in Beaufort County. Violations are punishable as a Class 3 misdemeanor. Provides that the act is enforceable by law enforcement officers of the Wildlife Resources Commission, by sheriffs and deputy sheriffs, and by other peace officers with general subject matter jurisdiction. Applies to offenses committed on or after October 1, 2013. Applies only to Beaufort County.

Summary date: Jun 24 2013

AN ACT TO PROHIBIT THE DISCHARGE OF A FIREARM OR BOW AND ARROW FROM THE RIGHT-OF-WAY IN BEAUFORT COUNTY. Enacted June 20, 2013. Effective October 1, 2013.

SL 2013-177

MIDDLESEX/EXTEND MAYOR'S TERM TO FOUR YEARS.

Bill H 427

Summary date: Mar 26 2013

Amends the Middlesex town charter, SL 1908-21, as amended, as the title indicates.

Summary date: Apr 22 2013

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

Repeals Chapter 44 of the 1961 Session Laws, related to the terms of office of the Board of Commissioners of Middlesex.

Amends the Middlesex town charter, SL 1908-2, applying the changes to Section 1 of the town charter, as previously provided for in the first edition, to Section 3 of the town charter instead. Makes conforming deletions in Section 3 and no longer amends Section 1.

Summary date: Jun 24 2013

CRAMERTON CHARTER REVISAL.

Bill H 562

Summary date: Apr 4 2013

Revises and consolidates the Cramerton Town Charter. Repeals SL 1967-1061 (incorporating the Town). Sets out provisions concerning incorporation and corporate powers and the corporate boundaries. Provides that the town is governed by the board of commissioners and the mayor and sets out their terms and related provisions. Also provides for regular and special elections and referenda. Provides that the town will operate under a council-manager form of government and provides for the appointment of a town attorney, clerk, tax collector, and administration and department heads.

Provides that the act does not affect terms of the current mayor and board of commissioners nor does it abate or affect any action of proceedings pending at the effective date of the act. Specifies statutes and session laws not affected by the act.

Summary date: May 6 2013

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

Makes changes to Article III, Sec 3.2, of the Cramerton Town Charter (Charter) pertaining to the terms of office and related provisions for the election of the board of commissioners.

Amends Article V, Section 5.5, of the Charter to provide that the town manager's authority includes assigning administrative duties to the town clerk. Amends Section 5.7 to clarify that the town manager (was, town) may authorize other appointments.

Summary date: Jun 11 2013

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

Amends the Cramerton Charter as follows. Requires that two members of the Board of Commissioners (Board) be elected in 2013 and quadrennially thereafter for four-year terms, and that three members be elected in 2015 and quadrennially thereafter for four-year terms (was, five elected in 2013 with the two receiving the most votes elected to four-year terms, with the other three elected to two-year terms, with three members elected in 2015 and quadrennially thereafter to four-year terms, and two members elected in 2017 and quadrennially thereafter to four-year terms).

Removes the requirement that Robert's Rules of Order govern the Board's proceedings.

Adds that members of the Board serving on the date of the ratification of the Charter will complete the remainder of their terms, with their positions filled as the terms expire.

Summary date: Jun 24 2013

**SL 2013-179**

**HOLDEN BEACH/CANAL DREDGING DISTRICT FEE.**

**Bill H 229**

**Summary date:** Mar 5 2013

Rewrites Section 6.1 of SL 2004-104 as the title indicates. Applies only to Holden Beach.

**Summary date:** Mar 26 2013

House committee substitute to the 1st edition make the following changes. Adds Ocean Isle to the act. Makes conforming changes to the act’s long title.

**Summary date:** Jun 24 2013


**SL 2013-180**

**CLARIFY PENDER COUNTY ABC LAWS.**

**Bill H 234**

**Summary date:** Mar 6 2013

Amends the introductory language of Section 3 of SL 2012-125 by making a technical change, inserting a reference to Section 1 of Chapter 277, of the 1973 Session laws.

Amends Section 6 of SL 1963-50, as amended, concerning the distribution of profits of the Pender Alcoholic Beverage Control Stores to include the language After deducting not less than 5% nor more than 15% of profits to be spent on law enforcement... (was, After deducting 15% of total net profits...).

**Summary date:** Jul 8 2013

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

Changes the short and long title.
Amends Section 6 of SL 1963-50, as amended, establishing that the net profits from which money is to be deducted will be determined by quarterly audits and that the specified amount will be expended for law enforcement, in amounts determined by the Pender County Board of Alcoholic Control.

Repeals Chapter 107 (allowing the Pender County Commissioners to provide for ABC law enforcement) of the 1981 Session Laws.

Act becomes effective July 1, 2013 (was, when the act becomes law).

Summary date: Jul 8 2013

AN ACT TO CLARIFY THE DISTRIBUTION OF CERTAIN NET PROFITS FROM THE PENDER COUNTY BOARD OF ALCOHOLIC CONTROL FOR LAW ENFORCEMENT PURPOSES. Enacted June 24, 2013. Effective July 1, 2013.

SL 2013-181

RUTHERFORD AIRPORT AUTHORITY.

Bill H 290

Summary date: Mar 12 2013

Amends SL1971-335 to allow the Rutherford County Board of Commissioners to provide by resolution that it will serve ex officio, without additional compensation, as the Airport Authority.

Summary date: Mar 28 2013

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

Adds Section 7 of Chapter 335 of the 1971 Session Laws to the bill in order to make a technical correction to a reference.

Summary date: Jun 18 2013

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

Amends SL 1971-335, Section 2, to provide that at any time, the Rutherford County Board of Commissioners can provide by resolution that the board will serve as the Airport Authority, but will serve without additional compensation (was, that the Board of Commissioners can pass a resolution to serve ex officio as the Airport Authority, without additional compensation).

Summary date: Jun 26 2013

SL 2013-182

AUTHORITY TO REMOVE ABANDONED VESSELS.

Bill H 294

Summary date: Jul 8 2013

Amends GS 153A-132 to allow Dare County to, by ordinance, prohibit the abandonment of vessels in navigable waters within the county’s ordinance-making jurisdiction. Applies the statute to abandoned vessels (which are defined in the statute) in the same manner as it applies to abandoned or junked motor vehicles except that the storage requirements of GS 153A-132(c) do not apply to an abandoned vessel that (1) is partially dismantled or wrecked, (2) cannot be self-propelled or moved in the manner in which it was originally intended to move, or (3) is more than five years old and appears to be worth less than $500. Provides that shipwrecks, vessels, cargoes, tackle, and other underwater archeological remains that have been in place for more than 10 years are not considered abandoned vessels and may not be removed under the statute without approval of the Department of Cultural Resources.

Summary date: Jul 8 2013

House committee substitute to the 1st edition makes the following changes. Adds Brunswick County to the bill’s coverage. Makes conforming change to the long title.

Summary date: Jul 8 2013

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

Deletes language in GS 153A-132 that provided that the storage requirements of GS 153A-132(c) do not apply to an abandoned vessel that (1) is partially dismantled or wrecked, (2) cannot be self-propelled or moved in the manner in which it was originally intended to move, or (3) is more than five years old and appears to be worth less than $500.

Summary date: Jul 8 2013

AN ACT TO ALLOW CERTAIN COUNTIES TO REMOVE ABANDONED VESSELS FROM NAVIGABLE WATERS.

SL 2013-183

STRATEGIC TRANSPORTATION INVESTMENTS.

Bill H 817

Summary date: Apr 15 2013
Amends GS 136-18 to give the Department of Transportation the power to issue bonds or other eligible debt financing instruments to finance highway projects using state transportation appropriations to pay a portion of principal, interest, and related debt issuance costs. Caps the annual principal and interest of such debt at $300 million of the expected average annual state revenue shown for the period in the most recently issued work plan.

Summary date: May 1 2013

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

**Strategic Prioritization Funding Plan for Transportation Investments.** Creates new Article 14B, *Strategic Prioritization Funding Plan for Transportation Investments*, in GS Chapter 136. Creates the new Transportation Investment Strategy Formula (formula), applicable to Highway Trust Fund funds and federal aid funds. Lists funds excluded from the formula. Provides that bridge replacement, interstate maintenance, and highway safety improvement are included in the applicable formula category but are subject to the prioritization criteria. Provides that 40% of the funds are to be used for statewide strategic mobility projects (defined in the act), 40% are to be used for regional impact projects (defined in the act) and allocated by population of distribution regions, and 20% is to be allocated in equal share to each of the Department of Transportation (DOT) divisions and used for division need projects (defined in the act). Establishes criteria for using funds under each of the project types. Nonhighway projects are to be evaluated through a separate prioritization process that complies with specified requirements. Sets out requirements that must be met before varying from the formula. Allows DOT to revise highway project selection ratings based on local government funding initiatives and capital construction funding directly attributable to highway toll revenue. Provides that projects authorized for construction after November 1, 2013, and contained in the 10-year DOT work program are eligible for a bonus allocation. Allows the Metropolitan Planning Organization, Rural Transportation Planning Organization, or the local government to choose to apply its bonus allocation in one or more of the following: statewide strategic mobility projects, regional impact projects, or division needs projects. Effective July 1, 2013.

Effective July 1, 2019, further amends GS 136-189.11(e)(2) to amend the provisions for calculating the variance.

Requires DOT to issue a draft revision to the State Transportation Improvement Program no later than January 1, 2015, and requires the Board of Transportation to approve the revised program no later than July 1, 2015.

**Secondary Road Changes.** Amends GS 20-85 to delete the requirement that $15 of each title fee be added to the amount allocated for secondary roads.

Amends GS 136-44.2 to include improvement programs to those for which the Director of the Budget is to include in the appropriation act an enumeration of the purposes or objects of the proposed expenditure. Makes conforming changes. Effective July 1, 2013, and expires June 30, 2014.
Effective July 1, 2014, amends GS 136-44.2 to no longer require construction projects to be included in the appropriations act, leaving only maintenance and improvement.

Amends GS 136-44.2A to require an annual allocation from the Highway Fund to the DOT for secondary road construction programs (was, for secondary road improvement programs in a sum equal to the allocation made from the Highway Fund under GS 136-414.1(a)). Makes conforming changes, deleting specified sum to be allocated among counties. Effective July 1, 2013, and expires June 30, 2014. Repeals GS 136-44.2A entirely effective July 1, 2014.

Repeals GS 136-44.2C (special appropriations for state construction).

Enacts new GS 136-44.2D requiring DOT to expend funds allocated to the paving of unpaved secondary roads for the paving of unpaved secondary roads based on a statewide prioritization. Provides that the section does not require DOT to pave any roads that do not meet secondary road system addition standards. Prohibits using the Highway Trust Fund from funding the paving of unpaved secondary roads.

Amends GS 136-44.5 to require that the amounts appropriated by law for secondary road construction, excluding unpaved secondary road funds, are to be allocated among counties based on the total number of secondary miles in a county in proportion to the total state-maintained secondary road mileage. Makes conforming changes. Effective July 1, 2013, and expires June 30, 2014. Repeals GS 136-44.5 in its entirety, effective July 1, 2014.

Amends GS 136-44.6 to require DOT to develop a uniformly applicable formula for the allocation of secondary roads improvement funds. Provides that the statute does not apply to projects to pave unpaved roads.

Appropriates $15 million for 2013-14 from the Highway Fund for the secondary road construction program and $12 million in recurring funds for 2013-14 from the Highway Fund for the paving of unpaved roads.

Amends GS 136-44.7 to delete the provision making DOT responsible for developing criteria for improvements and maintenance of secondary roads. Authorizes the Divisions Engineer to reduce the width of a right-of-way to less than 60 feet to pave an unpaved secondary road with allocated funds, as long as the safety of the public is not compromised and the minimum accepted design practice is satisfied.

Amends GS 136-44.8 to require DOT to provide the board of county commissioners in each county with the proposed secondary road construction program and a list of roads proposed for the annual paving program. Deletes other provisions concerning providing notice of secondary road-paving projects and related meetings. Requires that the DOT follow the secondary road construction program and unpaved roads paving program adopted by the Board of Transportation. Makes conforming changes. Effective July 1, 2013, and expires June 30, 2014.

Amends GS 136-44.8, effective July 1, 2014, removing new language concerning the secondary road construction program.
Repeals GS 136-182 (supplement for secondary road construction).

State Aid to Municipalities/Powell Bill Changes. Amends GS 136-41.1 to annually appropriate from the State Highway Fund an amount equal to 10.4% of the net amount after refunds that was produced during the fiscal year by the fuel tax imposed under Article 36C and on the equivalent amount of alternative fuel taxed under Article 36D of GS Chapter 105. Deletes the provision concerning additional revenue allocation. Requires the funds allocated under the statute to be paid to the municipalities on or before October 1 and January 1 of each year.

Repeals GS 136-181 (supplement for city streets).

Conforming Changes. Amends GS 105-187.9 to delete the provision that required the transfer of specified amounts from the taxes deposited into the Trust Fund to the General Fund and concerning the transfer of funds from the Trust Fund to the Mobility Fund.

Amends GS 136-18 to provide that the infrastructure banking program must not modify the formula for the distribution funds established by GS 136-189.10 (was, not modify the regional distribution formula for the distribution of funds under GS 136-17.2A).

Repeals GS 136-17.2A (Distribution formula for funds expended on Intrastate System and Transportation Improvement Program).

Amends GS 136-44.50(a) to provide that a transportation corridor official map may be adopted or amended by the Wilmington Urban Area Metropolitan Planning Organization for projects R-3300 and U-4751 (was, for any project that is within its urbanized boundary and identified in GS 136-179).

Amends GS 136-66.3 to delete the provision prohibiting a Transportation Improvement Plan (TIP) disadvantage for participating in a state transportation system improvement project, and the provision limiting agreements for additional total funding for highway construction in exchange for participation in any project contained in the TIP. Provides that any state or federal funds allocated to a project that are made available by county or municipal participation in a project contained in the TIP are subject to GS 136-189.11 (was, must remain in the same funding region that the funding was allocated to under the distribution formula).

Amends GS 136-89.192 to replace references to the distribution formula with the formula under GS 136-189.11.

Amends GS 136-175 to remove the definition for intrastate system.

Amends GS 136-176 to delete the provisions requiring that specified funds be used for specified purposes. Deletes the reporting requirements. Provides that a sum, in the amount appropriated by law, may be used each fiscal year by the DOT for expenses to administer the Trust Fund (was, a sum not to exceed 4.8% of the amount of revenue deposited in the Trust Fund). Specifies that funds remaining in the Trust Fund are to be allocated and used as specified in GS 136-189.11 and deletes the specified allocations. Decreases the annual appropriation for the Turnpike Authority from the Highway Fund from
$112 million to $49 million and deletes specified funding for the Mid-Currituck Bridge and for the Garden Parkway. Deletes the provision that if funds are received under 23 USC Chapter 1 for a project for which funds in the Trust Fund may be used, the amount of federal funds received plus the amount of any Highway Funds that were used to match the federal funds may be transferred from the Trust Fund to the Highway Fund for projects in the TIP.


**Turnpike Authority Changes.** Amends GS 136-89.183 to give the Turnpike Authority (Authority) the power to study, plan, develop, and undertake preliminary design work on up to nine (was, eight) Turnpike Projects. Provides that at the conclusion of these activities, the Authority is authorized to design, establish, purchase, construct, operate, and maintain the following: (1) Triangle Expressway, including segments known as NC 540, Triangle Parkway, Western Wake Freeway, and Southeast Extension and specifies that these segments constitute four projects; deletes prohibition on locating any portion of the Southeast Extension north of an existing protected corridor established by the DOT circa 1995 and (2) Monroe Connector/Bypass. Deletes authority for the Garden Parkway, Cape Fear Skyway, and a bridge of more than two miles in length going from the mainland to a peninsula bordering Virginia. Any other project proposed by the Authority in addition to the listed projects requires prior consultation with the Joint Legislative Commission on Governmental Operations no less than 180 days before initiating the process required by Article 7 of GS Chapter 159 (was, must be approved by the General Assembly before construction). Provides that with the exception of the Monroe Connector/Bypass and Triangle Expressway segments, the projects selected for construction by the Authority, before letting of a contract, must meet the following: (1) two of the projects must be ranked in the top 35 based on total score on the DOT produced list entitled Mobility Fund Project Scores dated June 6, 2012, and may be subject to GS 136-18(39a) (concerning the authority to enter into partnership agreements with private entities and authorizing political subdivisions to finance, by tolls, contracts, and other financing methods authorized by law, the cost of acquiring, constructing, equipping, maintaining, and operating transportation infrastructure in this State, and to plan, design, develop, acquire, construct, equip, maintain, and operate transportation infrastructure in this State); and (2) for the projects not ranked as provided, one may be subject to GS 136-18(39a).

Amends GS 136-18 to allow the DOT or the Authority, as applicable, to enter into up to three agreements with a private entity as provided under (39). Deletes references to a pilot project. Provides that Article 6H (“Public Toll Roads and Bridges”) of GS Chapter 136 applies to the DOT and to projects undertaken by the DOT under (39). Also allows DOT to assign its authority under that article to fix, revise, charge, retain, enforce, and collect tolls and fees to the private entity. Requires that any contract under GS 136-18(39a) or Article 6H for the development, construction, maintenance, or operation of a
project provide for revenue sharing between the private party and the DOT. Excess toll revenues from a turnpike project are to be used for the funding or financing of transportation projects within the corridor where the turnpike project is located. Defines excess toll revenues and corridor. Agreements must comply with seven specified provisions including (1) being limited to no more than 50 years, (2) reporting specified information to the Joint Legislative Transportation Oversight Committee 60 days before signing of a concession agreement, and (3) developing and reporting on standards for entering into comprehensive agreements with private entities.

Amends GS 136-89.183 to make conforming changes.

Amends GS 136-89.188 to expand the activities that may be paid for with Turnpike Project revenue.

Enacts new GS 136-89.199 to allow the Authority to designate one or more lanes of a highway as high occupancy toll or other type of managed lanes, provided that the designation does not reduce the number of existing general purpose lanes.

Amends GS 136-89.212 to provide that if a person establishes that a vehicle was in the care, custody, and control of another person, the other person is liable for the payment of the toll and the Authority may send a bill. Provides that the other person may contest the toll.

Amends GS 136-89.213 to make conforming changes. Allows the Authority to assign its authority to fix, revise, charge, retain, enforce, and collect tolls and fees to a private entity that has entered into a partnership agreement with the Authority. Provides that if a turnpike project uses an open road tolling system, the Authority must operate a facility that is in the immediate vicinity of the project or provide an alternative means to accept cash payment of the toll. Makes conforming changes.

Amends GS 136-89.214 to make conforming changes concerning the ability of the Authority to send a bill to a person identified as the one having care, custody, and control of the vehicle.

Amends GS 136-89.215 to require the Authority to set the processing fee at an amount that does not exceed the costs of collecting the unpaid toll (was, costs of identifying the owner subject to the unpaid toll and billing the owner).

**Transition Study and Reporting Requirements.** Requires the DOT to report to the Joint Legislative Transportation Oversight Committee (Committee) and the Fiscal Research Division no later than August 15, 2013, on the recommended formulas that will be used in the prioritization process to rank highway and nonhighway projects. Requires the DOT Prioritization Office to develop the process and formulas. Prohibits the DOT from finalizing the formula without consulting with the Committee. Requires consultation on the DOT recommendation 30 days after the report is received. Requires a final report to be submitted by January 1, 2014. Requires DOT to submit transition reports to members of the Joint Legislative Transportation Oversight Committee, House Appropriations Subcommittee on Transportation and Senate Committee on Appropriations on DOT, and the Fiscal Research Division on March 1, 2014, and November 1, 2014. Specifies information to be included in the report.
Effective Date. Unless otherwise indicated, effective July 1, 2013. The act is effective only if the General Assembly appropriates funds in the Current Operations Appropriation Act of 2013 to implement the act.

Summary date: May 2 2013

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

Amends GS 136-76(b2) to reinstate an annual appropriation of $112 million from the Highway Trust Fund to the NC Turnpike Authority and reinstates the dollar amounts in specified funding for the construction of Mid-Currituck Bridge ($28 million) and the construction of the Garden Parkway ($35 million). (Amendments to the 1st edition decreased the annual appropriation for the Turnpike Authority from the Highway Fund from $112 million to $49 million and deleted specified funding for the Mid-Currituck Bridge and for the Garden Parkway.)

Amends GS 136-89.183 to reinstate authorization for the Turnpike Authority to include the Garden Parkway, Cape Fear Skyway, and a bridge of more than two miles in length going from the mainland to a peninsula bordering Virginia among its Turnpike Projects. Makes conforming changes. Provides that the projects (was, two of the projects) must be ranked in the top 35 based on the total score on the "Mobility Fund Project Scores" list dated June 6, 2012.

Summary date: May 8 2013

House committee substitute to the 3rd edition makes the following changes. Amends GS 136-189.11 to modify the distribution of funds subject to the Transportation Investment Strategy Formula to require that 30% (was, 40%) of the funds be used for Regional Impact Projects and 30% (was, 20%) of the funds be allocated in equal share to each of the Department of Transportation (DOT) divisions to be used for Division Need Projects. Makes other clarifying changes.

Amends GS 136-176(b2), decreasing the amount appropriated to the NC Turnpike Authority from the Highway Trust Fund from $112 million to $49 million and deletes the specified appropriation for the Mid-Currituck Bridge, and the Garden Parkway.

Amends GS 136-89.183 to modify the projects that the Turnpike Authority is authorized to design, establish, purchase, construct, operate, and maintain, to remove the Western Wake Freeway segment of the Triangle Expressway, the Garden Parkway, the Cape Fear Skyway, and a bridge of more than two miles in length going from the mainland to a peninsula bordering Virginia. Provides that in order to be selected for construction by the Turnpike Authority, before the letting of a contract for the project, only two of the projects (was, all of the projects) must be ranked in the top 35 based on total score on the Department's Mobility Fund Project Scores, Makes conforming changes.

Requires DOT to strive to expedite the federal environmental impact statement process to define the route for the Southeast Extension of the Triangle Expressway Turnpike Project by taking appropriate action, including those specified, to accelerate the environmental permitting process.
Requires the Joint Legislative Transportation Oversight Committee to closely monitor the progress of the Southeast Extension of the Triangle Expressway Turnpike Project.

**Summary date:** May 8 2013

House amendment to the 4th edition makes the following changes. Amends GS 136-189.11 to require that the Department of Transportation publish the following information on its website, linked directly from the homepage: (1) quantitative criteria used in each highway and nonhighway project scoring; (2) quantitative and qualitative criteria in each highway or nonhighway project scoring that is used in each region or division to finalize the local input score; (3) notifications of changes to the methods used to calculate quantitative criteria; (4) the final quantitative formulas used in each highway and nonhighway project scoring used to obtain project rankings in the statewide, regional, and division categories; and (5) the project scorings associated with the release of the draft State Transportation Improvement Program and final State Transportation Improvement Program.

**Summary date:** May 22 2013

Senate committee substitute makes the following changes to the 5th edition.

**Part 1, Strategic Transportation Investments**

Amends GS 136-189.10, providing that the definition for Statewide strategic mobility projects includes extensions of highway toll projects in existence on, or for which funds have been obligated by July 1, 2013. Amends the definition for Regional impact projects, providing that it includes highway toll routes, freight capacity, and safety improvements to rail corridors spanning two or more counties which are not included under Statewide strategic mobility projects and removes specified rail lines spanning two or more counties, and public transportation services spanning two or more counties that serve more than one city. Amends the definition for Division Needs Projects, providing that it includes freight capacity and safety improvements to rail corridors not included in the above definitions, as well as specified aspects of public transportation service improvements facilities, and equipment, federally-funded bicycle/pedestrian improvements, and federally-funded municipal road projects; removes multimodal terminals and stations serving passenger tourist systems.

Amends GS 136-189.11, Transportation Investment Strategy Formula, providing that toll collections from the State-maintained ferry system, collected under GS 136-82, are not subject to GS 136-189.11. Enacts new GS 136-189.11(b1), providing that Federal Surface Transportation Program-Direct Attributable funds expended on eligible projects in the Regional Impact Project category are excluded from the Regional Impact Project category. Amends the criteria used for the selection of Regional Impact Projects and Division Need Projects, deleting economic competitiveness from the lists of eligible criteria and adding accessibility and connectivity to employment centers, tourist destinations, and military installations for consideration.

Amends the criteria for selecting Division Need Projects to add accessibility and connecting to employment centers, tourist destinations or military installations. Amends the alternate criteria used in
the selection of Division Need Projects, providing that only those Federal Surface Transportation Program-Direct Attributable funds expended on eligible projects in the Division Need Projects category can be considered. Also adds federal funds for municipal road projects to the list of alternate criteria. Establishes that bicycle and pedestrian improvement projects will not receive financial support from the DOT, except for federal funds administered by the DOT. Sets out the limitations on applicability for the subsection. Makes a clarifying change to the criteria for nonhighway projects, providing that criteria used for the selection of projects (was, for the selection of Statewide Strategic Mobility Projects only) must be based on at least four quantitative criteria.

Amends GS 136-189.11(f), *Incentives for Local Funding and Highway Tolling*, providing that for a project for which funds have been committed on or before July 1, 2015, the amount made available for other eligible highway projects will not exceed $200 million of the capital construction funding attributable to the highway toll revenues committed in the Investment Grade Traffic and Revenue Study. Further provides that any amount available for other eligible highway projects will not exceed $100 million of the capital construction funding attributable to the highway toll revenues committed in the Investment Grade Traffic and Revenue Study, in regards to a project for which funds are committed after July 1, 2015.

Amends GS 136-189.11(g), regarding reporting requirements, deleting the requirement to include distinctions between the DOT division scoring and methodologies and those of the other specified entities. Makes a clarifying change.

**Part 2, Secondary Roads Changes**

Amends GS 20-85(a1), deleting language regarding the crediting of funds raised by the fees for transactions of this section. Enacts new GS 20-85(a2), which provides that from the fees collected under subsection (a)(1) through (a)(9), $400,000 will be annually credited to the Reserve for Visitor Centers in the Highway Fund. Makes a conforming change.

Amends GS 136-44.2, *Budget and appropriations*, to make clarifying changes.

Makes a technical change to GS 136-44.2D.

Amends Section 2.6(d) of the act to make the appropriation an allocation.

Amends the title of GS 136-44.8, effective July 1, 2014, to be *Submission of unpaved secondary road paving programs to the Boards of County Commissioners*, (was, *Submission of secondary roads unpaved roads paving program to the Boards of County Commissioners*).

**Part 3, State Aid to Municipalities/Powell Bill Changes**

Amends GS 136-41.3, *Use of funds; records and annual statement; excess accumulation of funds; contracts for maintenance, etc., of streets*, establishing that the funds provided under GS 136-41.2 may be used by the specified cities and towns for the varied purposes including constructing or maintaining bikeways, greenways, or sidewalks (previously, provided that the funds must be used for bikeways...
found in the rights of way of public streets and highways or sidewalks along public streets and highways). Makes organizational changes, providing introductory titles for each subsection.

Amends GS 136-41.1, Municipal use of allocated funds; election, providing that municipalities that qualify for an allocation of funds pursuant to GS 136-41.1 now have the following options:

1. Accept all or a portion of funds (previously, only provided for accepting all of the funds) allocated to the municipality, under that section, for the repair, maintenance, construction, reconstruction, widening, or improving of the municipality’s streets.

2. Use some or all of its allocation to match federal funds administered by the Department for bicycle and pedestrian improvement projects within the municipality's limits, or within the area of any metropolitan planning organization or rural transportation planning organization (new).

3. Elect to have some or all of the allocation reprogrammed for any Transportation Improvement Project currently on the approved project list within the municipality's limits or within the area of any metropolitan planning organization or rural transportation planning organization (was, rural planning organization).

Makes conforming changes.

Amends GS 136-41.1(b), establishing that the restriction set out in this subsection on the allocation amount that may be reprogrammed does not apply to any bicycle or pedestrian projects.

Provides a new Section 3.5 of the act, which requires the DOT to collect lane mile data from each municipality eligible to receive funds under this section no later than December 1, 2013. The DOT must also report to the Joint Legislative Transportation Oversight Committee no later than March 1, 2014, providing at least three options to shift the distribution formula to include lane mile data. Sets out other required components of the report. Requires the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division to include in its recommendations to the 2014 Session of the 2013 General Assembly a new distribution formula, if the Committee finds that a new formula is beneficial and practical.

Part 5, Turnpike Authority Changes

Amends GS 136-18, Powers of Department of Transportation, making organizational changes to subsection (e). Amends the definition of corridor, for the purpose of this subdivision, to include improvements necessary for the financing of subsequent improvements, additions, or extensions to the Turnpike Project. Amends subsection (f), providing that agreements entered into under this subdivision must be limited to no more than 50 years from the date of the beginning of the operations on the toll facility (previously, did not state when the 50 year time period began). Makes a clarifying change.

Deletes subsection (g), as provided for in a previous edition which allowed DOT to contract with counsel or financial advisors.

Part 7, Effective Date
Deletes all of the provisions from the effective date provision in the previous edition. Establishes that except as provided herein, this act becomes effective July 1, 2013. Provides that the act is only effective if the General Assembly appropriates funds in the Current Operations and Capital Improvements Appropriations Act of 2013 to implement this act.

Summary date: Jun 6 2013

Senate committee substitute to the 6th edition makes the following changes.

Amends the definition of statewide strategic mobility projects in GS 136-189.10 to remove extensions of highway toll projects in existence on or for which funds have been obligated by July 1, 2013. Also amends the definition of regional impact projects to remove highway toll roads not included as statewide strategic mobility projects.

Amends GS 136-189.11 to make clarifying changes. Also provides that for division need projects, the bicycle and pedestrian limitation does not apply to projects for which funds have been obligated on or before October 1, 2013 for construction in state fiscal years 2012-13, 2013-14, or 2014-15 (was, limitation did not apply to projects under construction or authorized for construction on June 30, 2013).

Amends GS 136-41.4 to amend the options available to a municipality that qualifies for an allocation of funds under GS 136-41.1 to include accepting all or a portion of funds allocated to the municipality for use as authorized by GS 136-41.3(a) (for specified purposes concerning streets or public thoroughfares; for meeting the proportionate share of assessments levied for those purposes; or for activities related to bikeways, greenways, or sidewalks). The previous edition stated the option as accepting all or a portion of funds allocated to the municipality for activities related to streets only.

Summary date: Jun 12 2013

Senate committee substitute to the 7th edition makes the following changes.

Amends GS 136-189.10 as follows. Amends the definition of regional impact projects to (1) include rail lines spanning two or more counties not included as a statewide strategic mobility project (was, freight capacity and safety improvements to rail corridors spanning two or more counties not included as a statewide strategic mobility project) and (2) adds public transportation services that span two or more counties and that serve more than one municipality; such expenditures must not exceed 10% of any distribution region allocation. Amends the definition of division needs projects to (1) include rail lines not included as a statewide strategic mobility project or a regional impact project (was, freight capacity and safety improvements to rail corridors not included as a statewide strategic mobility project or a regional impact project), (2) include public transportation service not included as a statewide strategic mobility project or a regional impact project (was, public transportation service improvements, facilities, and equipment), and (3) adds multimodal terminals and stations serving passenger transit systems.

Amends GS 136-189.11 to add federal state Planning and Research Program funds to those that are excluded from the transportation investment strategy formula.
Amends the bicycle and pedestrian limitation to provide that it does not apply to funds authorized for projects in the State Transportation Improvement Program scheduled for construction as of October 1, 2013, in state fiscal year 2012-13, 2013-14, or 2014-15.

Amends GS 136-18 to add that any contract for the development, construction, maintenance, or operation of a project must provide for revenue sharing between the private party and the Department of Transportation and revenues derived from such project may be used as specified. Also provides that agreements must meet the requirement that before setting toll rates, the private entity must hold a public hearing on the toll rates, including an explanation of the toll setting method. Requires reporting to the Turnpike Authority Board 30 days before increasing toll rates or changing the method for setting the toll.

Summary date: Jun 26 2013

AN ACT TO STRENGTHEN THE ECONOMY THROUGH STRATEGIC TRANSPORTATION INVESTMENTS.
Enacted June 26, 2013. Effective July 1, 2013, except as otherwise provided.

SL 2013-184

CONTINUING BUDGET AUTHORITY.

Bill H 336

Summary date: May 31 2013

Enacts new GS 116-68.1 to allow the UNC Board of Governors (BOG) to set a fee to be paid by in-state high school students enrolled at the UNC School of the Arts to assist with the institution's expenses. Allows the Board of Trustees to recommend to the BOG that the fees be set. Allows the UNC School of the Arts to charge and collect the fees. Effective July 1, 2013, and applies to the 2014-15 academic year and each subsequent academic year.

Summary date: Jun 25 2013

Senate committee substitute to the 1st edition deletes the provisions of the 1st edition and instead provides the following.

Allows the Director of the Budget to continue to allocate funds for expenditures for current operations by state departments, institutions, and agencies at a level not to exceed 90% of the level at which these operations were authorized in in 2012 Appropriations Act, SL 2012-142, as amended. Directs the Director to implement the budget reductions set out in Senate Bill 402 (S 402) 3rd edition and the 5th edition that are not in controversy. Prohibits implementing any transfers set out in S 402, 3rd edition, 5th edition, or both. Provides that vacant positions subject to proposed budget reductions in S 402, 3rd edition, 5th edition, or both are not to be filled after June 30, 2013. Requires that state employees holding positions subject to elimination in both S 402, 3rd edition and the 5th edition because of a
reduction in funds that were used to support the job or its responsibilities be provided written notification of termination of employment 30 days before the effective date of the termination. Prohibits state agencies from making grant awards with funds subject to reductions in S 402, 3rd edition, 5th edition, or both.

Retains the salary schedules and salaries established for 2012-13 under SL 2012-142 and in effect on June 30, 2013, for offices and positions until the effective date of the 2013 Appropriations Act. Provides that state employees subject to GS 7A-102(c), 7A-171.1, or 20-187.3 do not move up on the salary schedule or receive automatic increases until authorized by the General Assembly. Prohibits state employees from receiving any automatic step increases, annual, performance, merit, bonuses, or other increments until authorized by the General Assembly. Prohibits public school employees paid on the teacher salary schedule or school based administrator salary schedule and other employees do not move up on salary schedules or receive automatic step increases, annual, performance, merit, or other increments until authorized by the General Assembly.

Specifies that the state's employer contribution rates budgeted for retirement and related benefits for the 2013-14 fiscal year are as provided in Section 29-22(f) of the 2011 Appropriations Act and Section 25.10 of the 2012 Appropriations Act. The contribution rates are effective until the 2013 Appropriations Act becomes law and are subject to revision in that act. Specifies actions that are to be taken if the 2012 Appropriations Act modifies the rates.

Provides that if the provisions of either the 3rd edition or 5th edition of S 402, or both, direct that funds do not revert, the funds do not revert on June 30, 2013. The funds are not to be expended after June 30, 2013, unless they are encumbered on or before June 30, except as provided by a law enacted after June 30, 2013. Effective June 30, 2013.

Repeals SL 2011-145, Section 5.1(d)(2) through (4), appropriating from the General Fund an amount equal to the amount required to issue refunds for tax overpayments, appropriating from the Escheat Fund any escheated property awarded to a claimant in accordance with the provisions of GS Chapter 116B or any other applicable law, and appropriating from the appropriate fund an amount equal to the amount required to refund any other overpayment made to a State agency. Effective June 30, 2013.

Provides that for the 2012-13 fiscal year only, funds are not to be reserved to the (1) Repairs and Renovations Reserve Account, and the State Controller must not transfer funds from the unreserved credit balance to the Repairs and Renovation Reserve Account on June 30, 2013, and (2) Savings Reserve Account, and the State Controller must not transfer funds from the unreserved credit balance to the Savings Reserve Account on June 30, 2013. Effective June 30, 2013.

Requires the Director of the Budget to continue to allocate DHHS federal block grant funds at the levels provided in the 2012 Appropriations Act and makes appropriations from the DHHS federal block grants. Funds the Quality and Availability Initiatives item under Local Program Expenditures of the Child Care and Development Block Grant at 90% of the 2012-13 levels. Does not fund the Womens' Health and Oral Health items under Local Program Expenditures and the Health Promotion item under the DHHS Program Expenditures of the Maternal and Child Health Block Grant. Requires the allocation of DHHS
federal block grant funds at the levels provided in the 3rd and 5th editions of S 402 for the Temporary Assistance for Needy Families Funds, the Temporary Assistance for Needy Families Emergency Contingency Funds, and Substance Abuse Prevention and Treatment Block Grant. Provides that if funds appropriated for an item in Section 10.25 of the 2012 Appropriations Act, and as otherwise provided by law, are not appropriated for that item in the 3rd or 5th edition of S 402, that item is not to be funded. Provides that appropriations from NER federal Block Grant funds are made for the fiscal year ending June 30, 2014, according to schedules for 2012-13 or until a new schedule is enacted by the General Assembly.

Requires DHHS to (1) prepare the necessary state plan amendments to the Centers for Medicare and Medicaid Services that reflect the Medicaid reduction items in the 3rd edition, 5th edition, or both of S 402 and (2) submit the necessary state plan amendments to the Centers for Medicare and Medicaid Services that reflect the Medicaid reduction items in the 3rd edition, 5th edition, or both of S 402.

Appropriates $10,651,329 for 2013-14 from the General Fund to the Department of Public Instruction to fully fund increases in average daily membership in public schools. Effective July 1, 2013.

Sets community college in state tuition rates at $71.50/credit hour and out of state tuition rates at $263.50/credit hour. Sets fees for community college continuing education courses based on the number of hours of class time at $70, $125, and $180.

Requires excess lottery receipts realized in the 2012-13 fiscal year to remain in the Education Lottery Fund.

Amends SL 2012-142, Section 6a.5(c1), to require $2.8 million to remain at the Office of Information Technology Services (was, transferred to agencies using federal funding for IT Internal Service Fund payments) until required to provide the appropriate refunds to the federal government. Adds that Information Technology Services is allowed to retain this amount in excess of its allowed defined contingency basis. Effective June 30, 2013.

Amends SL 2013-56, Section 1, to direct the Director of the Budget, in conjunction with others, to effectuate the budget adjustments authorized in the act in an amount not to exceed $496 million (was, $51 million) to cover a projected budget shortfall. Provides that no other budget adjustments can be made under GS 143C-6-4 or any other provision of law to cover a projected Medicaid budget shortfall for the 2012-13 fiscal year. Amends SL 2013-56, Section 2, to amend the adjustment to increase the budget of the Division of Medical Assistance as follows. Requires that at least $84,539,900 be transferred from projected reversions within DHHS. Adds the use of $8,460,100 in federal Block Grant funds. Appropriates $6.5 million from available Temporary Assistance for Needy Families Emergency Contingency Funds and appropriates $1,960,100 from Temporary Assistance for Needy Families Funds. Effective when the section becomes law.

Unless otherwise provided, the act is effective July 1, 2013, and expires July 31, 2013, at 11:59 P.M.

Summary date: Jun 27 2013

SL 2013-185

CELL TOWER DEPLOYMENT ACT.

Bill H 664

Summary date: Apr 11 2013

Amends GS 160A-400.50 and GS 153A-349.50 (Purpose and compliance with federal law), establishing that this section seeks to ensure safe and efficient integration of facilities necessary for the provision of advanced mobile broadband and wireless telecommunications. Provides that the deployment of wireless infrastructure is critical to ensuring first responders can provide for the health and safety of all residents of North Carolina and that it is the state's policy to facilitate the placement of wireless communications support structures in all areas of North Carolina, in compliance with the federal Middle Class Tax Relief and Job Creation Act of 2012.

Amends GS 160A-400.51 and GS 153A-349.51 (Definitions), providing new terms and definitions for these sections, including collocation, equipment compound, substantial modification, and water tower.

Amends GS 160A-400.52 and GS 153A-349.52, providing for new section titles Construction of new wireless support structures or substantial modifications of wireless support structures (was, Construction of wireless facilities and wireless support structures). Allows cities and counties to plan for and regulate the siting and modification of new wireless support structures or the substantial modification of wireless support structures and facilities in accordance with land development regulations. Makes conforming changes, establishing the requirements when there is substantial modification of wireless support structures or wireless facilities, essentially establishing that only instances of substantial modification (not just a modification) require further review, approval, compliance, and permitting with local code, zoning, and land-use regulations. Makes reorganizational changes involving collocations applications, deleting and placing in the sections discussed below. Makes conforming changes.

Amends GS 160A-400.53 and GS 153A-349.53, providing a new title Collocation and other nonsubstantial modifications of wireless facilities (was, Collocation of wireless facilities). Reincorporates the language and requirements of collocation applications. Establishes that a city or county may impose a fee, not to exceed $500, for technical consultation and the review of collocation applications. Provides that fees imposed for the review of collocation applications cannot be used for travel expenses incurred by a third party's review of a collocation application or reimbursement for a consultant or other third party based on a contingent fee basis or results-based arrangement. Deletes language involving the streamlined processing of collocation applications for wireless facilities.
Effective October 1, 2013, applying to collocation applications received on or after that date.

Summary date: May 8 2013

Note: This act makes identical changes to GS Chapter 160A (pertaining to the local governments of cities and towns) and GS Chapter 153A (pertaining to county governments) establishing that the relevant statutes seek to ensure safe and efficient integration of facilities necessary for the provision of advanced mobile broadband and wireless telecommunications.

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

Corrects cites to federal law in GS 160A-400.50 and GS 153A-349.50 and modifies each section to clarify that the placement, construction, or modification of wireless communications facilities must also be in conformity with section 6409 of the federal Middle Class Tax Relief and Job Creation Act of 2012, 47 USC § 1455(a) in addition to conforming with the Federal Communications Act and rules promulgated by the Federal Communications Commission (FCC).

Amends GS 160-400.51 and GS 153A-349.51 to add definitions for the following terms: (1) base station, and (2) eligible facilities request. Modifies the definitions for (1) collocation, (2) substantial modification, and (3) wireless facility. Replaces the term equipment enclosure with equipment compound.

Deletes changes to GS 160A-400.52(a) and GS 153A-349.52(a). Makes an organizational change, recodifying existing GS 160A-400.52(a) as new GS 160A-400.51A and GS 153A-349.52(a) as new GS 153A-349.51A to provide local authority to regulate the selection of location or modification of wireless support structures and wireless facilities in accordance with land development regulations and consistent with the provisions of new Part 3E of GS Chapter 160A and Part 3B of GS Chapter 153A.

Clarifies that the provisions of GS 160A-400.52 and GS 153A-349.52 do not apply to the substantial modification of a wireless facility and does apply to a new wireless support structure. Provides that a local authority may not require information concerning the need for the wireless support structure, or business information to justify the need for the new wireless support structure. Specifies items for which a fee for review of an application may not be used.

Deletes the requirement that a written decision approving or denying a collocation application be issued within 45 days when the application is entitled to streamlined processing; however, clarifies that a written decision to approve or deny a collocation application that is not an eligible facilities request must be rendered within 45 days of the application being deemed complete. Also requires the local authority to issue a written decision approving an eligible facilities request application within 45 days of the application being deemed complete.

Amends GS 160A-400.53 and GS 153A-349.53 to provide guidelines governing collocation and eligible facilities requests of wireless support structures (was, collocation and other nonsubstantial modifications of wireless facilities).
Increases the fee that a local authority may impose for technical consultation and review of a collocation application to $1,000 (was, $500).

Amends GS 146-29.2 to provide that the state may lease real property, or grant an easement or license with an interest in real property for use to (1) construct, install, and operate towers and equipment on state land, or to (2) install and operate equipment on towers, buildings, or ground area owned or leased by the state. Adds definitions for the following terms as used in this section: (1) antenna, (2) buildings, (3) collocation, (4) equipment, (5) ground area, (6) provider, and (7) tower. Provides requirements to which the Department of Administration (Department) is to adhere in constructing new towers on state land and encouraging the collocation of equipment on existing towers and buildings owned by the state, as long as the requirements are feasible and determined to be in the best interest of the state by the Department.

Provides that the Governor, pursuant to GS 143-341(4)f., and acting with the approval of the Council of State, may adopt rules authorizing the Department to enter into or approve classes of leases, easements, or licenses with an interest in real property for the purposes set out in this section. Prohibits leasing or conveying lands in the State Parks System, as defined in GS 113-449.9, for the purposes of this section except as provided in Article 2C of GS Chapter 113 (the State Parks Act). Deletes lease provisions for communication towers from this section.

Changes to GS Chapter 160A and GS Chapter 153A become effective October 1, 2013 and apply to applications received on or after that date. The remainder of this act is effective when it becomes law.

Amends the act’s title.

Summary date: Jul 8 2013

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

Amends GS 160A-400.53 to clarify that a city may impose a fee, not to exceed $1,000, for technical consultation and review of a collocation or eligible facilities application (was, for a collocation application).

Amends GS 153A-349.53 to provide that a county may engage the services of a third-party consultant for technical consultation and review of a collocation or eligible facilities request application (was, for a collocation application).

Amends GS 146-29.2 to clarify that the state may lease real property, or may grant an easement or license with an interest in real property, for specified communication purposes. Requires the approval of the Secretary of the Department of Environment and Natural Resources for land in the State Parks System, as defined in GS 113-449.9, to be leased or conveyed for the purposes of this section (to facilitate efficient integration of facilities to provide advanced mobile broadband and wireless telecommunications services). Requires that the lease or conveyance of land in the State Parks System for the purposes of this section must comply with the requirements of Articles 2 and 2C of GS Chapter 113 (was, comply with the requirements of Article 2C). Reinstates previously deleted provision that
directs the state to choose a location for a communications tower in the State Parks System that minimizes the visual impact on the surrounding landscape. Prohibits leasing or conveying land acquired or developed using funds from the Federal Land and Water Conservation Fund for the purposes of this section.

**Summary date:** Jul 8 2013

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

Amends GS 153A-349.53(a3), providing that a county can impose a fee not to exceed $1,000 for technical consultation and the review of a collocation or eligible facilities request application (previously, could impose a fee for technical consultation and the review of a collocation application only).

**Summary date:** Jul 8 2013

**AN ACT TO FACILITATE THE DEPLOYMENT OF MOBILE BROADBAND AND OTHER ENHANCED WIRELESS COMMUNICATIONS SERVICES BY STREAMLINING THE PROCESSES USED BY STATE AGENCIES AND LOCAL GOVERNMENTS TO APPROVE THE PLACEMENT OF WIRELESS FACILITIES IN THEIR JURISDICTIONS.**

Enacted June 26, 2013. Section 3 is effective June 26, 2013. The remainder is effective October 1, 2013.

**SL 2013-186**

**TRANSFER OF INDIAN CULTURAL CENTER PROPERTY.**

**Bill H 60**

**Summary date:** Jan 31 2013

Identical to S 30, filed 1/31/13.

As title indicates. Describes parcels at the Indian Cultural Center site and requires termination of leases for the site, as indicated. Sets out guidelines for parcel appraisals and specifies how the Department of Administration must sell or otherwise convey each parcel.

**Summary date:** Mar 13 2013

House committee substitute makes the following change to 1st edition. Makes a technical correction.

**Summary date:** May 7 2013

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

Amends Section 3 of the act, deleting an appropriation of $7,300 to the Department of Administration from the General Fund for the purpose of appraising Parcel 1.
Amends Section 4(a) of the act, replacing Lumbee Tribal Administration with Lumbee Tribe of North Carolina (Tribe). Makes related conforming changes throughout the remainder of the act.

Amends Section 5, deleting proposed distributions of the net proceeds of the sale of Parcel 1, replacing them with language that directs the net proceeds of the sale of Parcel 1 to be deposited into the General Fund.

**Summary date:** May 13 2013

House amendment to the 3rd edition makes the following changes. Requires that $7,300 of the proceeds of the sale be appropriated to the Department of Administration to conduct the appraisal required by the act.

**Summary date:** May 29 2013

Senate committee substitute to the 4th edition makes the following changes. Requires that Parcel 1 first be offered for purchase to the Lumbee Tribal Administration (was, to the Lumbee Tribe). Makes conforming changes, replacing Lumbee Tribe with Lumbee Tribal Administration throughout the act. Adds the requirement that of the sale proceeds that remain after the $7,300 is used for the appraisal of Parcel 1, 25% of those remaining funds are to be appropriated to the Department of Environment and Natural Resources, Division of Parks and Recreation, for improvements to Parcels 2, 3, and 4, and 75% of those funds must be deposited into the Savings Reserve Account.

**Summary date:** Jul 1 2013


**SL 2013-187**

**ELECTRIC MEMBERSHIP CORPS/MEMBER CONTROL.**

**Bill H 223**

**Summary date:** Mar 5 2013

As title indicates.

Amends GS 62-42 by deleting GS 62-42(c), which provided "For the purpose of this section, 'public utility' will include any electric membership corporation operating within this State."

Amends GS 62-110.1(b), making conforming changes.

Effective July 1, 2013.
Summary date: Jun 6 2013

Senate committee substitute to the 1st edition makes the following changes. Amends GS 117-2 to add to the North Carolina Rural Electrification Authority's powers receiving and investigating complaints from members of electric membership corporations.

Amends the act's long title.

Summary date: Jul 1 2013


SL 2013-188

STATE IT GOVERNANCE CHANGES.-AB

Bill H 390

Summary date: Mar 20 2013

Repeals GS 143-135.9(a)(3), defining information technology.

Amends GS 147-33.72C(e) to provide that the State Chief Information Officer (CIO) may require that contracts between a state agency and a private party for information technology projects, require a performance bond, monetary penalties, or other performance assurance measures (was, only penalties) for projects that are not completed or performed (was, completed) within the specified time frame or that involve costs exceeding contract specifications. Allows the State CIO to use cost savings realized on government-vendor partnerships as performance incentives for an information technology project vendor. Amends GS 147-33.91 to remove the provision that the State CIO may work cooperatively with the NC Agency for Public Telecommunications in furthering the purposes of the statute, while exercising general telecommunications coordinating authority. Amends GS 147-33.92 to provide that the State CIO must establish broadband (was, switched broadband) telecommunication services and permit specified organizations and entities to share on a not for profit basis. Removes other references in the statute to switched broadband. Amends GS 147-33.111 to require the State CIO to also conduct assessments of information system security. Makes conforming changes. Amends GS 147-33.112 to also require assessments of each agency's contracted vendors. Requires that assessments performed on all of the relevant entities include examining security practices, security industry standards and current expenditures of State funds for information technology security, in additional to existing requirements.
Amends GS 150B-2 to amend the definition of Rule to also exclude standards adopted by the Office of Information Technology Services applied to information technology as defined in GS 147-33.81.

**Summary date:** Jun 6 2013

Senate committee substitute to the 1st edition makes the following changes. Amends GS 147-33.111 to require a state agency to notify the State Chief Information Officer in order to obtain approval before entering into any contract with another party for an assessment of information system security or (was, and) network vulnerability.

**Summary date:** Jul 1 2013


**SL 2013-189**

**ADOPT STATE SYMBOLS.**

**Bill H 830**

**Summary date:** Apr 15 2013

Enacts GS 145-41 adopting the fossilized teeth of the megalodon shark as the official fossil of North Carolina (NC).

Enacts GS 145-42 adopting the pine barrens tree frog as the official frog of NC.

Enacts GS 145-43 adopting the marbled salamander as the official salamander of NC.

Enacts GS 145-44 adopting the Virginia opossum as the official marsupial of NC.

Enacts GS 145-45 adopting the whirligigs created by Vollis Simpson as the official folk art of NC.

**Summary date:** May 1 2013

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

Enacts GS 145-46 adopting clay as the official art medium of North Carolina. Makes conforming changes and other changes to the whereas clauses and amends the long title.

**Summary date:** Jul 1 2013

SL 2013-190
INCREASE FINE FOR VEHICLE REMOVAL.

Bill S 8

Summary date: Jan 30 2013

Amends GS 20-219.2(b) to increase from $100 to no less than $150, the fine imposed for the removal of unauthorized vehicles from private lots. Applies to offenses committed on or after December 1, 2013.

Summary date: Jul 1 2013


SL 2013-191
HUNTING & FISHING/ACTIVE DUTY MILITARY.

Bill S 25

Summary date: Jan 31 2013

Amends GS 113-130(4)e. to clarify that members of the military on active duty outside of the state are considered residents of North Carolina for the purposes of obtaining specified hunting, fishing, trapping, and special activity licenses. Effective July 1, 2013.

Summary date: Jul 1 2013


SL 2013-192
COLLABORATION AMONG STATE DIABETES PROGRAMS.

Bill S 336

Summary date: Mar 14 2013

Enacts new GS 130A-221.1 to require the Division of Medical Assistance, the Diabetes Prevention and Control Branch of the Division of Public Health, and the Division in the Department of State Treasurer
that is responsible for the State Health Plan to work together to identify goals and benchmarks while
developing individual entity plans to reduce diabetes in the state, improve diabetes care, and control
diabetes complications. Requires a report to the Joint Legislative Oversight Committee on Health and
Human Services and the Fiscal Research Division by January 1 of each odd numbered year. Specifies
issues to be addressed in the report.

**Summary date:** Apr 3 2013

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

Changes the long title.

Makes technical, organizational, and clarifying changes to GS 130A-221.1, *Coordination of diabetes
programs*. Provides that each entity's plans must be tailored to the population the entity serves and
must establish measurable goals and objectives. Provides a report date for the entities referenced in GS
130A-221.1, requiring a report to be submitted on or before December 1 of each even-numbered year
to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research
Division. Amends the information that the report will contain, requiring to be reported the number of
individuals with diabetes served by the entity, the cost of diabetes prevention and control programs
implemented by the entity, a description and an assessment of the effectiveness of each entity's
programs and activities to prevent and control diabetes, the development of and revisions to detailed
action plans for preventing and controlling diabetes and related complications, and a list of actionable
items for consideration by the committee. Makes various other technical changes.

**Summary date:** Jul 1 2013

AN ACT REQUIRING THE DIVISIONS OF MEDICAL ASSISTANCE AND PUBLIC HEALTH WITHIN THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES, AND THE STATE HEALTH PLAN DIVISION WITHIN THE
DEPARTMENT OF THE STATE TREASURER, TO COORDINATE THE DIABETES PROGRAMS THEY EACH
ADMINISTER; TO EACH DEVELOP PLANS TO REDUCE THE INCIDENCE OF DIABETES, TO IMPROVE CARE,
AND TO CONTROL COMPLICATIONS; AND TO REPORT TO THE JOINT LEGISLATIVE OVERSIGHT
COMMITTEE ON HEALTH AND HUMAN SERVICES AND THE FISCAL RESEARCH DIVISION. Enacted June 26,

**SL 2013-193**

**GUARANTEED ASSET PROTECTION WAIVERS.**

**Bill S 358**

**Summary date:** Mar 19 2013

Enacts new Article 46, *Guaranteed Asset Protection Waivers*, in GS Chapter 66. Defines *guaranteed asset
protection waiver* as a contractual agreement between a creditor and a borrower in which the creditor
agrees to cancel or waive, for a separate charge, all or part of the amount due on a borrower's vehicle finance agreement in the event of a total physical damage loss or unrecovered theft of the vehicle. The guaranteed asset protection waiver may be a part of the vehicle finance agreement or it may be a separate addendum. Includes mandatory terms to be included in a guaranteed asset protection waiver and requires that those terms be written in clear, easily understood language. Provides terms and conditions for cancellation of the guaranteed asset protection waiver. Includes definitions for additional terms as they apply in this Article.

Provides that proposed Article 46 does not apply to an insurance policy under GS Chapter 58 except as provided in GS 66-443 or a debt cancellation or suspension contract offered under 12 CFR Part 37, CFR Part 721, or any other federal law. Provides for a partial exemption from the provisions of this Article for commercial transactions. Provides that new GS 66-444 (terms that must be in the waiver), new GS 66-446(c) (compliance with the Truth in Lending Act), and new GS 66-447 (enforcement) do not apply to a guaranteed asset protection waiver offered in connection with a lease or retail installment sale associated with a commercial transaction.

Provides that guaranteed asset protection waivers are not insurance and the waivers and persons administering, marketing, selling, or offering to sell the waivers to borrowers are not subject to the provisions of GS Chapter 58 (Insurance Law). However, does permit creditors to elect to insure guaranteed asset protection waiver obligations under a contractual liability or similar policy issued by an insurer and provides the required terms that must be included in policies insuring guaranteed asset protection waivers.

Provides for enforcement of the provisions of this Article by the Attorney General. Authorizes the Attorney General, after proper notice and an opportunity for hearing, to order a creditor, administrator, or any person not in compliance with this Article to cease and desist from further guaranteed asset protection waiver operations that are in violation of this Article. Also provides that the Attorney General may impose a penalty of no more than $500 per violation and no more than $10,000 in the aggregate for all violations of a similar nature.

Includes additional miscellaneous provisions. Includes a severability clause to provide that if any provisions of the proposed act or its application are held to be invalid, the invalidity does not affect other provisions or applications that can be given effect without the invalid provisions or applications.

**Summary date:** Apr 2 2013

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

Provides for an effective date of October 1, 2013.

**Summary date:** Apr 10 2013

Senate committee substitute to the 2nd edition makes the following changes. Amends the definition of creditor to include a vehicle dealer that arranges financing for a vehicle purchaser. Makes technical changes.
Senate amendment to the 3rd edition makes the following changes. Provides that the act applies to
guaranteed asset protection waivers entered into on or after October 1, 2013.

Summary date: Jul 1 2013

AN ACT TO AUTHORIZE GUARANTEED ASSET PROTECTION WAIVERS TO BE AUTHORIZED IN THIS STATE.

SL 2013-194

DWI CASES/NO ILAC REQUIRED.

Bill S 285

Summary date: Mar 13 2013

Amends GS 20-139.1 as follows.

Provides that the statute does not limit the introduction of other competent evidence as to a person's
alcohol concentration or results of other tests performed by an individual who qualifies as an expert
witness under Rule 702 of the North Carolina Rules of Evidence (was, other tests showing the presence
of an impairing substance, including other chemical tests).

Provides that in order to be admissible, a chemical analysis of blood or urine must be performed by a
laboratory that is accredited by an individual who qualifies as an expert witness under Rule 702 of the North Carolina Rules of Evidence (deleting the requirement of accreditation by a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement for Testing).

Requires the analyst analyzing the sample and signing the report to complete an affidavit stating the person's qualifications, information on the laboratory where the analysis was performed, and that performing that type of analysis is part of the individual's regular duties. Also requires that the analyst state that the tests were performed according to the individual's and the laboratory's accrediting body's standards and that evidence was handled according to accepted procedures while in the laboratory's custody. Requires the affidavit be provided to the investigating officer and to the district attorney in the district where charges are pending. Provides for admissibility of the affidavit. Requires the court, concerning findings under Rule 702(a)(1)-(3), to take judicial notice of and apply the following: (1) an analysis of the defendant's blood, breath, or urine qualifies under Rule 702(a)(1) as sufficient data; (2) the principles and methods previously accepted as reliable within the meaning of Rule 702(a)(2) by the state's appellate courts; and (3) the court must find a defendant who has failed to object under (e2) (concerning defendant's objection to the intent to introduce affidavit into evidence) of the statute has waived any and all objections under Rule 702(a)(3).

Makes conforming changes.
Effective December 1, 2013.

**Summary date:** May 2 2013

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

Deletes proposed changes to GS 20-139.1(a). Moves proposed language in (c2) concerning the affidavit completed by the analyst into (e1) and makes clarifying changes. Adds that the affidavit must include that the evidence was handled in accordance with established and accepted procedures within the custody of the lab. Provides in (e1) that an affidavit by an analyst sworn to and properly executed before an official authorized to administer oaths is admissible in evidence without further authentication and without the testimony of the analyst in any hearing or trial in any criminal proceeding (was, in District Court Division) with respect to the specified matters. Makes additional technical and clarifying changes.

**Summary date:** Jun 12 2013

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

Amends GS 20-139.1 by deleting all proposed changes to the statute and instead providing as follows. Amends (c1) to define a laboratory approved for chemical analysis by the Department of Health and Human Services (DHHS), for purposes of the statute, to include any hospital lab approved by DHHS under the program resulting from the federal clinical Laboratory Improvement Amendments of 1988.

Deletes the provisions in (c2) concerning lab accreditation requirements to be met for blood or urine analysis to be admissible. Also deletes the provisions in (c4) concerning requirements to be met in order for blood or urine tests to be admissible to prove a person's alcohol concentration or the presence of a controlled substance or other impairing substance.

Adds a new section amending GS 8-58.20 (forensic analysis admissible as evidence) providing that the statute does not apply to chemical analyses under GS 20-139.1.

Amend the act's titles.

**Summary date:** Jul 1 2013

**AN ACT TO ELIMINATE THE REQUIREMENT THAT WOULD COME INTO EFFECT ON JULY 1, 2013, THAT A LABORATORY PROVIDING CHEMICAL ANALYSES UNDER G.S. 20-139.1 BE ACCREDITED BY AN ACCREDITING BODY THAT IS A SIGNATORY TO THE INTERNATIONAL LABORATORY ACCREDITATION COOPERATION (ILAC) MUTUAL RECOGNITION ARRANGEMENT AND TO CLARIFY THAT THE RESULTS OF CHEMICAL ANALYSIS OF BLOOD OR URINE FROM ALL HOSPITAL LABORATORIES IN NORTH CAROLINA THAT ARE APPROVED BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES PURSUANT TO THE CLINICAL LABORATORY IMPROVEMENT AMENDMENTS OF 1988 (CLIA) PROGRAM ARE ADMISSIBLE AS EVIDENCE.**

SL 2013-195

CDL CHANGES.

Bill S 461

Summary date: Mar 27 2013

Amends GS 20-37.13, adding a new subsection requiring the Division of Motor Vehicles (DMV) to allow a third party to administer a skills test for driving a commercial motor vehicle any day of the week.

Amends GS 20-7(f)(5), providing for the DMV to issue a temporary commercial driver's license for 90 days.

Effective July 1, 2013.

Summary date: Apr 18 2013

Senate committee substitute to the 1st edition make the following changes. Amends GS 20-7 to extend the duration of a temporary commercial driver's license to 60 days. Makes a conforming change to the act's title.

Summary date: Jul 1 2013

AN ACT TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO ALLOW THIRD-PARTY COMMERCIAL DRIVERS LICENSE SKILLS TESTING ANY DAY OF THE WEEK AND TO EXTEND THE VALIDITY OF A TEMPORARY DRIVING CERTIFICATE ISSUED TO AN APPLICANT FOR A COMMERCIAL DRIVERS LICENSE TO SIXTY DAYS. Enacted June 26, 2013. Effective July 1, 2013.

SL 2013-196

COMMUNITY SERVICE/POST-RELEASE SUPERVISION.

Bill S 494

Summary date: Mar 27 2013

Amends GS 15A-1368.4 to allow imposing a condition of community service on a supervisee who fails to fully satisfy any order for restitution, reparation, or costs imposed against the supervisee as part of the supervisee's sentence. Makes conforming changes.

Summary date: May 14 2013

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

Changes the long title.
Amends GS 15A-1368.4, *Conditions of post-release supervision*, providing that the Post-Release Supervision and Parole Commission can impose a condition of community service on a supervisee who was a Class F through I felon who has failed to fully satisfy any order for restitution, reparation, or costs imposed against the supervisee (previously, the condition of community service was imposable on any supervisee). Further provides that the Commission cannot impose such a condition if it is determined that the supervisee has the financial resources to satisfy the order.

Amends GS 143B-721(d), providing that a three-member panel of the members of the Commission can set the terms and conditions for a post-release supervisee under GS 15A-1368.4. Establishes that in the event of a tie in a vote by the full Commission, the chair shall break the tie with an additional vote. Effective when the act becomes law and applies to actions taken by the Commission on or after that date.

**Summary date:** Jul 8 2013


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**SL 2013-197**

**BD. OF AGRICULTURE MODIFICATIONS.**

**Bill S 639**

**Summary date:** Apr 2 2013

Enacts new GS 106-421.1 to give the Board of Agriculture the sole authority to prohibit the planting, cultivation, harvesting, disposal, handling, or movement of plants; does not prevent designating plants as noxious aquatic weeds or adopting or enforcing ordinances regulating the appearance of property or the handling and collection of solid waste.

**Summary date:** Jul 1 2013


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**SL 2013-198**

**UPDATE REFERENCES/CHILD BORN OUT OF WEDLOCK.**

**Bill H 219**
Summary date: Mar 5 2013

Amends GS 7A-27(a) as the title indicates (was, right of direct appeal to the NC Supreme Court required a first degree murder conviction and a death sentence from Superior Court judgment). Effective October 1, 2013, and applies to appeals filed in first degree murder cases on or after that date.

Summary date: Jul 8 2013

House committee substitute to the 1st edition deletes all provisions of the 1st edition and replaces it with the following.

Amends language throughout statutes in the following GS Chapters to replaces the terms illegitimate and bastardy with born out of wedlock: GS Chapter 6, 8, 14, 15, 29, 30, 31, 49, 50, 97, 130A, and 143. Makes other technical and clarifying changes. Updates the act's titles.

Summary date: Jul 8 2013

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

Amends GS 29-19 to add that for purposes of intestate succession, a child born out of wedlock is entitled to take by, through, and from a person who (1) died prior to the birth of the child, or (2) within one year after the birth of the child, and (3) who can be determined to have been the child's father via DNA testing. Makes a conforming change to GS 30-17 regarding children born out of wedlock entitled to receive an allowance for one year following the death of the parent, in addition to the child's share of the deceased parent's estate. Effective when the act becomes law and applies to the estates of persons dying on or after that date.

Amends the act's long title.

Summary date: Jul 8 2013

AN ACT TO MODERNIZE THE WAYS CHILDREN BORN OUT OF WEDLOCK ARE REFERENCED IN THE GENERAL STATUTES BY REMOVING REFERENCES TO "ILLEGITIMATE" WHEN USED IN CONNECTION WITH AN INDIVIDUAL AND TO "BASTARDY", TO ALLOW A CHILD BORN OUT OF WEDLOCK TO INHERIT FROM A PERSON WHO DIED PRIOR TO OR WITHIN ONE YEAR AFTER THE BIRTH OF THAT CHILD IF PATERNITY CAN BE ESTABLISHED BY DNA TESTING, AND TO MAKE OTHER TECHNICAL CORRECTIONS TO THE STATUTES BEING AMENDED. Enacted June 26, 2013. Effective June 26, 2013. Sections 9 and 13 apply to estates of persons dying on or after that date.

SL 2013-199

INSURANCE TECHNICAL/CLARIFYING CHANGES.-AB

Bill H 240
Summary date: Mar 6 2013

Amends GS 58-3-105 to add accident and health insurance to the types of insurance exempt from the provisions of this section regarding risk exposure requirements.

Amends GS 58-7-37(a) to eliminate the photo identification requirement for receipt of a license by a new domestic insurance company.

Current law requires a mortgage guaranty insurer to maintain at all times a minimum policyholders position of not less than one twenty-fifth of the insurer's aggregate insured risk outstanding; however, this requirement may be waived by the Commissioner of Insurance (Commissioner) for a specified time period. Amends GS 58-10-125 to delete provision that the Commissioner cannot grant a waiver that extends beyond July 1, 2015. Makes a conforming change to Section 2 of SL 2009-254, as amended.

Amends GS 58-12-11 to specify that in the event of a company action level event, as defined in this statute, the comprehensive financial plan prepared by the insurer and submitted to the Commissioner must provide that forecasts for all insurers must include forecasts of statutory balance sheets, operating income, net income, capital and surplus (was, capital or surplus), and risk-based capital levels. Makes an organizational change.

Amends GS 58-12-35(a) regarding confidentiality and prohibition on announcements, to provide that certain risk-based capital reports pertaining to domestic and foreign insurers are not to be made public and are not subject to subpoena, discovery, or admissible in evidence in any private civil action (was, not subject to subpoena) other than by the Commissioner. Provides that the Commissioner may share and receive confidential information and privileged risk-based capital information consistent with information shared and received under GS 58-2-132(g) and (h). Prohibits permitting or requiring the Commissioner or any person who received documents, materials, or other information while acting under the authority of the Commissioner to testify in any private civil action concerning any confidential documents, materials, or information subject to subsection (a).

Amends GS 58-30-60(b) to revise certain risk-based capital requirements in order to maintain North Carolina's National Association of Insurance Commissioners accreditation. Amends GS 58-31-45 to remove the requirement that the report which the Commissioner must submit to the Governor on the Commissioner's official action under Article 31 of GS Chapter 58 must be embodied or attached to the Commissioner's biennial report to the General Assembly.

Amends GS 58-36-42 to clarify that consumers may choose residential property insurance coverage in the coastal counties as defined in GS 58-45-5(2b) that does not include coverage for the perils of windstorm or hail.

Amends GS 58-50-131(a) to clarify the qualification standards for an actuary providing certification for the filing of a schedule of premium rates for health benefit plans.

Amends GS 58-50-82 to provide that the Commissioner must perform certain designated actions within two (was, three) days of receiving a request for an expedited external review. Provides that the insurer
or its designee must provide or transmit all documents and information to the assigned review organization as soon as possible but within the same day after (was, same business day of) receiving notice that the request has been assigned to a review organization. Requires that a decision be rendered on the expedited request no more than three business days (was, four business days) after the date the request for expedited external review is received.

Changes the name of the Office of Managed Care Patient Assistance Program to Health Insurance Smart NC. Makes multiple conforming changes to insert the name change. Also removes the reporting requirement in GS 58-36-42.

Amends GS 58-71-75 to expand access of coverage to businesses that need blanket accident and health coverage.

Effective July 1, 2013.

**Summary date:** Apr 4 2013

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

Changes long title.

Amends GS 58-36-42, providing that consumers can also choose residential property insurance coverage in the beach areas defined in GS 58-45-5(2), (previously, only referred to the coastal areas). Deletes provision limiting those coverages to when requested by the insured.

Deletes Section 19 from the 1st edition, concerning expedited external review.

Adds new Section 20, amending GS 58-40-10 (*Definitions*), providing that a private passenger motor vehicle, for the purposes of Articles 36, 37 and 40, can be a motor vehicle that is a pickup truck or van that is owned by private citizens who are residents of the same household if it has a gross vehicle weight as specified by the manufacturer of less than 14,000 pounds (was, 10,000).

Adds new Section 21, amending GS 58-33A-65(f)(3), deleting the requirement that once a public adjuster has been retained, the company adjuster or other insurance representative may not communicate directly with the insured without the permission or consent of the public adjuster or the insured's legal counsel.

Adds new Section 22, amending GS 58-2-46, changing the title to *State of disaster automatic stay of proof of loss requirements; premium and debt referrals; loss adjustments for separate windstorm policies* (was, *State of emergency automatic stay of proof of loss requirements; premium and debt referrals; loss adjustments for separate windstorm policies*). Makes conforming changes by substituting "state of disaster" for "state of emergency." Requires the Commissioner of Insurance (Commissioner) to issue an order declaring GS 58-2-46(1-4) effective in order for the provisions of this section to take effect. Provides that the application of any provision in an insurance policy insuring real property can be stayed for the time period not exceeding the earlier of the expiration of the disaster proclamation or
declaration and all renewal proclamations or the expiration of the Commissioner’s order declaring subdivisions (1) through (4) effective for the specific disaster. Also provides that certain companies must give their customers who reside in the geographic area designated in the disaster proclamation or declaration the option of deferring premium or debt payments during the time period prior to the expiration of the Commissioner's order declaring subdivisions (1) through (4) effective.

Adds new Section 22(b), amending GS 58-2-47 (Incident affecting operations of the Department; stay of deadlines and deemer provisions), adding "disaster" and a reference to GS 166A-19.21 (Gubernatorial disaster declaration) to the section in regards to incidents beyond the Department of Insurance's (Department's) reasonable control.

Adds new Section 22(c), amending GS 58-33-70(e), adding "disaster" and a reference to GS 166A-19.21, in regards to when an experienced adjuster licensed in another state can act as an adjuster in North Carolina.

Adds new Section 22(d), amending GS 58-44-70, replacing references to a state of "emergency" with a state of "disaster." Replaces a reference to GS 166A-19.20 with GS 166A-19.21.

Adds new Section 22(e), amending GS 58-44-75 (Definitions), deleting the term and definition for disaster.

Provides new effective dates. Section 10 of this act becomes effective January 1, 2016. Section 22 of this act is effective when it becomes law. The remainder of this act becomes effective July 1, 2013.

**Summary date:** Apr 11 2013

House amendment to the 2nd edition makes the following changes. Adds an amendment to GS 58-44-35 to prohibit a judge from selecting the umpire until (1) proof of notice to all parties has been filed with the court and at least 15 days have passed since the proof was filed and (2) upon request of any party, the judge has conducted a hearing, which is governed by the practice for hearings in other civil actions before a judge without a jury and is limited to the issue of umpire selection. Effective October 1, 2013. Makes a conforming change to the act's long title.

**Summary date:** Jun 6 2013

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

Changes the long title.

Amends GS 58-2-46, making clarifying changes to language added in the previous edition.

Enacts new section GS 58-3-300, Health insurance issuers subject to certain requirements of federal law, providing that pursuant to authority granted under specified federal law, health insurance issuers that issue, sell, renew, or offer health benefit plans, defined in GS 58-3-167(a)(a), in North Carolina in the individual or group market must meet the requirements found in Title 42 USC 6A Subchapter XXV, Part A.
Amends the enactment clause, providing that Section 20 of the act becomes effective January 1, 2015, and applies to policies whose effective date is on or after that date. Sections 22 and 24 of this act are effective when they become law. Section 23 of this act becomes effective October 1, 2013.

Summary date: Jul 1 2013

AN ACT TO EXPAND THE CHOICES FOR HEALTH INSURANCE IN NORTH CAROLINA BY EXEMPTING HEALTH INSURANCE COMPANIES FROM OUTDATED RISK EXPOSURE REQUIREMENTS; TO REMOVE A PHOTO IDENTIFICATION REQUIREMENT FOR NEW DOMESTIC COMPANIES; TO HELP MORTGAGE GUARANTY COMPANIES ADJUST THEIR CAPITAL AND SURPLUS REQUIREMENTS; TO REVISE CERTAIN RISK-BASED CAPITAL REQUIREMENTS IN ORDER TO MAINTAIN NORTH CAROLINA'S NAIC ACCREDITATION; TO CLARIFY CONSUMER CHOICE IN HOMEOWNER'S COVERAGE FOR WIND AND HAIL; TO CLARIFY THE CERTIFICATION REQUIREMENTS FOR AN ACTUARY WHO PRESENTS A SCHEDULE OF PREMIUM RATES; TO SHORTEN CERTAIN TIME PERIODS FOR AN EXTERNAL REVIEW BY THE COMMISSIONER OF CERTAIN INSURER DETERMINATIONS; TO EXPAND ACCESS OF COVERAGE TO BUSINESSES WHO NEED BLANKET ACCIDENT AND HEALTH COVERAGE; TO MAKE CERTAIN CONFORMING CHANGES RELATED TO THE RENAMING OF THE OFFICE OF MANAGED CARE PATIENT ASSISTANCE PROGRAM AS HEALTH INSURANCE SMART NC; TO AMEND THE DEFINITION OF PRIVATE PASSENGER MOTOR VEHICLE; TO CLARIFY WHEN AN INSURER CAN COMMUNICATE WITH THE INSURED AFTER A PUBLIC ADJUSTER HAS BEEN RETAINED; AND TO CLARIFY WHEN AN AUTOMATIC STAY OF PROOF OF LOSS REQUIREMENTS, PREMIUM AND DEBT DEFERRALS, AND LOSS ADJUSTMENTS ARE TRIGGERED; TO PROVIDE NOTICE AND AN OPPORTUNITY FOR A HEARING WHEN A SUPERIOR COURT JUDGE IS CALLED UPON TO SELECT AN UMPIRE IN CERTAIN PROPERTY INSURANCE DISPUTES; AND TO ALLOW THE DEPARTMENT OF INSURANCE TO ENFORCE CERTAIN PROVISIONS OF THE PUBLIC HEALTH SERVICE ACT BY REQUIRING INSURANCE COMPANIES TO COMPLY WITH THOSE PROVISIONS WITHIN THIS STATE. Enacted June 26, 2013. Section 10 is effective January 1, 2016. Section 20 is effective January 1, 2015. Sections 22 and 24 are effective June 26, 2013. Section 23 is effective October 1, 2013. The remainder is effective July 1, 2013.

SL 2013-200

TAXPAYER DEBT INFORMATION ACT.

Bill H 248

Summary date: Mar 6 2013

Amends GS 159-52 to direct a Local Government Commission (Commission) that approves an application for a bond issue to use current interest rates to estimate the total amount of interest anticipated to result from the proposed bond and include that estimated amount in the order approving the application. Amends GS 159-61(d) to require that the estimated amount of principal and interest that would result from the proposed bond be included in the question on the ballot as to whether to approve the bond issue.
Enacts new GS 142-15.4 to declare that any general obligation bond issued by the General Assembly must use the current interest rate to determine an estimate of the total amount of interest anticipated to result from the proposed bond. Requires that the question on the ballot include the amount of principal and anticipated interest and the State Treasurer's calculations as to the estimated cost of the debt resulting from the proposed bond. Also requires that ballot include a statement indicating that approval of the general obligation bond does not require the issuance of the general obligation bond.

Effective when the act becomes law and applies to bonds proposed on or after that date.

Summary date: Apr 18 2013

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

Deletes the proposed changes to GS 159-52(b) and deletes new GS 142-15.4 (general obligation ballot question).

Amends GS 159-55 to provide that when a bond order is introduced, the finance officer or some other officer designated by the governing board is to file a statement with the clerk that (1) estimates the amount of interest that will be paid on the bonds over the expected term of the bonds and (2) summarizes the assumptions on which the estimated interest calculations are based. Includes additional guidelines regarding the statement of estimated interest on the bonds and provides that the statement may include other qualifications deemed appropriate by the finance officer. Specifies that the validity of bonds authorized by the order cannot be challenged on the grounds that there is a discrepancy between actual interest cost of the bonds and the estimate set out in the statement of estimated interest. Directs that the statement be filed with the Local Government Commission and maintained by the clerk.

Amends GS 159-56 to require that clerk to publish a bond order after its introduction with a statement appended that indicates the estimated interest that the finance officer included in the statement of estimated interest. Provides that the publication of the bond order may also include a summary of the assumptions on which the interest estimate is based.

Amends GS 159-58 to require that the publication of the bond order as adopted must also contain an appended statement of the estimated amount of interest that will be paid over the expected term of the bonds.

Amends GS 156-61(d) to modify the form of question as stated on the ballot.

Provides that this act is effective when it becomes law and applies to bonds issued under bond orders introduced on or after that date, and that this act does not affect the validity of any bonds issued under bond orders introduced prior to the effective date.

Amends the long title.

Summary date: Jun 6 2013
Senate committee amendment to the 2nd edition makes the following changes. Changes the effective date of the act from when the act becomes law to September 1, 2013.

**Summary date:** Jul 2 2013

AN ACT TO REQUIRE DISCLOSURE ON THE BALLOT THAT AUTHORIZATION OF INDEBTEDNESS INCLUDES INTEREST AND THAT TAXES MAY BE LEVIED TO REPAY THE INDEBTEDNESS. Enacted June 26, 2013. Effective September 1, 2013.

**SL 2013-201**

**CDL REQUIREMENTS/MILITARY EXPERIENCE.**

**Bill H 322**

**Summary date:** Mar 14 2013

Identical to S 280, introduced 3/13/13.

Amends GS 20-37.13(c1), providing that the DMV may waive the skills test for any qualified military applicant if the applicant is currently licensed at the time of application and meets several qualifications, including but not limited to, passing all required written knowledge exams and having not had more than one driver's license, except one from the military, in the last two years. The applicant must also certify and provide evidence that the applicant is a retired, discharged, or current member of an active or reserve component of the Armed Forces of the United States and is regularly employed or was regularly employed in a military position within the 90-day period immediately preceding the date of application. Additionally the applicant must either have operated, for the two-year period immediately preceding application, a vehicle similar to the class and type of commercial motor vehicle he or she seeks to be licensed for and has taken and passed a skills test given by the military or, for an applicant who is a retired or discharged member, satisfy requirements of GS 20-37.13(c1)(3)b., and has not been dishonorably discharged and has been retired or discharged for no more than 90 days prior to the date of application.

**Summary date:** Apr 8 2013

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

Makes a clarifying change.

**Summary date:** Jun 5 2013

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

Makes a clarifying change to GS 20-37.13(c1)c.

SL 2013-202

HOAS/UNIFORM LIEN PROCEDURE.

Bill H 331

Replaces GS 47C-3-116 (procedures for liens for assessments by homeowners associations) with new GS 47C-3-116.1, and replaces GS 47F-3-116 (comparable provisions for liens for planned community associations) with new GS 47F-3-116.1. Most significant change in both statutes is inclusion of new subsections concerning foreclosure of lien in like manner as mortgage or deed of trust on real estate under power of sale. Specifies ways in which this procedure is to differ from that provided in Article 2A of GS Chapter 45. Provides for association to appoint trustee to conduct nonjudicial foreclosure proceeding and sale; notice to unit owner of intent to commence nonjudicial foreclosure; dismissal of the foreclosure procedure if debt plus costs, attorneys' fees, and trustee commission is satisfied before upset period expires; authorization for association to bid at foreclosure proceeding; and trustee compensation. Also modifies notice procedures for lien claim, allowing service by first class mail rather than service procedure under Rule 4(j) of the Rules of Civil Procedure. Enacts new GS 47C-3-116.2 and GS 47F-3-116.2, validating nonjudicial foreclosure proceedings commenced by associations before July 1, 2013, and all sales and transfers of property as part of those proceedings, unless action to set aside foreclosure is commenced by July 1, 2013, or within one year of sale, whichever is later. Validation provisions are not applicable to pending litigation. Effective July 1, 2013.

Summary date: Apr 30 2013

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

Amends GS 47C-3-116.1 (Lien for sums due the association; enforcement), making technical and reorganizational changes. Specifies the procedures for service of process of the claim of lien on the record owner, providing it should be made and attempted in accordance with GS 1A-1, Rule 4(j), for service of a copy of a summons and a complaint. Also sets out the processes and procedures that should be followed when actual service is not achieved or in cases where the owner of record is not a natural person.

Amends GS 47C-3-116.1(f) providing that an association, through the executive board, may foreclose a claim of lien in like manner as a mortgage or deed of trust on real estate under the power of sale if the
assessment remains unpaid for 90 days or more. Requires the association to vote to commence such a proceeding against the specific unit before the claim of lien can be foreclosed on. Establishes that any trustee appointed pursuant to GS 47C-3-116.1(f)(6), in the course of every nonjudicial power of sale foreclosure of a claim of lien, will have the same fiduciary duties and obligations as a trustee in the foreclosure of a deed of trust. Deletes the following language: "and if no person or entity other than counsel for the association serves as trustee in the foreclosure...," which provided a limit for the awarding of attorneys' fees in the amount of $1,200, in regards to the foreclosure of claims of lien. Also deletes language that states that the obligation to pay and the amount of any sums due the association will be considered uncontested as long as the unit owner does not refuse to pay any portion of the sums claimed due by the association. Provides that any judgment, decree, or order in any action brought under GS 47C-3-116.1 will include costs and reasonable attorneys' fees for the prevailing party. Establishes that unit owners will be deemed to have the rights and remedies available to mortgagors under GS 45-21.34.

Amends GS 47C-3-116.1(g), providing that any judgment, decree, or order in any judicial foreclosure or civil action, relating to the collection of assessments, will include an award of costs and reasonable attorneys' fees for the prevailing party (previously, did not refer to the relation to the collection of assessments).

Amends GS 47C-3-116.1(i), providing that costs and expenses incurred in connection with any request that the association agrees to accept payment of all or part of sums due in installments can be included or considered in the calculation of fees chargeable under GS 47C-3-116.1(f)(12) (previously, excluded costs and expenses from being included in the calculation of chargeable fees).

Appears to amend GS 47F-3-116.1 (Lien for sums due the association; enforcement), providing that unless the declaration provides otherwise, fees, charges, late charges, and other charges imposed pursuant to GS 47F-3-102, 47F-3-107, 47F-3-107.1, and 47F-3-115, as well as any other sums due and payable to the association under the declaration, are secured by a claim of lien once filed and are enforceable in the same manner as unpaid assessments under this section.

Amends GS 47F-3-116.1(c), specifying the procedures for service of process of the claim of lien on the record owner under this section, providing it should be made and attempted in accordance with GS 1A-1, Rule 4(j), for service of a copy of a summons and a complaint. Also sets out the processes and procedures that should be followed when actual service is not achieved or in cases where the owner of record is not a natural person.

Amends GS 47F-3-116.1(f), providing that an association, through the executive board, may foreclose a claim of lien in like manner as a mortgage or deed of trust on real estate under the power of sale if the assessment remains unpaid for 90 days or more. Requires the association to vote to commence such a proceeding against the specific unit before the claim of lien can be foreclosed on. Makes technical and reorganizational changes. Establishes that any trustee appointed pursuant to GS 47F-3-116.1(f)(6), in the course of every nonjudicial power of sale foreclosure of a claim of lien, will have the same fiduciary duties and obligations as a trustee in the foreclosure of a deed of trust. Deletes the following language:
"and if no person or entity other than counsel for the association serves as trustee in the foreclosure...,"
which provided for a limit for the awarding of attorneys' fees in the amount of $1,200, in regards to the
foreclosure of claims of lien. Also deletes language that states that the obligation to pay and the amount
of any sums due the association will be considered uncontested as long as the unit owner does not
refuse to pay any portion of the sums claimed due by the association. Provides that any judgment,
decree, or order in any action brought under GS 47F-3-116.1(f) will include costs and reasonable
attorneys' fees for the prevailing party. Establishes that lot owners will be deemed to have the rights
and remedies available to mortgagors under GS 45-21.34.

Amends GS 4F-3-116.1(g), providing that any judgment, decree, or order in any judicial foreclosure or
civil action, relating to the collection of assessments, will include an award of costs and reasonable
attorneys' fees for the prevailing party (previously, did not refer to the relation to the collection of
assessments).

Amends GS 47F-3-116.1(i), providing that costs and expenses incurred in connection with any request
that the association agrees to accept payment of all or part of sums due in installments can be included
or considered in the calculation of fees chargeable under GS 47C-3-116.1(f)(12) (previously, excluded
costs and expenses from being included in the calculation of chargeable fees).

**Summary date:** Jun 10 2013

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

Makes organizational changes to the 2nd edition. Deletes prior changes that repealed GS 47C-3-116 and
GS 47F-3-116, replaced GS 47C-3-116 (procedures for liens for assessments by homeowners
associations) with new GS 47C-3-116.1, and replaced GS 47F-3-116 (comparable provisions for liens for
planned community associations) with new GS 47F-3-116.1. Instead, reinstates GS 47C-3-116 and
codifies the provisions that were enacted as new GS 47C-3-116.1 within GS 47C-3-116. Also reinstates
GS 47F-3-116 and codifies the provisions that were enacted as new GS 47F-3-116.1 within GS 47F-3-116.

Makes technical change, recodifying new GS 47C-3-116.2 as GS 47C-3-116.1 and GS 47F-3-116.2 as GS
47F-3-116.1, validating nonjudicial foreclosure proceedings commenced by associations before October
1, 2003 (was, July 1, 2013), and all sales and transfers of property as part of those proceedings, unless
action to set aside foreclosure is commenced by October 1, 2013 (was, July 1, 2013), or within one year
of sale, whichever is later.

Amends GS 47F-3-116 to provide that fees, charges, late charges, and other charges imposed under GS
47F-3-102, 47F-3-107, 47F-3-107.1, and 47F-3-115 are subject to the claim of lien under this section
unless the declaration provides otherwise. Makes conforming technical changes renumbering sections
as necessary.

Makes this act effective October 1, 2013 (was, July 1, 2013).

**Summary date:** Jul 2 2013
AN ACT TO STABILIZE TITLES AND TO PROVIDE A UNIFORM PROCEDURE TO ENFORCE CLAIMS OF LIEN SECURING SUMS DUE CONDOMINIUM AND PLANNED COMMUNITY ASSOCIATIONS. Enacted June 26, 2013. Effective October 1, 2013.

**SL 2013-203**

**EXPLOITATION OF SRS/FREEZE DEFENDANT’S ASSETS.**

**Bill H 891**

**Summary date:** Apr 16 2013

Amends GS 14-112.2 (exploitation of an elder or disabled adult) adding subsection (f) allowing a district attorney to file a petition in superior court to freeze the funds, assets, or property of the defendant in an amount equal to but not greater than the alleged value of the funds, assets, or property in the pending criminal proceeding for the purpose of restitution to the victim when a person is charged with violating the statute and the property involved is valued at more than $5,000.

Enacts GS 14-112.3 requiring a superior court judge to issue an order to freeze or seize assets of the defendant in the amount calculated pursuant to GS 14-112.2(f) upon the showing of probable cause in the ex parte hearing that the defendant used, is using, is about to use, or is intending to use assets in a way that violates GS 14-112.2. Within 30 days after service of the order, the defendant may file a motion to release the assets. A hearing on the motion must take place no later than 10 days after it was filed. Allows for a separate civil proceeding.

Applies to criminal proceedings filed on or after December 1, 2013.

**Summary date:** May 14 2013

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

Amends GS 14-112.2, providing that in cases where a person is charged with a violation that involves funds, assets, or property valued at more than $5,000, the district attorney can file a petition in the pending criminal proceeding before the court with jurisdiction over the pending charges to freeze the funds, assets, or property of the defendant in an amount up to 150% of the alleged value in the defendant's pending criminal proceeding. Provides that the standard of proof required to freeze the defendant's funds, assets, or property will be by clear and convincing evidence.

Amends GS 14-112.3, renaming the section Asset freeze or seizure; proceeding (was, Asset freeze or seizure; ex parte proceeding). Makes conforming changes, replacing "probable cause" with "clear and convincing evidence." Provides that the procedure for petitioning the court, under this section, will be governed by GS 1A-1, Rule 65, unless otherwise provided. Provides that at any time after service of the order to freeze or seize assets, the defendant or any person claiming an interest in the assets may file a motion to releases the assets (was, at any time within 30 days after service of the order). Deletes
language that required the court to hold a hearing on the motion no later than 10 days from the date the motion is filed. Provides that the burden of proof in proceedings to release assets will be by clear and convincing evidence and that the State must show that the defendant is about to, intends to, or did divest himself or herself of assets in a manner that would render the defendant insolvent for purposes of restitution. If the court finds as such, the court must order the assets frozen or held until further order. Provides that if the prosecution of the charge under GS 14-112.2 is terminated by voluntary dismissal by the State or if a judgment of acquittal is entered, the court will vacate the order to freeze or seize the assets.

Provides that the effective date is October 1, 2013 (was, December 1, 2013), and the act applies to offenses committed on or after that date.

Summary date: Jul 2 2013

AN ACT TO ALLOW THE DISTRICT ATTORNEY TO PETITION THE COURT TO FREEZE THE ASSETS OF A DEFENDANT CHARGED WITH FINANCIAL EXPLOITATION OF AN ELDER ADULT OR DISABLED ADULT AND TO ESTABLISH A PROCEDURE TO PETITION FOR THE FREEZING OR SEIZURE OF THE DEFENDANT’S ASSETS. Enacted June 26, 2013. Effective October 1, 2013.

SL 2013-204

NOTARY ACT/SATISFACTION OF SECURITY INTERESTS.

Bill H 332

Summary date: Mar 19 2013

Amends GS 10B-20(c5), clarifying that notaries are not disqualified from performing their duties because of their employment by a party to the record or because they own stock in a party of the record to be notarized.

Amends GS 10B-37, making clarifying changes.

Amends GS 10B-55, excluding a personal representative from complying with the requirements of this section, (taking certain steps upon the death of a notary), if he or she provides a sworn statement in any enforcement proceedings that he or she was unaware that the deceased was a notary public at the time of death.

Amends GS 10B-60 by creating a new subsection GS 10B-60(l), providing that the Secretary of State (Secretary) must notify the NC State Bar (State Bar) of any final decision involving a violation of subsection (a) of this section by a notary who is also a licensed attorney-at-law. The Secretary must also endeavor to send copies of court orders rendered under this section to the State Bar in cases where the notary is also a licensed attorney-at-law. Such a referral can be considered as a showing of professional unfitness, and the State Bar can administer discipline as it sees fit.
Amends GS 10B-65, stating that documents that contain notarial errors such as date of acknowledgment, verification, or proof, or the oath or affirmation states the incorrect date, will be given legal effect as if the errors had not occurred. Validates all notary acknowledgments performed before December 1, 2005 (was, January 1, 1953). Section above applies to notarial acts performed on or before April 1, 2013 (was, May 1, 2008).

Amends GS 10B-67 (Erroneous commission expiration date cured) and GS 10B-99 (Presumption of regularity), applying the sections to notarial acts whenever they are performed.

Amends GS 10B-68 (Technical defects cured), making technical changes, expanding the types of technical changes that are cured automatically and do not affect the validity of a document.

Amends GS 10B-69, making notarial certifications contained in a form issued by a state agency prior to April 1, 2013 (was, October 1, 2006) valid, provided it complied with the law at the time of formation.

Amends GS 10B-71, maintaining that any instrument notarized by a notary that failed to take the notary oath again after being recommissioned is held valid. Applies to notarial acts performed on or after May 15, 2004, and before April 1, 2013 (was, July 8, 2009).

Amends GS 41-2, adding a new section GS 41-2(a1), providing that upon conveyance to the trustee of a deed of trust by any or all of the joint tenants holding property in joint tenancy with right of survivorship to secure a loan, the joint tenancy will not be deemed to be severed. Upon satisfaction of the deed of trust, legal title to the property will revert to the grantors as joint tenants with right of survivorship in the respective shares as owned by respective grantors.

Amends GS 47-2.2 (Notary public of sister state; lack of seal or stamp or expiration date of commission), making clarifying and technical changes. Provides that a proof or acknowledgment that does not require a seal or stamp of the notary to be effective must include either a statement by the notary as to such, placed near the proof area, or a reference to the statute of the commissioning state which provides no seal or stamp is required along with a statement. Such an instrument, when proofed and validated in this way, cannot be refused by a register of deeds. Acceptance of such a letter creates a presumption of the validity of such an instrument and that no seal or stamp was required. This presumption is rebuttable.

Amends GS 47-12.2 (Subscribing witness incompetent when grantee or beneficiary), providing that the execution of an instrument may not be proved for registration by a subscribing witness when the subscribing witness is the grantee or beneficiary at the time of execution.

Amends GS 47-14, providing that the acceptance of records with a notarial seal, even though the seal may be illegible, gives rise to presumption of validity of the seal, applies to all instruments filed and maintained by the register of deeds. The presumption is rebuttable, but a court finding otherwise cannot affect the recorded interest in real property when there are enforceable interests.

Amends GS 47-28 (Powers of Attorney), providing that before any transfers of real property executed by an attorney-in-fact empowered by a power of attorney, the power of attorney must be registered.
Provides what steps an attorney-in-fact must take depending on the different types of real property transaction taking place, as well as the requirements to record certain powers-of-attorney. Provisions apply to all real property utilizing powers-of-attorney on or after April 1, 2013.

Amends GS 47-36.1 (Correction of errors in recorded instruments), making clarifying and technical changes. Provides that when a correction is inconsistent with the original, notice of the correction is deemed to have been given as of the time of registering the corrective affidavit. For corrective affidavits filed before, on, or after April 1, 2013, makes the following changes. Limits the need for an affidavit in times where an instrument is unchanged but re-recorded. A notary public can complete a corrective affidavit identifying the correction and may attach a new acknowledgment, with no change in priority occurring.

Amends GS 47-41.2, 47-48, 47-50, 47-50.1, 47-51, 47-53, 47-64, 47-71.1, 47-72, 47-92, 47-93, 47-94, 47-97, 47-97.1, 47-102, 47-108.6, and 47-108.11, making clarifying and technical changes. Primarily changes any applicability dates included in the sections to April 1, 2013.

Amends GS 47-81.2 (Before United States Army etc., officers, and other service members), establishing that instruments or writings that have been proved or acknowledged before any commissioned officer of the Army, Navy, Air Force, Marine Corps, Coast Guard, or specified officer of the Merchant Marine (was, only Army or Marine Corps) are ratified, confirmed, and declared valid. Proofs and acknowledgments by any military personnel authorized by Congress are ratified, confirmed, and declared valid and will not require a seal or any affixation thereof.

Amends GS 47-95 (Acknowledgments taken by notaries interested as trustee or holding other office) to change the date to prior to October 1, 1991 (was, January 1, 1975).

Amends GS 47 by adding new section GS 47-108.18A (Registration of certain instruments containing a notarial acknowledgment) and GS 47-108.18B (Registration of certain instruments containing a notarial jurat), providing that notarial acknowledgments constitute a jurat in due form for all instruments that have so far been accepted for filing and registration or are now accepted for filing and registration under this Chapter or which relate to real estate in this state. In addition, a notarial jurat constitutes an acknowledgment in due form for all instruments that have so far been accepted for filing and registration or are now accepted for filing and registration under this Chapter or which relate to real estate in this state.

Amends GS 47-108.20 to make the statute applicable to instruments recorded before April 1, 2013 (was, June 30, 1986).

Above provisions are effective April 1, 2013.

Amends GS 45-36.9, making clarifying and technical changes.

Amends GS 45-36.14, creating new subsection GS 45-36.14(d), providing that a satisfaction agent does not have to give notification described in this section if (a) the creditor has authorized the agent to sign and submit an affidavit of satisfaction, (b) the agent had in his or her possession the instruments
described in specified subsections of GS 45-36.15, or (c) the agent has been unable to determine the identity of the secured creditor.

Amends GS 45-36.15 (Affidavit of satisfaction: authorization to submit for recording), making clarifying and technical changes. Expands the situations in which a satisfaction agent may sign and submit an affidavit of satisfaction when the agent has reasonable grounds to believe the secured creditor has received full payment or performance and one of the following apply: (1) the secured creditor has not submitted for recording a satisfaction of a security instrument within the specified time frame; (2) the secured creditor has authorized the satisfaction agent to sign and submit an affidavit of satisfaction; (3) the satisfaction agent has in his or her possession the original security instrument and the original bond, note, or other instrument secured thereby with an endorsement of payment and satisfaction by one of the specified entities; (4) the satisfaction agent has in his or her possession the original security instrument intended to secure payment of money or the performance of any other obligation, together with the original instrument secured, or the original security instrument only if it sets forth the obligation and does not call for another instrument secured by it, if the instruments are more than 10 years old at the time the affidavit of satisfaction is to be signed; (5) the satisfaction agent has in his or her possession the original security instrument given to secure the bearer or holder of any negotiable instruments transferable solely by delivery, marked paid and satisfied in full and signed by the bearer or holder thereof; (6) after diligent inquiry, the satisfaction agent has been unable to determine the identity of the secured creditor. Provides that the satisfaction agent cannot submit for recording a security instrument for an affidavit of satisfaction without giving notice to submit of recording an affidavit of satisfaction to the identified assignees at the identified address and complying with GS 45-36.14.

Amends GS 45-36.16 (Affidavit of satisfaction: content), providing several new requirements that an affidavit of satisfaction’s content can or must meet in order for it to be deemed a valid affidavit of satisfaction.

Amends GS 45-36.17 (Affidavit of satisfaction: form), making several conforming, clarifying, and technical changes to the affidavit of satisfaction form.

Amends GS 45-36.18 (Affidavit of satisfaction: effect), making clarifying and technical changes.

Amends GS 45-36.19 (Liability of satisfaction agent), providing that a satisfaction agent that erroneously records or submits for recording an affidavit of satisfaction of a security instrument is not liable if the agent properly complied with this Article, gave notification to the secured creditor in the manner prescribed by GS 45-36.14, and responded to the notification in a timely manner.

Amends GS 45-36.24, making clarifying and technical changes.

Part 1 of this bill, or up to GS 47-108.20, becomes effective April 1, 2013. The remainder is effective when it becomes law.

Summary date: Apr 18 2013
House committee substitute makes the following changes to the 1st edition.

Amends GS 47-2.2 (Notary public of sister state; lack of seal or stamp or expiration date of commission), providing that the register of deeds may rely upon the statement, as specified pursuant to this section, and is not responsible for confirming its validity or the authority of the person making it.

Amends GS 47-50 (Order of registration omitted), GS 47-50.1 (Register's certificate omitted), and GS 47-102 (Absence of notarial seal), providing that the provisions of these sections apply to specified executions of a deed prior to October 1, 2005 (previous edition specified a date of April 1, 2013).

Makes technical, conforming, and clarifying changes throughout.

Summary date: Apr 22 2013

House amendment makes the following change to the 2nd edition.

Repeals GS 10B-5(b)(9), the requirement for qualifying to become a notary public that the person get a recommendation from a NC publicly elected official. Effective July 1, 2013.

Summary date: Jun 20 2013

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

Amends GS 10B-99, Presumption of regularity, providing that a notarial act will be deemed valid if it complies with the law as it existed on or before December 1, 2005 (previously, the notarial act was deemed valid only if it was performed before October 1, 2006).

Changes the enactment clause, providing that Section 1 is still effective July 1, 2013 but the remainder of the act is effective when it becomes law (previously, the remainder of Part I of the act became effective April 1, 2013 with Part II effective when it became law, with the remainder of the act also effective when it became law).

Summary date: Jul 2 2013

AN ACT MAKING CORRECTIONS AND OTHER AMENDMENTS TO THE NOTARY PUBLIC ACT, MAKING OTHER CONFORMING CHANGES, AND PROVIDING FOR AN ALTERNATIVE PROCEDURE FOR SATISFACTION OF SECURITY INSTRUMENTS. Enacted June 26, 2013. Section 1 is effective July 1, 2013. The remainder is effective June 26, 2013.

SL 2013-205

SEX OFFENDER RESIDENCY/REGIS. AMENDMENTS.

Bill H 333

Summary date: Mar 19 2013
Amends GS 14-208.16(a) to prohibit registered sex offenders from knowingly residing within 1,000 feet of any public or nonpublic school or childcare center. This bill amends the subsection to clarify that it applies to any registrant who did not establish his or her residence prior to August 16, 2006. Makes conforming changes to SL 2006-247.

Establishes that a person required by this Article to register who willfully fails to register including failure to register with the sheriff in the county designated by the person, pursuant to GS 14-208.8, as his or her expected county of residence, is guilty of a Class F felony.

Provides that when a person commits a violation in regards to the registering provisions of this act, any law enforcement officer can and will immediately arrest the person, regardless of jurisdiction.

A person arrested pursuant to (a1) is subjected to the jurisdiction that includes the sheriff's office in the county where the person failed to register. If not physically present there, they will be transferred to that jurisdiction, with legal proceedings to occur there as well.

Summary date: Apr 15 2013

House amendment to the 1st edition makes the following changes. Deletes the proposed changes to GS 14-208.16(a) and SL 2006-247, Section 11(c) (which provided that the prohibition on registered sex offenders from knowingly residing within 1,000 feet of any public or nonpublic school or childcare center applied to any registrant who did not establish his or her residence prior to August 16, 2006). Amends GS 14-208.11(a1) deleting the proposed change that law enforcement officers, regardless of their jurisdiction, must immediately arrest or seek an order for the arrest of a person violating provisions concerning failure to register, falsification of verification notice, and failure to return verification form in subdivision (a).

Summary date: Jul 2 2013


SL 2013-206

LAND USE SURROUNDING MILITARY INSTALLATIONS.

Bill H 433

Summary date: Mar 26 2013

Identical to S 389, filed 3/20/13.

Enacts new Article 9G (Military Lands Protection) in GS Chapter 143. Prohibits cities and counties from authorizing the construction of, and prohibits the construction of, a tall building or structure (as defined, includes those that are more than 200 feet high, with specified exceptions) in any area surrounding a
major Department of Defense military installation in the state unless the city or county receives a certification issued by the Building Code Council (Council) or proof of the Council's failure to act within the allowed time period. Also prohibits cities and counties from authorizing utility services to any building or structure constructed in violation of the statute. Exempts wind energy facilities and expansions of those facilities from the certification requirement. Sets out information that must be included in an application for certification, including identification of and notice to installations that are located within five miles of the proposed construction and a written "Determination of No Hazard to Air Navigation" from the Federal Aviation Administration. Requires the Council to deny a certification application if the Council finds (1) construction of the building or structure would interfere with the mission, training, or operations of any major military installation and be detrimental to continued military presence in the state or (2) the Council has not received the applicant's "Determination of No Hazard to Air Navigation." Requires the Council to make a decision on an application within 60 days or before the Council's next scheduled meeting, whichever occurs last. If the Council does not act in this timeframe, the applicant may treat the failure to act as an approval of the permit. Provides for enforcement and penalties, with the fine cap set at $5,000. Requires that proceeds of any civil penalties be remitted to the Civil Penalty and Forfeiture Fund.

Effective October, 1, 2013.

Summary date: Apr 10 2013

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

Deletes Building Code Council and adds State Construction Office to the definitions section. Makes a technical change. Amends tall buildings or structures to exclude those listed individually or as contributing resources within a district listed in the National Register of Historic Places (was, designated as National Historic Sites).

Makes technical and conforming changes, replacing the word certification with endorsement. Likewise, any occurrence of Building Code Council has been replaced with the new term State Construction Office throughout.

Summary date: Apr 11 2013

House amendment makes the following changes to the 1st edition.

Makes technical and clarifying changes, amending GS 143-151.71(4), establishing that Major Department of Defense military installation means Fort Bragg, Pope Army Airfield, Camp Lejeune Marine Corps Air Base, New River Marine Corps Air Station, Cherry Point Marine Corps Air Station, Military Ocean Terminal at Sunny Point, the United States Coast Guard Air Station at Elizabeth City, Naval Support Activity Northwest, and Seymour Johnson Air Force Base, in its own right and as the responsible entity for the Dare County Bombing Range, and any facility located within the State that is subject to the installations' oversight and control.
Summary date: Apr 23 2013

Senate committee substitute makes the following changes to the third edition.

Amends GS 143-151.71, Definitions, deleting the term construction and adding a definition of secretary.

Amends GS 143-151.75, Endorsement for construction of tall buildings or structures required, providing that a person seeking endorsement for the construction of a tall building or structure in any area surrounding a major military installation must provide written notice of the intent to seek endorsement to the commanders of the installation that is located within five miles of the proposed construction.

Amends GS 143-151.77, changing title to Injunctive relief (was, Enforcement and penalties), eliminating the provisions that provided for civil penalties. Provides for injunctive relief when reasonable cause exists to believe that a person has violated this Article or associated rules. Requires the Secretary to request the Attorney General to institute the action in the superior court of the county in which the violation occurred. Upon a determination by the court that the violation has occurred or is threatened, the court will grant such relief necessary to prevent or abate the violation or threatened violation.

Makes clarifying and technical changes, including replacing the term "major Department of Defense military installation" with "major military installation," throughout.

Summary date: May 9 2013

Senate committee substitute makes the following changes to the 4th edition.

Amends GS 143-151.71, Definitions, deleting Secretary and State Construction Office. Adds and defines Building Code Council and Commissioner. Adds Air Route Surveillance Radar (ARSR-4) at Fort Fisher to the definition for Major Military Installation.

Deletes the occurrence of the words State Construction Office throughout the act, replacing them with Building Code Council. Makes related conforming changes.

Enacts new GS 143-151.75(e), providing that the Building Code Council can meet by telephone, video, or internet conference, so long as it is consistent with applicable law regarding public meetings, in order to make a decision on a request for an endorsement for the construction of a tall building or structure pursuant to subsection (d) of this statute.

Deletes the provisions and title of GS 143-151.77, Injunctive relief, of the previous edition, providing for new a section titled Enforcement and penalties. New section establishes civil penalties for violations of the rules adopted pursuant to this article. Provides the maximum civil penalty for a violation is $5,000. Sets out the process and procedure for the Commissioner to determine the amount of the civil penalty. Provides for notice of the assessment and provides the process for instituting a civil action upon nonpayment.
Enacts new GS 13-138(j2), which establishes that, pursuant to Article 9G of GS 143, the Building Code Council is authorized to review and endorse proposals for the construction of tall buildings or structures in the areas surrounding major military installations, as those terms are defined.

**Summary date:** May 15 2013

Senate amendment makes the following changes to the 5th edition:

Amends GS 143-151.71(7) by deleting subsection (a) (which provided that the definition of *tall buildings* did not include utility towers or transmission equipment) and renumbering the remaining subsections.

**Summary date:** Jun 13 2013

Conference report makes the following changes to the 6th edition.

Amends the definition for *tall buildings or structures* in GS 143-151.71, providing that it does not include buildings and structures listed individually or as contributing resources within a district listed in the National Register of Historic Places. Deletes language from previous edition that excluded specified structures or buildings.

Amends GS 143-151.74, *Exemptions from applicability*, providing two new subsections exempting cellular and television towers erected to temporarily replace others of the same make that have been damaged or destroyed when specified conditions are met. Provides language also exempting the modification, replacement, removal, or addition of antennas on cellular or television towers in an area surrounding a major military installation from the provisions of the Article.

Amends GS 143-151.75, changing the title to *Endorsement for proposed tall buildings or structures required*, providing that a person seeking an endorsement pursuant to these provisions must provide written notice of the intent to seek endorsement to the base commander (was, commanders) of the major military installation located within five miles of the proposed building or structure. Makes technical and clarifying changes. Makes organizational changes. Provides that if the Building Code Council does not receive the requested written statement from the base commander within 45 days of the issuance of the request, then the Building Code Council will consider the tall building or structure as endorsed by the base commander. Provides that the Building Code Council will make a final decision on the request for endorsement of the building or structure within 90 days (was, 60 days) from the date on which the Council requests the written statement from the base commander.

Directs the NC Advisory Commission on Military Affairs, or its successor, to study the feasibility and desirability of creating a "NC Military Clearinghouse" to protect the mission capabilities of the major military installations in North Carolina from development and other concerns. Requires the Commission to report its findings and recommendations to the Governor and the General Assembly on or before the convening of the 2014 Session of the 2013 General Assembly.
Provides that Section 3 of the act is effective when the act becomes law. The remainder is effective October 1, 2013, and applies to tall buildings and structures for which construction is initiated on or after that date.

**Summary date:** Jul 2 2013

AN ACT TO SUPPORT THE ACTIVITIES OF THE ARMED FORCES AND TO MAINTAIN AND ENHANCE THE MILITARY'S PRESENCE IN NORTH CAROLINA BY REGULATING THE HEIGHT OF BUILDINGS AND STRUCTURES LOCATED IN AREAS THAT SURROUND MILITARY INSTALLATIONS IN THE STATE. Enacted June 26, 2013. Section 3 is effective June 26, 2013. The remainder is effective October 1, 2013, and applies to tall buildings and structures for which construction is initiated on or after that date.

**SL 2013-207**

**CHRONIC CARE COORDINATION ACT.**

**Bill H 459**

**Summary date:** Mar 27 2013

Enacts a new Part 4A (Chronic Care Coordination) in GS Chapter 130A, Article 7. Requires the Divisions of Public Health and Medical Assistance, and the Department of State Treasurer's Division responsible for the State Health Plan for Teachers and State Employees to collaborate to reduce chronic disease and improve the care coordination for such diseases by doing specified functions developing wellness and prevention plans. Also requires reporting on each numbered year to specified General Assembly committees and divisions on five specified items, including the financial impact and magnitude of the chronic health conditions in the state that are most likely to cause death and disability, and detailed action plans for care coordination of multiple chronic health conditions in the same patient.

**Summary date:** Jul 2 2013


**SL 2013-208**

**ALTERNATE ACT/PLAN FOR CERTAIN STUDENTS.**

**Bill H 587**

**Summary date:** Apr 4 2013
Amends GS 115C-174.11(c)(4) to provide that the requirement that the State Board of Education (Board) require that the ACT be administered for all students in the 11th grade does not apply to those students enrolled in the Occupational Course of Study or the Extended Course of Study, and allows for the development of an alternative assessment measure. Makes a conforming change to GS 115C-174.22.

Requires the Board to apply to the US Department of Education for an amendment to the federal waiver obtained regarding accountability measures under the Elementary and Secondary Education Act, to implement the act.

Statutory changes are effective September 1, 2014, or upon the approval of the required waiver amendment, whichever occurs earlier.

**Summary date:** Apr 17 2013

House committee substitute to the 1st edition makes the following changes. Amends GS 115C-147.11(c)(4) to prohibit the State Board of Education from requiring the administration of the ACT test or any precursor to the test to any student enrolled in the Occupational Course of Study or the Extended Course of Study; allows the development of alternative assessment measures for these students.

**Summary date:** Apr 18 2013

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

Amends GS 115C-147.11(c)(4) to prohibit the Board of Education (Board) from requiring the administration of the ACT test or any precursor to the test to any student enrolled in the Occupational Course of Study or the Extended Course of Study who (1) does not score at or above grade level on any state-approved end-of-course tests, and (2) has a written parental request exemption. Provides that the Board will ensure that parents of students enrolled in the Occupational Course of Study or the Extended Course of Study in all public schools, including charter and regional schools, have the necessary information to make informed decisions regarding participation in the ACT and aligned precursor tests.

**Summary date:** Jun 5 2013

Senate committee substitute to the 3rd edition makes the following changes. Amends GS 115C-174.11(c)(4) to require the State Board of Education to require administration of the alternate ACT test or alternate PLAN precursor test to the ACT to a student who meets each of the following: (1) exhibits severe and pervasive delays in all areas of conceptual, linguistic, and academic development and in adaptive behaviors; (2) is following the extended content standards of the Standard Course of Study or is following a course of study that may not lead to admission into a college level course of study resulting in a college degree; and (3) has a written parental request for an alternative assessment (was, prohibited advertising the ACT test or any ACT precursor test to a student in the Occupational Course of Study or the Extended Course of Study who also met two specified requirements). Requires the State Board of Education to ensure that parents of students enrolled in all public schools (was, parents of students enrolled in the Occupational Course of Study or the Extended Course of Study) have the information they need to make decisions regarding participating in the ACT and the PLAN precursor test.
Requires that alternate assessment and ACT assessment results of students with disabilities be included in school accountability reports (was, the State Board may develop alternative assessment measures).

Deletes the requirement that the State Board of Education apply for a waiver and makes conforming changes.

Requires the State Board of Education to develop an alternate assessment to measure career and college readiness for students not required to take the ACT or PLAN. Requires pilot testing for the alternate ACT assessment to occur simultaneously with the ACT administration during the 2013-14 school year and for the PLAN assessment with the PLAN administration during the 2014-15 school year.

Makes the entire act effective when the act becomes law.

Updates the act's short and long titles.

Summary date: Jun 11 2013

Senate amendment makes the following changes to the 4th edition.

Amends GS 115C-174.11(c)(4), making a technical change, providing that the State Board of Education must require the administration of an alternate to the ACT or an alternate to the PLAN precursor test to the ACT to a student who meets specified criteria (was, require the administration of the alternate ACT test or alternate PLAN precursor test to students who meet specified criteria).

Summary date: Jul 2 2013


SL 2013-209

BAIL BONDSMAN/OFFICIAL SHIELD.

Bill H 597

Summary date: Apr 8 2013

Amends GS 58-71-40(d) as the title indicates. Requires that a bail bondsman obtain both a license and an official shield as provided by the NC Commissioner of Insurance. Provides that any deviation from the approved shield is an unauthorized shield and constitutes a violation of the statute by the licensee. Effective October 1, 2013, and applies to licenses issued on or after that date.

Summary date: Apr 18 2013

House committee substitute makes the following changes to the 1st edition.
Makes technical and organizational changes.

Changes the effective date, providing this act is effective when it becomes law and applies to any person licensed pursuant to GS 58-71-40.

**Summary date:** Jun 10 2013

Senate committee substitute to the 2nd edition makes the following changes. Deletes the proposed changes to GS 58-71-40(d), (e), and (f). Enacts new GS 58-71-40 to authorize a bail bondsman licensee, while engaged in official duties, to carry, possess, and display a shield. Specifies the appearance of the shield, requires that it include the licensee's last name and license number, and specifies wording that must appear on the shield. Provides that any shield that deviates from the requirements is unauthorized and its possession is a violation of the statute.

Provides that the act is effective when it becomes law and applies to any person licensed under GS 58-71-40 before, on, or after that date.

Updates the act's titles.

**Summary date:** Jul 2 2013

AN ACT TO APPROVE AN OFFICIAL SHIELD FOR BAIL BONDSMEN. Enacted June 26, 2013. Effective June 26, 2013, and applies to any person licensed pursuant to GS 58-71-40 before, on, or after that date.

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**SL 2013-210**

**AMEND CONDITIONAL DISCHARGE/1ST DRUG OFFENSE.**

**Bill H 641**

**Summary date:** Apr 9 2013

Amends GS 90-96(a) as the title indicates. Effective December 1, 2013, and applies to offenses committed on or after that date.

**Summary date:** Apr 23 2013

House amendment to the 1st edition makes the following changes. Reinstates language in GS 90-96(a) requiring the court to defer further proceedings and place an individual on probation when the person has not been previously convicted of specified offenses. Makes an exception for when the court makes a written finding, and the District Attorney agrees, that the offender is inappropriate for deferred prosecution for factors related to the offense.

**Summary date:** May 30 2013

Senate committee substitute makes the following changes to the 2nd edition.
Changes the short and long titles.

Amends the exception to the deferral of further proceedings, provided for in GS 90-96(a), providing that when the court makes a written finding, and the District Attorney agrees, that the offender is inappropriate for a conditional discharge (was, for deferred prosecution) for factors related to the offense, the provisions of this section do not apply and the offender will not receive a conditional discharge.

**Summary date:** Jul 2 2013

AN ACT TO PROVIDE THAT A COURT HAS THE DISCRETION TO DETERMINE WHETHER TO GRANT A CONDITIONAL DISCHARGE FOR A FIRST OFFENSE OF CERTAIN DRUG OFFENSES. Enacted June 26, 2013. Effective December 1, 2013, and applies to offenses committed on or after that date.

**SL 2013-211**

**NC SEAFOOD PARK/NAME CHANGE.**

**Bill H 686**

**Summary date:** Apr 11 2013

Amends Article 23C of GS Chapter 113 to change the name of the North Carolina Seafood Industrial Park Authority to the North Carolina Marine Industrial Park Authority (Authority) throughout the Article. Changes references to seafood industrial parks to marine industrial parks throughout the Article.

Amends the Authority's general purposes as follows: (1) to acquire, construct, equip, maintain, develop and improve the port facilities at the parks and to maintain, develop, an improve the navigability of waterways in or adjacent to the parks and those waterways connecting the parks with the channels of commerce of the Atlantic Ocean; also removes references to specific parks and the requirement of consistency with projects designed pursuant to the Manteo Bay navigation project; (2) to foster and stimulate the growth of marine-related industries in the state (was, to foster and stimulate shipment of seafood commerce through said ports); (3) to accept funds from any counties or cities containing a marine industrial park and to use the funds in a manner, within the Authority's purposes, that is stipulated by the funding county or city; and (4) deletes cooperating with the federal government in the maintenance, development, improvement, and use of seafood harbors and the waterways connecting the parks with the channels of commerce of the Atlantic Ocean.

Amends the powers of the Authority to authorize and empower the Authority to port facilities at the parks and improve the navigability of those waterways connecting the parks with the channels of commerce of the Atlantic Ocean.

Amends the powers of eminent domain in GS 113-315.32 to remove the reference to navigation stabilization structures recommended by the US Army Corps of Engineers.
Makes conforming and clarifying changes throughout the Article.

Summary date: Apr 24 2013

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

Summary date: Jul 2 2013

AN ACT TO RENAME THE NC SEAFOOD INDUSTRIAL PARK AUTHORITY TO REFLECT ITS BROADER MISSION AND TO MAKE OTHER MODIFICATIONS TO THE AUTHORITY'S ENABLING LEGISLATION. Enacted June 26, 2013. Effective June 26, 2013.

SL 2013-212

KANNAPOLIS/DEANNEXATION.

Bill H 261

Summary date: Mar 7 2013

Removes a described tract from Kannapolis's corporate limits. Provides that the act has no effect on the validity of any of the city's liens for ad valorem taxes or special assessments that are outstanding before the act becomes effective. Allows the liens to be collected or foreclosed upon after the act becomes effective as though the property was still within the city's corporate limits.

Summary date: Apr 9 2013

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

Changes the long title.

Provides that the property being removed from the corporate limits of the City of Kannapolis will be added to the corporate limits of the City of Landis (previous edition, only removed the specified property and did not reapportion it).

Summary date: Jun 5 2013

Senate committee substitute to the 1st edition changes the act's effective date from when the act becomes law to June 30, 2013.

Summary date: Jul 2 2013

SL 2013-213

MARSHVILLE DEANNEXATION.

Bill H 421

Summary date: Mar 25 2013

Provides for the deannexation of property in the Town of Marshville as the title indicates. Provides that Section 1 of this act, describing the property to be removed from the corporate limits of Marshville, has no effect on the validity of any liens of the town for ad valorem taxes or special assessments outstanding before the act's effective date. Effective July 1, 2013.

Summary date: Jun 5 2013

Senate committee substitute to the 1st edition changes the act's effective date from July 1, 2013, to June 30, 2013.

Summary date: Jul 2 2013


SL 2013-214

CHADBOURN VOLUNTARY ANNEXATION.

Bill H 526

Summary date: Apr 2 2013

Adds described property to the Town of Chadbourn's corporate limits.

Summary date: Jun 5 2013

Senate committee substitute to the 1st edition changes the act's effective date from when the act becomes law to June 30, 2013.

Summary date: Jul 2 2013

SL 2013-215

LUMBERTON DEANNEXATION.

Bill H 567

Summary date: Apr 3 2013

As title indicates. Effective July 1, 2013.

Summary date: Jun 5 2013

Senate committee substitute to the 1st edition change the act's effective date from July 1, 2013, to June 30, 2013.

Summary date: Jul 2 2013


SL 2013-216

EDEN PAYMENT IN LIEU OF TAXES.

Bill H 143

Summary date: Feb 21 2013

Allows City of Eden to enter contracts agreeing not to annex specified property prior to December 1, 2038. Describes the properties for which the city may negotiate the contracts. Provides that nothing in this act impairs the right of the General Assembly to annex the described properties by specific local act. Specifies that this act does not affect the validity of SL 2002-74, which restricts certain annexations by the City of Eden through December 31, 2013. Specifies that the annexation contracts are to provide formulas for calculation of payments in lieu of taxes to be paid on the properties.

Summary date: Apr 30 2013

House amendment to the 1st edition makes the following changes. Deletes the section describing the properties that contracts under Section 1 of the act applied to and instead provides that contracts under Section 1 of the act apply only to the Miller Brewing Company Tracts I and II as described in SL 2002-74, Section 4.

Summary date: Jul 2 2013

AN ACT TO ALLOW THE CITY OF EDEN TO NEGOTIATE ANNEXATION CONTRACTS. Enacted June 27, 2013. Effective June 27, 2013.
SL 2013-217

REPEAL KANNAPOLIS ANNEXATION.

Bill H 302

Summary date: Mar 13 2013

Repeals SL 2009-113, as amended by SL 2011-124, repealing the annexation of certain areas of property by Kannapolis.

Summary date: Jul 2 2013


SL 2013-218

SHELBY DEANNEXATION.

Bill H 409

Summary date: Mar 21 2013

Removes described property from Shelby's corporate limits. Provides that the act has no effect on the validity of the city's liens for ad valorem taxes or special assessments outstanding before the act becomes effective. Allows Shelby to exercise the powers of extraterritorial jurisdiction within the property. Provides that if the property is not developed for Pinnacle Classical Academy by June 30, 2016, then the removal of the property from Shelby's corporate limits is repealed effective June 30, 2016, and the property is added back to Shelby's corporate limits effective July 1, 2016.

Summary date: Apr 15 2013

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

Provides that the purpose for developing the described property is for operating a public school, including a charter school, Pinnacle Classical Academy.

Summary date: Jul 2 2013

SL 2013-219

EDEN/DUKE ENERGY/ANNEXATION AGREEMENT.

Bill H 412

Summary date: Mar 21 2013

Allows the City of Eden to enter into an agreement to provide that the Dan River Plant Property (as described in the act) may not be involuntarily annexed by Eden from January 1, 2014, until December 31, 2019, except as provided in the agreement, under the General Statutes as they now exist or may be amended. Provides that Eden may not seek to repeal this act. Any agreement entered into is deemed to be proprietary and commercial in nature and is deemed consistent with the state's public policy. Provides that any agreement entered into is a continuing agreement and enforceable against the city's current and future members of the city council during the term of the agreement and extension of the agreement. Authorizes parties to the agreement to modify, amend, and extend the agreement on mutual written consent as long as it does not materially alter the concept of the agreement. Allows Eden to accept payment in lieu of taxes as consideration for the agreement and provides that Eden will accept $1 million as payment in lieu of taxes on the Dan River Plant Property with Duke Energy making annual payments of $200,000.

Summary date: Jul 2 2013

AN ACT TO AUTHORIZE THE CITY OF EDEN TO ENTER INTO AN AGREEMENT FOR PAYMENTS IN LIEU OF ANNEXATION. Enacted June 27, 2013. Effective June 27, 2013.

SL 2013-220

LEE COUNTY ELECTIONS.

Bill H 490

Summary date: Jul 8 2013

As title indicates. Also amends the start date of the term of office for members of the Lee County Board of Education.

Summary date: Jul 8 2013

House committee substitute to the 1st edition makes the following changes. Provides that at the time for electing Lee County officers in 2014, three members of the Lee County Board of Education will be elected. At the time for electing Lee County officers in 2016, four members of the Lee County Board of Education will be elected. Makes corrections to statutory and session law references.

Summary date: Jul 8 2013
House amendment makes the following changes to the 2nd edition.

Makes organizational changes, changing Section 3 to Section 3(a).

Provides new Section 3(b) to the bill. Establishes that if approval of Section 3 (concerning election of the mayor and city council on a partisan basis) is required under Section 5 of the Voting Rights Act of 1965, this section is effective January 1, 2014.

Summary date: Jul 8 2013


**SL 2013-221**

WILMINGTON CHARTER/CIVIL SERVICE COMMISSION.

Bill H 544

Summary date: Apr 3 2013

As the title indicates.

Summary date: Jul 2 2013


**SL 2013-222**

AMEND WILMINGTON FIREFIGHTERS' RELIEF FUND.

Bill H 551

Summary date: Apr 3 2013

Repeals SL 1983-505 (AN ACT TO PROVIDE A FIREFMEN'S BENEFIT FUND FOR FIREFMEN IN THE CITY OF WILMINGTON AND TO MODIFY THE APPLICATION OF GS 118-5, GS 118-6, AND GS 118-7 TO THE CITY OF WILMINGTON), as amended.

Allows the local Board of Trustees of the Wilmington Firefighters' Relief Fund (Fund) to distribute funds for the benefit of retired firemen receiving retirement or disability from the Firemen's Pension Fund of Wilmington or the Local Governmental Employees' Retirement System. Also allows the disbursement of
funds for the benefit of any surviving spouse or beneficiary of a fireman as long as that individual was already receiving the retirement or disability benefits of that fireman from the Firemen's Pension Fund of Wilmington or the Local Government Employees' Retirement System as of December 31, 2012. Allows the local Board of Trustees to accept gifts, grants, bequests, or monetary donations for the use of the Fund.

Summary date: May 6 2013

House committee substitute to the 1st edition makes the following changes. Instead of repealing SL 1983-505, amends SL 1983-505 as follows. Provides that the Board of Trustees of the Local Fireman's Relief Fund of the City of Wilmington must, prior to January 1, transfer to the Fireman's Benefit Fund all funds belonging to the Local Fireman's Relief Fund in excess of $15,000 for the 2013 calendar year, in excess of $30,000 for the 2014 calendar year, and in excess of the amount transferred the previous year increased by $15,000 in each calendar year thereafter until the balance in the Local Firemen's Relief Fund reaches $105,000. Makes conforming changes. Provides that each surviving spouse or beneficiary of a fireman who is receiving retirement or disability benefits from the Firemans' Pension Fund of Wilmington or the NC Local Governmental Employees Retirement System on June 30, 2013 (previously, no date included) is to receive the specified supplemental benefit. Provides that none of the act's provisions create a liability for the Wilmington (was, New Hanover) Firemen's Benefit Fund unless sufficient current assets are available to pay fully for the liability. Updates statutory references. Updates the act's title.

Summary date: Jul 2 2013


SL 2013-223

AMEND CARTERET CO. OCCUPANCY TAX.

Bill H 553

Summary date: Apr 3 2013

Amends SL 2007-112, Section 2, as amended, to provide that the Carteret County room occupancy and tourism development tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations when furnished in furtherance of their nonprofit purpose. Prohibits the county from levying the additional 1% occupancy tax unless it also levies the 5% occupancy tax. Deletes other conditions that were to be met before levying the additional tax. Requires that the occupancy taxes be distributed a follows: (1) 50% to the Carteret County Tourism Development authority to promote travel and tourism and (2) 50% for beach nourishment on Bogue Banks. Deletes
provisions concerning the repeal of the additional occupancy tax, excess proceeds from the additional occupancy tax, use and distribution of the 5% occupancy tax revenue, and use and distribution of 6% occupancy tax revenue.

**Summary date:** May 6 2013

House committee substitute to the 1st edition makes the following changes. Further amends SL 2007-112, Section 2(i), to provide that Carteret County may not accumulate a balance of tax proceeds for beach nourishment in excess of $30 million.

**Summary date:** Jul 2 2013

AN ACT TO MODIFY CARTERET COUNTY’S AUTHORITY TO LEVY AN ADDITIONAL ONE PERCENT ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX AND TO MODIFY THE DISTRIBUTION OF THE PROCEEDS OF THE TAX. Enacted June 27, 2013. Effective June 27, 2013.

**SL 2013-224**

**UI LAWS ADMINISTRATIVE CHANGES.**

**Bill H 743**

**Summary date:** Apr 11 2013

Amends GS 96-4(q) and (u) to replace "Division" with "Board of Review." Amends GS 96-9.5 to provide that service is performed in this state if it meets one or more of the specified descriptions, including service being performed outside of the United States or Canada by a citizen of the United States in the employ of an American employer when one of the specified conditions applies, including that the employer has elected coverage in accordance with GS 96-9.8 (was, GS 96-9.9).

Amends GS 96-9.6 to provide that if there is a deficit in the account, the Division must bill the employer for the amount necessary to bring its account to 1% of its taxable wages for the immediate four quarters preceding July 1 (was, for the preceding calendar year).

Amends GS 96-9.7 to correct a statutory reference to the Unemployment Insurance Reserve Fund.

Amends GS 96-14.1 to provide that benefits are not payable for services in any other capacity for an educational institution.

Amends GS 96-14.11 to correct a statutory reference.

Amends GS 96-14.9 to specify that an individual is not available to work during any week that one or more of specified conditions applies, including the employee is on disciplinary suspension for less (was, more) than 30 days based on acts or omissions that constitute fault on the part of the employee and are connected with the work.
Amends GS 96-15(a1) to allow an employer to file an attached claim for an employee only once during a benefit year (was, calendar year).

Amends GS 96-15(b) to allow an interested employer 15 (was, 10) days from the delivery of the notice of the filing of a claim against the employer's account to protest the claim and have the claim referred to an adjudicator for a decision on the question or issue raised. Requires any protest filed to contain a basis for the protest and supporting statement of facts, and the protest may not be amended after the 15-day period from the delivery of the notice of filing of a claim has expired.

Amends GS 96-9.15 to provide that the Employer's Quarterly Tax and Wage Report is to be in an electronic format.

Makes a statutory correction to GS 96-16.

Amends the effective date of SL 2013-2 (AN ACT TO ADDRESS THE UNEMPLOYMENT INSURANCE DEBT AND TO FOCUS NORTH CAROLINA'S UNEMPLOYMENT INSURANCE PROGRAM ON PUTTING CLAIMANTS BACK TO WORK) to provide that changes made by the act to unemployment benefits apply to claims for benefits filed on or after June 30, 2013 (was, July 1, 2013).

Summary date: May 14 2013

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

Amends GS 96-5.1(a), providing that the funds in the Supplemental Employment Security Administration Fund consist of all interest and penalties paid under GS Chapter 96 on overdue contributions and any appropriations made to the fund by the General Assembly (GA). Further provides that penalties collected on unpaid taxes imposed by this section must be transferred to the Civil Penalty and Forfeiture Fund established in GS 115C-457.1.

Amends GS 96-9.2(b), as enacted by SL 2013-2, providing that, for the purposes of the standard beginning rate, an employer's account is considered chargeable with benefits for at least 12 calendar months if the employer has reported wages paid in four completed calendar quarters and its liability extends over all or part of two consecutive calendar years.

Amends GS 96-9.6(e), Annual reconciliation, to add that any amount in excess of the required 1% of taxable wages will be retained in the employer's account as a credit and will not be refunded to the employer.

Amends GS 96-9.6(i), as enacted by SL 2013-2, providing that if the employer's account balance on the computation date in 2014 does not equal 1% of its taxable wages reported for the preceding fiscal year (was, 2013 calendar year), the Division will bill the employer for the deficiency.

Amends GS 96-9.7(a), as enacted by SL 2013-2, making clarifying changes.

Amends GS 96-10(g), providing that written notices sent by the Division, pursuant to this subsection, can be by registered or certified mail.
Amends GS 96-11.2, as enacted by SL 2013-2, providing that benefits paid to an individual must be allocated to the account of each base period employer in the proportion that the base period wages paid to the individual in a calendar quarter by each base period employer bears to the total wages paid to the individual in the base period (was, that quarter) by all base period employers.

Amends GS 96-11.4(a), as enacted by SL 2013-2, providing that an employer or agent, in regards to relief for errors of noncompliance, cannot be determined to have a pattern of failing to respond to requests from the Division if the number of failures during the year prior to the request is fewer than two or less than 2% of the total requests (previously, only included less than 2% of the total requests) made to the employer or agent, whichever is greater (previously, did not include "whichever is greater").

Amends GS 96-14.9(d), as enacted by SL 2013-2, providing that an individual is not available to work during the work week when on disciplinary suspension for 30 or fewer days (was, less than 30 days) based on acts or omissions that constitute fault on the part of the employee and are connected with the work.

Amends GS 96-14.10, *Disciplinary suspension*, making a clarifying change.

Amends GS 96-15(b), as enacted by SL 2013-2, regarding adjudication of claims for benefits, providing that any interested employer will be allowed 14 days (was, 15 days) from the mailing or delivery of the notice of the filing of a claim against the employer's accounts, whichever first occurs, to file with the Division its protest of the claim in order to have the claim referred to an adjudicator for a decision on the question or issue raised. Makes conforming changes. Provides that no payment of benefits will be made by the Division to a claimant until one of the following occurs: (1) the employer has filed a timely protest to the claim, (2) the 14-day period for the filing of a protest by the employer has expired, or (3) a determination under this subdivision has been made.

Amends Section 11 of SL 2013-2, the enactment clause, providing that the requirements of GS 96-15(a1), as enacted by SL 2013-2 and amended by Section 14 of this act, apply to any week of an attached claim filed on or after June 30, 2013.

Amends GS 96-4(x)(6), GS 96-4(x)(7), GS 96-9.5(4)(c), GS 96-10(d), GS 96-14.14(c)(2), GS 96-14.14(c)(3), GS 96-14.14(e)(1), GS 96-14.14(g), GS 96-14.14(h), and GS 96-16(d), making technical and conforming changes to statute citations in the included provisions.

**Summary date:** Jun 6 2013

Senate committee substitute to the 2nd edition makes the following changes. Amends GS 96-6.1(a) to make the Unemployment Insurance Reserve Fund an enterprise fund instead of a special revenue fund.

Amends GS 96-14.3 (minimum and maximum duration of benefits) to provide that for the base period that begins January 1, the average of the seasonal adjusted unemployment rates for the state for the preceding months of July, August, and September applies (was, the adjusted unemployment rate for the month of October applied). Also provides that for the base period that begins July 1, the average of the
seasonal adjusted unemployment rates for the state for the preceding months of January, February, and March applies (was, the rates for the preceding month of April).

Directs the Governor to appoint the members of the Board of Review, created in GS 96-4, as amended by SL 2011-145, by September 1, 2013, and provides that despite the statute’s provisions, those members do not need to be confirmed by the General Assembly.

**Summary date:** Jun 12 2013

Senate amendment to the 3rd edition makes the following changes. Amends proposed language in SL 2013-2, Section 11, by making a technical change.

**Summary date:** Jul 2 2013


**SL 2013-225**

COURTS/PROCEDURE AND FEE AMENDMENTS.-AB

Bill H 343

**Summary date:** Mar 19 2013

Amends GS 7A-37.1(c), clarifying that court-ordered arbitration can be employed in civil actions in district courts (previously, only allowed for amounts in controversy less than $15,000).

Amends GS 7A-305(a)(2), making technical and clarifying changes to provide that the party filing the notice of designation or motion for discretionary complex business designation pays the specified fees. Effective January 1, 2014.

Amends GS 7A-305(a5), adding third-party complaints to the list of pleadings and their associated costs found therein. Deletes the additional $1,000 fee for cases assigned to a special superior court judge as a complex business case. Makes clarifying and technical changes.

Amends GS 7A-305(f), 7A-306(g), and 7A-307(a)(4), providing that a motion filed pursuant to GS 1C-1602 or GS 1C-1603 will have no costs associated with it. Effective July 1, 2014, and applies to pleadings filed on or after that date.

Amends GS 7A-317, providing that counties and municipalities are required to advance all costs and fees except for the civil process fees found in GS 7A-311. Provides that the Administrative Office of the Courts may withhold the amount of court costs and fees from facilities fees due the county when a county agency does not pay corresponding court costs and fees within 30 days of the date of filing the action.
Summary date: Apr 10 2013

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

Amends GS 7A-305(a)(2), setting out the processes and procedures for after a case gets assigned to a special superior court judge as a complex business case under GS 7A-45.3, including requiring the party filing the notice of designation/motion for complex business designation to pay an additional $1,000 for support of the General Court of Justice. If a court designates a case as a complex business case on its own motion, the plaintiff will be required to pay the additional $1,000 fee.

Amends GS 7A-305(f), providing that no costs will be assessed, including attorneys' fees, to a motion filed by a child support enforcement agency established under Title IV, Part D, of the Social Security Act.

Amends GS 7A-308(a), making conforming changes, providing again for no fees to be assessed to child support enforcement agency actions.

Repeals Section 66.1 of Session Law 2011-391.

Amends GS 7A-317(a), providing that counties and municipalities are required to pay all costs and fees due to the court at the time of filing, unless the clerk of superior court consents to allowing them to pay all costs and fees within 45 days of the date of the filing of any action. Provides that the clerk of superior court will withhold all facilities fees due to be remitted to a county or municipality when it does not pay costs and fees due to the court within 90 days of the date of filing any action (previous edition provided that the Administrative Office of the Courts could withhold facilities fees due only when a county agency did not pay corresponding fees within 30 days of the date of filing an action).

Provides that Section 4 of this act will become effective July, 1, 2013 (was, July 1, 2014).

Summary date: May 30 2013

Senate committee substitute to the 2nd edition makes the following changes. Amends GS 7A-305(f), GS 7A-306(g), and GS 7A-307(a)(4) to require that the fee accompany any filing of a notice of hearing on a motion (was, any filing containing one or more motions) not listed in GS 7A-308 that is filed with the clerk. Also amends GS 7A-305(f) to add that costs are not assessed to a motion filed pursuant to GS 1C-1602 (allowing a debtor to elect to take the personal property and homestead exemptions instead of the exemptions provided by GS 1C-1601). Makes technical changes.

Summary date: Jul 8 2013

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

Changes the long title.

Amends GS 7A-37.1(c), as amended by Section 3 of SL 2013-159, to provide that statewide court-ordered nonbinding arbitration will be employed in district court unless all parties to the action
waive arbitration (previously, provided that such arbitration was only to be used in civil actions when claims did not exceed $25,000).

Amends GS 7A-305(f), GS 7A-306(g), and GS 7A-307(a)(4) to require that the fee of $20 accompany any filing containing one or more motions not listed in GS 7A-308 that is filed with the clerk (was, any filing of a notice of hearing on a motion).

Amends Section 7, the enactment clause, of SL 2011-296, concerning the Register of Deeds/Fees, deleting language that stated Sections 1 through 3 of the act expire July 1, 2013. Amends the lead-in language for Section 2.16 of SL 2012-79, concerning uniform fees of Registers of Deeds, deleting language that required that the changes to GS 161-10(a), as rewritten by SL 2011-296, expire at the same time that Section 1 of SL 2011-296 expires. Repeals GS 161-11.4 (Fees for floodplain mapping) and GS 161-11.6 (Fees for archival of records). Amends GS 143-215.56A, Floodplain Mapping Fund, providing that the Fund consists of fees credited to it under GS 161-11.5 (was, GS 161-11.4, repealed above). Changes above are effective July 1, 2013.

Amends the enactment clause, providing that Section 1 of this act becomes effective August 1, 2013, and applies to actions filed on or after that date. The remaining effective dates were not changed.

Summary date: Jul 8 2013

AN ACT TO ELIMINATE ARBITRATION CAPS IN DISTRICT COURT, TO MAKE CLARIFICATIONS TO COURT FEES, TO AMEND THE MOTION FEE EXEMPTION, TO REQUIRE COUNTIES AND MUNICIPALITIES TO ADVANCE FEES, TO PROVIDE PRIORITY FOR THE PAYMENT OF CRIMINAL COSTS AND FEES, AND TO REMOVE THE SUNSET ON CHANGES TO CERTAIN FEES COLLECTED BY REGISTER OF DEEDS. Enacted June 30, 2013. Section 1 is effective August 1, 2013, and applies to actions filed on or after that date. Section 2 is effective January 1, 2014, and applies to all pleadings and motions filed on or after that date. Section 4 is effective July 1, 2013, and applies to pleadings filed on or after that date. Except as otherwise provided, the remainder is effective June 30, 2013, and applies to actions filed and to amounts assessed or collected on or after that date.

SL 2013-226

CLARIFY EDUCATION REPORTING REQUIREMENTS.

Bill S 168

Summary date: Mar 4 2013

Repeals or eliminates the following reports: (1) disadvantaged student supplemental funding report, (2) state board report on personal education plans, (3) teacher mentoring report, (4) UNC report to state board on professional development, and (5) child nutrition standards report.
Makes clarifying, technical, and conforming changes to GS 115C-296, Board sets licensure requirements; reports; lateral entry and mentor programs. Requires the State Board of Education (Board) to create a higher education educator preparation program report card, which includes information collected from annual performance reports for each NC institution offering teacher education programs and master's of education or school administration.

Changes to GS 115C-296 apply beginning with the 2013-2014 school year. Other sections are effective when the act becomes law.

**Summary date:** Mar 18 2013

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

Instead of repealing SL 2005-276, Section 7.8(b), and SL 2007-323, Section 7.8(b), the act only removes the provision in those sections that requires the State Board of Education to report the results of the evaluation of the Disadvantaged Student Supplemental Funding Initiatives and Low-Wealth Initiatives.

Instead of repealing SL 2008-107, Section 7.8, as amended, amends the section to remove the requirement that the State Board of Education report on the use of funds for mentoring services.

Makes other technical changes.

**Summary date:** Jul 8 2013

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

Amends GS 115C-105.41(a) to remove the requirement that local school administrative units (LEAs) must annually certify to the State Board of Education (SBE) that they have developed and implemented Personal Education Plans (PEPs) for students at risk of academic failure.

Repeals Section 1 of SL 2013-11, which also amends GS 115C-296, to resolve conflicts regarding effective dates with the amendments in this act [Section 5.(b)] to GS 115C-296, which provides requirements for teacher licensure and educator preparation program requirements. Amends subsection (c1), which authorizes the State Board of Community Colleges to provide a program of study for lateral entry teachers to earn a teaching license. Directs the SBE to take specified affirmative steps to ensure that lateral entry teachers are prepared to teach (was, ensure lateral entry teachers are prepared to teach). Makes technical changes.

Amends GS 115C-296, as amended by Section 5.(b) of this act, to include the digital learning components of SL 2013-11 in teacher licensure requirements, teacher education programs, and lateral entry teacher requirements. Effective July 1, 2017, and applies beginning with the 2017-18 school year.

Amends GS 96-33 to exempt LEAs from having to report requested information directly to the Labor and Economic Analysis Division. Instead, requires the Department of Public Instruction (DPI) to collect and report the information on behalf of the LEAs.
Provides that to the extent required by federal law, reports from LEAs on data related to economically disadvantaged students need only be filed with the SBE once per school year (was, twice per school year).

Directs DPI to simplify and minimize the data entry requirements of LEAs. Eliminates the following reports which LEAs must currently submit to the SBE: (1) Principal's Monthly Report, (2) Teacher Vacancy Report, (3) Professional Personnel Activity Report, (4) Pupils in Membership by Race and Sex, (5) Report of School Sales of Textbooks and Used Books, and (6) School Activity Report. Requires DPI to continue to collect the information in these reports that is required by state or federal law. Provides that LEAs continue to be responsible for any required data entry into the student information management system (PowerSchool or any component of the Information Improvement System).

Amends GS 115C-12(18) to require that any reporting requirements that are a part of the Uniform Education Reporting System be incorporated into the PowerSchool Application to the extent possible. Amends GS 115C-12(19) to direct the SBE to adopt a policy not to require LEAs to have to provide information that is not necessary to comply with state or federal law or that is not relevant to student outcomes or the efficient operation of public schools. Also provides that the SBE evaluate the need for continuation of individual reports, including considering whether those individual reports exceed what is required by state and federal law.

Amends GS 115C-107.2(d) to direct the SBE to simplify the narrative portion of forms used in compliance with the Individuals with Disabilities Education Act (IDEA) to develop a student's IEP.

Except as otherwise indicated, this act is effective when it becomes law.

Summary date: Jul 8 2013

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

Adds a new Part XI regarding the elimination of unnecessary reporting by educators and renumbers the remaining part and section accordingly. Amends GS 115C-105.27(b), to require that the strategies for improving student performance include a plan to identify and eliminate unnecessary and redundant reporting requirements for teachers and to streamline the schools reporting system and procedures, including requiring reports to be in electronic form when possible and incorporating relevant documents into the student accessible components of the Instructional Improvement System.

Amends GS 115C-307(g) to authorize a school improvement team (team) to request the superintendent to consider eliminating a redundant reporting requirement for the teachers at its school. Requires the team to identify, in its school improvement plan, a more expeditious method of providing the information to the local board of education. Directs the superintendent to recommend to the board whether the reporting requirement should be eliminated for that school. Permits the team to request a hearing before the board as provided in GS 115C-45(c), if the superintendent does not recommend the elimination of the reporting requirement.

Summary date: Jul 8 2013
AN ACT TO ELIMINATE UNNECESSARY REPORTS AND CLARIFY CURRENT EDUCATION PROGRAM REQUIREMENTS. Enacted July 3, 2013. Section 5(c) is effective July 1, 2017, and applies beginning with the 2017-18 school year. The remainder is effective July 3, 2013, and applies beginning with the 2013-14 school year.

SL 2013-227

CREATE MILITARY AFFAIRS COMMISSION.

Bill S 613

Summary date: Apr 2 2013

Abolishes the NC Advisory Commission on Military Affairs.

Amends GS Chapter 127 C to establish the NC Military Affairs Commission (Commission), to advise the General Assembly, State officials, and State agencies on specified matters concerning the military presence in the state, including supporting the long term goal of a viable and prosperous military presence in the state, and finding ways to coordinate the state's interest in future activities of the Department of Defense with the promotion of the state's economic interest in developing the state's natural resources. Specifies the naming of the Commission's 15 members and 17 ex officio members, with appointed members serving two year terms. Requires the initial Commission meeting to be within 30 days of the effective date the act.

Effective October 1, 2013.

Summary date: May 8 2013

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

Establishes the NC Military Affairs Commission (Commission) in the Office of the Governor (was, within the Department of Public Safety), with the Department of Commerce responsible for organizational, budgetary, and administrative purposes (was, responsibility of the Department of Public Safety). Expands the Commission's purposes to also include providing counsel and recommendations, in addition to advice, and expands on those to be advised by the Commission to also include the Governor and the Secretary of Commerce. Provides that the Commission is to advise on initiatives, programs, and legislation that will continue and increase the role that the state's military installations, the National Guard, and Reserves play in America's defense strategy and the economic health and vitality of the state (was, the Commission was to advise on five specified issues). Specifies 11 activities that the Commission is authorized to perform, including identifying and supporting ways to promote quality of life for military members and their families, lead the state's initiative to prepare for the next round of Base Realignment and Closure, and share information and coordinate efforts with the state's congressional delegation and other federal agencies. Adds that the Commission must report to the Governor on military affairs at
least every six months, and to the General Assembly before the start of legislative sessions, or as required by members. Allows priority actions or issues to be submitted at any time.

Provides that the Commission will consist of voting members who are either appointed by the Governor, Speaker of the House of Representatives, and the President Pro Tempore of the Senate or serve as nonvoting ex officio members. Specifies the required qualifications of the ten members appointed by the Governor, the five appointed by the Speaker of the House of Representatives, and the five members appointed by the President Pro Tempore of the Senate. Removes reference to the Executive Committee. Amends the members listed as nonvoting ex officio members of the Commission to add the Commissioner of Agriculture and remove the Commanding General of the Marine Corps Base at Camp Lejeune and Cherry Point; Commander 4th FW, Seymour Johnson Air Force Base; Commander 43rd Airlift Wing, Pope Air Force Base; Commander of the US Coast Guard Support Center, Elizabeth City; and the Executive Director of the NC Association of County Commissioners. Specifies 10 commanding generals and officers who must be invited to serve as nonvoting ex officio members.

Requires that the Commission chair be appointed by the Governor from the voting members of the Commission (was, elected by a majority vote of the executive committee membership). Provides that the initial meeting is at a time and place to be determined by the Secretary of Commerce (was, Secretary of Public Safety), with the first order of business being the adoption of bylaws and establishment of committees (was, the election of a chair).

Makes conforming changes to GS 127C-3.

Changes the effective date of the act from October 1, 2013, to July 1, 2013.

Summary date: May 14 2013

Senate committee substitute to the 2nd edition makes the following changes. Adds the requirement that the NC Military Affairs Commission (Commission) meet at least once each quarter and adds the General Assembly to those entities that the Commission must report to at least every six months. Requires the Commission to provide the General Assembly with recommendations for legislation before the start of a regular session. Specifies that the Commission includes 20 voting members. Amends the qualifications for various members to allow appointment of a person who is retired from the military and who is actively involved in a military affairs organization or who is involved in military issues through civic, commercial, or governmental relationships (was, only involved in military issues through civic, commercial, or governmental relationships). Adds the Superintendent of Public Instruction to the list of nonvoting ex-officio Commission members. Deletes the provision concerning membership terms of the Executive Committee and instead provides that the voting members serve for two terms, with no prohibition against being reappointed, and provides for the terms of specified initial appointments. Requires initial terms to commence on July 1, 2013. Requires the Department of Commerce to use funds within its budget for the authorized per diem, subsistence, and travel expenses.

Summary date: Jun 20 2013
House committee substitute makes the following changes to the 3rd edition.

Amends GS 127C-1, regarding the purpose of the North Carolina Military Affairs Commission (Commission) established in this act. Deletes provision that authorizes the Commission to protect North Carolina’s military installations from incompatible development. Provides that the Commission is authorized to identify and support ways to provide adequate housing and education (was, affordable housing and education) for military members and their families, military retirees, and veterans. Authorizes the Commission to support the Army's Compatible Use Buffer Program, the Working Lands Group, and related initiatives (was, specifically identified additional environmental and sustainability initiatives).

Amends GS 127C-2 to provide that the membership of the Commission is to include nonvoting members and nonvoting ex officio members as designated in this section. Provides that one member of the House of Representatives and one member of the Senate are to serve as nonvoting members of the Commission. Specifies that each of the two legislators is to represent a district which contains all or any portion of one of the military installations described in sub-subdivisions b. through e. of subsection (b)(3) of this section. Provides that of the five appointees to the Commission by the Speaker of the House of Representatives (Speaker), one is to be a member of the House who has served in the military or who has extensive experience in the area of military affairs. Makes identical provision for a Senate member appointed by the President Pro Tempore of the Senate (President Pro Tem).

Amends the list of office holders or their designees who are to serve as nonvoting ex officio members of the Commission to include the mayor or the mayor's designee for each of the following municipalities: (1) Elizabeth City, (2) Fayetteville, (3) Goldsboro, (4) Havelock, and (5) Jacksonville. Removes the Executive Director of the North Carolina League of Municipalities as a nonvoting ex officio member.

Provides that this act becomes effective August 1, 2013 (was, July 1, 2013).

Summary date: Jun 24 2013

Senate amendment makes the following changes to the 4th edition.

Amends GS 127C-2, concerning membership of the Military Affairs Commission, providing that the Commission will consist of 21 voting members (was, 20), with 11 voting members being appointed by the Governor (previously, 10 members were appointed by the Governor). Further provides that of the 11 members appointed by the Governor, six (was, five) must be persons who reside in the state and are involved in military issues through civic, commercial, or governmental relationships. Expands the list of officers, or designees, that will be invited to serve as nonvoting ex officio members of the Commission, adding the commanding officers of the Coast Guard Sector North Carolina and of the Naval Support Activity Hampton Roads. Provides that, out of the 11 members appointed by the Governor to serve on the Commission, seven members (was, six) will be initially appointed to two year terms.

Summary date: Jul 8 2013
AN ACT TO CREATE THE NORTH CAROLINA MILITARY AFFAIRS COMMISSION. Enacted July 3, 2013. Effective August 1, 2013.

**SL 2013-228**

**ELIMINATE UNNECESSARY TESTING/ANIMAL WASTE.**

*Bill S 205*

**Summary date:** Mar 6 2013

Amends GS 143-215.12C(e) to require that an animal waste management plan for an animal operation include provisions regarding periodic testing, at least once every three years (was, at least annually), of soil at the crop sites where the waste products are applied. Applies to animal waste management plans submitted to or approved by the Department on or after July 1, 2013.

**Summary date:** Jun 20 2013

House committee substitute makes the following change to the 1st edition. Changes the effective date of this act to August 1, 2013 (was, July 1, 2013).

**Summary date:** Jul 8 2013

AN ACT TO ELIMINATE UNNECESSARY SOIL TESTING REQUIREMENTS IN ANIMAL WASTE MANAGEMENT PLANS. Enacted July 3, 2013. Effective August 1, 2013.

**SL 2013-229**

**ABATE NUISANCES/DRUG SALES FROM STORES.**

*Bill S 264*

**Summary date:** Mar 12 2013

Amends GS 19-1 to provide that an activity sought to be abated may be considered a nuisance under GS Chapter 19 even though that activity is not the sole purpose of the building or place where the activity occurs. Prohibits bringing a nuisance action under Article 1 (Abatement of Nuisance) of GS Chapter 19 against a place or business regulated under GS Chapter 18B (Regulation of Alcoholic Beverages), when the basis for the action is a violation under GS Chapter 18B pertaining to the possession or sale of alcoholic beverages. Effective when the act becomes law and applies to nuisance actions filed on or after that date.

The following provisions are effective December 1, 2013, and apply to offenses committed on or after that date.
Amends GS 90-112, adding new subdivision (1a), to provide that real property, including things growing on, affixed to, and found in land, used or intended to be used in violation of GS Chapter 90, is subject to forfeiture. Directs a court to order that a person convicted of a felony violation of GS Chapter 90, forfeit all property used or intended to be used to commit or facilitate the violation of the Controlled Substances Act. Provides listed exceptions when real property is not subject to forfeiture.

Adds a new subsection (d2) to GS 90-112, providing that regardless of other provisions regarding the forfeiture of property, there are specific procedures that apply to the forfeiture of real property under new subdivision (1a) of GS 90-112(a). Delineates the specifications of the following procedures: (1) third-party transfer, (2) protective orders, (3) execution, (4) disposition of property, (5) actions that the state Attorney General is authorized to take, (6) applicability of civil forfeiture provisions, (7) prohibition on intervention except as specified in this statute, and (8) third-party interests; petitions and hearing. Declares that the provisions of this subsection are to be liberally construed to effectuate its remedial purposes.

Enacts GS 15A-534.7 to provide criteria for determining bond and other conditions of release in cases arising under the Controlled Substances Act when the defendant owns or controls a business where the controlled substance that is the basis for the charge was located. Defines a place of business for purposes of this section.

**Summary date:** May 7 2013

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

Deletes changes to GS 90-112, which authorized forfeiture of real property in drug cases. Deletes proposed new GS 15A-534.7, which provides for determining bond and other conditions of release for a defendant who owns or has operational control of a place of business at which the controlled substance that is the basis for the charge against the defendant was located.

Amends GS 15A-533 to create a rebuttable presumption that no condition of pretrial release will reasonably assure the person's appearance and the community's safety if the person is charged with manufacturing, selling, or delivering or possession with intent to manufacture, sell, or deliver a controlled substance, and a judicial official finds that (1) the person owns or has operational control of a place of business, (2) the controlled substance that is the basis for the charge was located at the place of business, and (3) either of the following: the person is out on pretrial release for a prior charge under GS 90-95(a)(1) or has a prior conviction for a violation of GS 90-95(a)(1) and the controlled substance that was the basis for the prior charge/conviction was located at the place of business. Provides that persons considered for bond under the provisions of subsections (d), (e), and (f) of this section may only be released by a district or superior court judge under specified criteria. Defines a place of business as any location where the public may purchase, lease, or utilize goods, services, or other thing of value. Effective December 1, 2013, and applies to offenses committed on or after that date.

**Summary date:** Jun 18 2013
House amendment #1 makes the following changes to the 2nd edition.

Amends GS 19-1, providing that if any actions constituting a nuisance under this section are allegedly being performed by a tenant of the property, then law enforcement must notify the owner that the nuisance activity is allegedly occurring on the property of the owner. If the owner cooperates with law enforcement in regards to the abatement of the nuisance activity, notwithstanding GS 19-1.5 or any other applicable law, no civil action can be brought against the owner of the property.

House amendment #2 makes the following changes.

Changes the long title.

Deletes all the changes and additions made to GS 15A-533, Right to pretrial release in capital and noncapital cases.

Amends the enactment clause, providing that the act is effective when it becomes law and applies to nuisance actions filed on or after that date.

Summary date: Jul 8 2013


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**SL 2013-230**

**SUSPEND TRUCK INSPECTION/SEVERE WEATHER.**

Bill S 377

Summary date: Mar 20 2013

Amends GS 166A-19.70 to allow the Governor, upon recommendation of the Commissioner of Agriculture, to temporarily suspend weighing vehicles that are used to transport crops from emergency areas if there is an imminent threat of widespread or severe damage to crops that are ready to be harvested. The suspension ends when the Governor determines that the threat of widespread or severe damage has passed.

Summary date: Apr 18 2013

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

Amends GS 166A-19.70, providing that the Department of Public Safety, at the direction of the Governor, will provide for the temporary suspension of weight inspections of specified vehicles in designated counties (previously, there were no counties specified) in an emergency area, as that area is defined in GS 166A-19.3(7), (previously, was as defined in GS 166A-19.20(b). Also provides that the
Governor can designate the specified counties in an executive order issued pursuant to GS 166A-19.20. Establishes that this suspension of weighing can be waived by law enforcement if probable cause exists to believe that the vehicle is creating an imminent hazard to public safety. Directs the Department of Public Safety to develop procedures to implement the provisions of this section.

Makes technical and conforming changes.

**Summary date:** Jun 18 2013

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

Amends GS 116A-19.70(a) to expand the scope of the subsection so that the temporary suspension of weight inspections applies to vehicles transporting livestock or poultry in addition to crops; also expands the application of the provisions to instances where there is an imminent threat of severe economic loss of livestock or poultry, in addition to when there is an imminent threat of widespread or severe damage to crops ready to be harvested. Makes clarifying and conforming changes. Amends the act's long title.

**Summary date:** Jul 8 2013

AN ACT TO ALLOW THE GOVERNOR TO TEMPORARILY SUSPEND ROUTINE WEIGHT INSPECTIONS OF TRUCKS UPON THE EXISTENCE OF AN IMMINENT THREAT OF SEVERE ECONOMIC LOSS OF LIVESTOCK OR POULTRY OR WIDESPREAD OR SEVERE DAMAGE TO CROPS READY TO BE HARVESTED. Enacted July 3, 2013. Effective July 3, 2013.

**SL 2013-231**

**BIOPTIC LENSES FOR DRIVERS LICENSE TESTS.**

**Bill S 568**

**Summary date:** Apr 1 2013

Adds a new subsection (t) to GS 20-7 regarding the use of bioptic telescope lenses and the user’s eligibility for a restricted drivers license as the title indicates.

**Summary date:** Apr 24 2013

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

Amends GS 20-7, providing that an applicant using bioptic telescopic lenses will be eligible for a regular Class C driver's license if the applicant meets specified conditions (previous edition only provided for the eligibility for a regular driver's license). Requires applicants using bioptic telescopic lenses to also successfully pass a road test administered by the DMV, if requested, to be eligible for a regular Class C driver's license. Provides that the DMV may also require an applicant using bioptic telescopic lenses to successfully complete a behind-the-wheel training and assessment program.
Amends GS 20-7(4) and (5), making clarifying, technical, and conforming changes, including inserting "regular Class C drivers license" in the place of "regular drivers license."

Deletes language stating that nothing in this subsection requires the DMV to issue licenses or permits, pursuant to this section, at any location other than the DMV headquarters in Raleigh and that the DMV may select additional offices for testing pursuant to this subsection.

Amends the act's long title.

**Summary date:** Jun 18 2013

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

Amends GS 20-7(t) to amend the criteria that must be met for an applicant using bioptic telescopic lenses to be eligible for a regular Class C driver's license to require passing a road test (was, pass a road test if it is required). Also requires the Division of Motor Vehicles to require (was, allowed the Division to require) an applicant using bioptic telescopic lenses to successfully complete a behind the wheel training and assessment program.

**Summary date:** Jun 19 2013

House amendment to the 3rd edition makes the following changes. Amends GS 20-7, concerning licensure of driver's license applicants using bioptic telescopic lenses, as follows. Waives the requirement that an applicant successfully passes a road test if the applicant is a new state resident who has a valid driver's license issued by another jurisdiction that requires a road test. Waives the requirement that an applicant using bioptic telescopic lenses complete a behind the wheel training and assessment program if the applicant has successfully completed a behind the wheel training and assessment program as a condition of licensure in another jurisdiction.

**Summary date:** Jul 8 2013


**SL 2013-232**

TRANSMISSION LINE OWNERSHIP.

**Bill S 635**

**Summary date:** Apr 3 2013

Amends GS 62-100 (Definitions), making technical changes. Expands the definition of the term public utility to include, (1) a public utility as defined in GS 62-3(23); (2) an electric membership cooperative;
(3) a joint municipal power agency; and (4) a city or county that is engaged in producing, generating, transmitting, delivering, or furnishing electricity for private or public use.

Amends GS 62-101(a), providing that only a public utility, as defined in this Article, may obtain a certificate to construct a new transmission line.

Effective when the act becomes law and applies to certificates of environmental capability and public convenience and necessity issued on or after that date.

Summary date: May 2 2013

House committee substitute to the 1st edition makes the following changes. Amends GS 62-100 to change the term electric membership cooperative to electric membership corporation. Provides that the act applies to certificates of environmental comparability (was, capability) and public convenience and necessity issued on or after the date that the act becomes law.

Summary date: Jun 19 2013

House amendment to the 2nd edition makes the following changes. Amends GS 62-101(a) to add that although only a public utility may obtain a certificate to construct a new transmission line, an entity may obtain a certificate to construct a new transmission line solely for providing interconnection to an electric generation facility.

Summary date: Jul 8 2013

AN ACT TO CLARIFY THAT ONLY INCUMBENT PROVIDERS MAY CONSTRUCT A NEW ELECTRICITY TRANSMISSION LINE. Enacted July 3, 2013. Effective July 3, 2013, and applies to certificates of environmental compatibility and public convenience and necessity issued on or after that date.

SL 2013-233

ID CARD FOR HOMEBOUND PERSONS.

Bill S 712

Summary date: Apr 5 2013

Requires the Division of Motor Vehicles (DMV) to adopt rules allowing a homebound person to apply for or renew a special photo ID card by means other than personal appearance. Defines a person who is homebound. Requires a special identification card to include a color photo of the special ID card holder. Effective July 1, 2014.

Requires the DMV to report to the Chairs of the Joint Legislative Transportation Oversight Committee on the status of the implementation of the system for homebound persons, including the costs, benefits, and feasibility of implementing the system.
Summary date: Apr 11 2013

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

Directs the Division of Motor Vehicles (DMV) to adopt rules allowing the application for or renewal of a special photo id card under GS 20-37.7, by means other than a personal appearance (previous edition codified this language and directive in the statutes).

Deletes the requirement that the DMV must include, at a minimum, the costs, benefits, and feasibility of implementing such a system in its report.

Summary date: Jul 8 2013

AN ACT TO ALLOW THE DIVISION OF MOTOR VEHICLES TO DEVELOP A PROCESS WHEREBY PERSONS WHO ARE HOMEBOUND CAN APPLY FOR A SPECIAL PHOTO IDENTIFICATION CARD BY MEANS OTHER THAN PERSONAL APPEARANCE AND TO MAKE OTHER CLARIFYING CHANGES. Enacted July 3, 2013. Section 3, regarding reporting, is effective July 3, 2013. The remainder is effective July 1, 2014.

SL 2013-234

AMEND STATE CONTRACT REVIEW LAWS.

Bill H 56

Summary date: Feb 12 2013

Amends GS 114-8.3, which requires the adoption of review and recordkeeping procedures for state contracts for the purchase of goods or services that exceed $1 million. Directs the Attorney General (AG), in consultation with the Department of Administration, to establish review procedures for state contracts that exceed $1 million, and to provide any attorney designated under GS 114-8.3(a) with the guidelines to be used in reviewing contracts. Requires the General Counsel for UNC constituent institutions to establish procedures for the required review and to comply with the procedures established by the AG. Requires all state agencies, the UNC constituent institutions, or any person entering into a contract on behalf of the state for goods or services exceeding $1 million to provide notice to the Secretary of the Department of Administration or the Secretary’s designee of the intent to enter into the contract and any additional information as required. Directs the Department of Administration to adopt policies or guidelines for the identification and recordkeeping of contracts subject to review under the statute. Specifies what must be included in the records.

Amends GS 143-49 to increase the contract threshold amount from $100,000 to $5 million for the appointment of an attorney from the AG’s office to advise and assist in contract negotiations. Does not require the Secretary to request counsel from the AG’s office for contracts for services to be entered into by the constituent institutions of UNC, unless requested to do so by the General Counsel of the University.
Provides that the act's procedural and recordkeeping requirements as indicated above become effective July 1, 2013, and apply to contracts entered into on or after that date; the remainder of the act is effective when it becomes law.

Directs the Department of Administration to make individualized notifications to specified agencies to make each aware as to how the statutory amendments made in SL 2010-194, Section 15 of SL 2011-326, and this act apply to them. Provides guidelines regarding the notification process that include specifications regarding acknowledgement of receipt and understanding of the notice by the agencies.

Requires the AG’s office, the Department of Administration, and the Office of the General Counsel for UNC to establish procedures to implement this act by June 30, 2013.

Provides, in GS 143-49, specific dates for (1) implementing a quality management program; (2) creating a contract specialist career path for one or more employees in each department, agency, or institution of the state; and (3) implementing a contract management training and certification program. Requires the Secretary to report recommendations on improvements to state procurement law to the Joint Legislative Commission on Governmental Operations and to the Program Evaluation Division by September 1, 2013.

Provides that any procedures to permit state government or any of its departments, institutions, or agencies to join with federal, state, or local government entities or any nonprofit organization in cooperative purchasing plans to serve the interest of the state are to be reported to the Joint Legislative Commission on Governmental Operations and the Program Evaluation Division no later than 30 days before the effective date of the procedures.

**Summary date:** Jul 8 2013

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

Changes the long title accordingly.

**Section 1**

Eliminates the review of contracts for supplies, materials, printing and equipment exceeding $1 million by the Attorney General or his/her designees in lieu of triggering the review for proposed contracts for contractual services that exceed $5 million. Makes conforming changes. Requires Attorney General to advise and assist the Contract Management Section of the Division of Purchase and Contract with establishing procedures and guideline for the review of contracts. Adds back in the Department of Administration (DOA) to GS 114-8.3(b) (previously, Department of Administration had been stricken and removed). Amends GS 114-8.3(c) requiring State agencies, constituent institutions of UNC, or any person who will be entering into a contract on behalf of the State for $1 million or more must provide such information required by the Department of Administration for the purposes of maintaining a centralized log of such contracts (was, information required by the Secretary of the Department of Administration). Replaces GS 114-8.3(d) with a clause stating that nothing that requires a designated attorney to review proposed contracts limits the authority of the State Treasurer to retain the services of attorneys for the
proper administration of investment programs (was, clause requiring Department of Administration to adopt procedures for identification and record keeping of contracts subject to review). Other technical and clarifying changes.

Section 2

Adds to GS 143-49(3a) the Contract Management Section of the DOA's Division of Purchase and Contract, and other qualified counsel to the list of agencies from which the Attorney General can choose to assign a designee to assist in negotiations of pending contracts exceeding $5 million. Adds the requirement that to be valid, any contract for services reviewed pursuant to these subdivision must include the signature and title of the attorney designated from within the office of the Attorney General to review the contract. Adds requirements that for proposed Treasurer investment and debt contracts that in aggregate exceed $5 million, the Department of State Treasurer can ask for approval and employment of outside counsel to represent the Department. Defines exactly what investment contracts and debt contracts mean.

Section 3

New and different section from 1st edition. Section 3 of 1st edition is now section 11 of House committee substitute.

Amends GS 143, Article 3 by adding a new section, GS 143.50.1, Division of Purchase and Contract; Contract Management Section. Provides that the Contract Management Section (CMS) is established in the Division of Purchase and Contract, Department of Administration. CMS will include legal counsel with defined duties and responsibilities. Remainder of Section 3 states the duties and responsibilities of CMS and its legal counsel.

Section 4

New and different section from 1st edition. Section 4 of 1st edition is now section 12 of House committee substitute

Amends GS 143-52.1, changing name of section to Award recommendations; State Purchasing Officer action. Deleting entire content of GS 143-52.1 and replacing with language that states that when the dollar value of a contract to be awarded exceeds the benchmark of GS 143-53.1, an award recommendation will be submitted to the State Purchasing Officer for approval or other action. A report of all contract awards greater than $25,000 approved through the Division of Purchase and Contract will be reported monthly to the Cochairs of the Joint Legislative Committee on Governmental Operations. Report will include amount of the award, award recipient, using agency, and short description of the nature of the award.

Section 5

New and different section from 1st edition. Section 5 of 1st edition is now section 13 of House committee substitute.
Amends GS 147-33.101 by renaming section *Award recommendation; State Chief Information Officer action*. Further amends section to require an award recommendation to be submitted to the State Chief Information Officer (CIO), when the dollar value of a contract for IT equipment, materials and supplies exceeds the benchmark established by the CIO. A report of all contract awards greater than $25,000 approved through the Statewide IT Procurement Office will be reported monthly by the State CIO to the Cochairs of the Joint Legislative Oversight Committee on IT. Report will include amount of the award, award recipient, using agency, and short description of the nature of the award.

**Section 6**

New and different section from 1st edition.

Amends GS 116-13 *Powers of Board regarding property and services subject to general law*, deleting Board of Awards from list of approvals exempt from purchases by special responsibility constituent institutions.

**Section 7**

New section.

Amends 120-36.6, *Legislative Fiscal Research staff participation*, deleting Board of awards and making technical changes associated with that deletion.

**Section 8**

New section.

Amends GS 143-52, *Competitive bidding procedure; consolidation of estimates by Secretary; bids; awarding of contracts; cost plus percentage of cost contracts strictly prohibited*, deleting Board of Awards and replacing it with State Purchasing Officer as the entity that reviews contracts of goods that exceed the benchmark established by GS 143-53.1.

**Section 9**

New section.

Amends GS 143-59, *Preference given to North Carolina products and citizens, and articles manufactured by State agencies; reciprocal preferences*. Deleting in GS 143-59(b) language referring to Board of Awards and making conforming changes.

**Section 10**

New section.

Repeals GS 143-318.19(10), which deletes Board of Awards from an exemption list for Article 33c of GS 143.
Section 11
New section. Previously was section 3 of 1st edition. No additional changes made.

Section 12
New section. Previously was section 4 of 1st edition. No additional changes made.

Section 13
New section. Previously was section 5 of 1st edition.
Amends GS 143-49, Powers and duties of Secretary, changing implementation dates as amended in 1st edition to be follows:

GS 143-49(13) - September 1, 2013 to January 1, 2014, and April 1, 2013 to June 1, 2013,
GS 143-49(14) - April 1, 2013 to September 1, 2013,
GS 143-49(15) - September 1, 2013 to July 1, 2014

Deletes requirement to report procedure established under this subdivision to be reported to the Joint Legislative Commission on Governmental Operation and the Program Evaluation Division.

Section 14
States that section 1-3 will become effective October 1, 2013 and applies to contracts entered on or after that date. Remainder effective when the act becomes law.

Summary date: Jul 8 2013

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

Adds new subsection (b1) to GS 114-8.3, concerning attorney general/general counsel review of certain contracts, providing that the General Counsel of the Department of State or designee must review all proposed investment contracts, as defined in subdivision 4 of the subsection, as well as all proposed contracts for investment-related services entered pursuant to authority granted under GS 147-69.3 to confirm that the proposed contracts:

(1) are in proper legal form,
(2) contain all clauses required by NC law,
(3) are legally enforceable to the extent governed by NC law, and
(4) accomplish the intended purposes of the proposed contract.

Requires procedures to be established for the review of contracts subject to this subsection. Set outs the terms and requirements that apply to contracts under this subsection.
Amends GS 143-49(3a), concerning the powers and duties of the Secretary of Administration, requiring an attorney from within the Office of the Attorney General to review all contracts and drafts of contracts, with the office retaining a copy of the contract for three years after the termination of the contract. Further provides that the state has the right to terminate the contract if it commences without the required signature, with the other parties only entitled to the value of all services rendered to the state prior to the termination. Provides that the Secretary of Administration is not required to notify the Attorney General for the appointment of a representative for any contract for contractual services which are to be entered into by constituent institutions of the University of North Carolina or the Department of State Treasurer, unless requested to do so by the General Counsel of UNC or the Department of State Treasurer.

Deletes previously included new subsection GS 143-49(3b) and deletes GS 143-49(13). Amends GS 143-49(16), to provide that recommendations created pursuant to the work completed in conjunction with the School of Government on improving procurement laws must be reported by the Secretary to the Joint Legislative Commission on Governmental Operations and the Program Evaluation Division by June 30, 2014.

Amends GS 143-52.1, providing that the State Purchasing Officer must promptly notify the agency, or institution making the recommendation, of the action taken, when recommending the awarding of a contract where the dollar value exceeds the established benchmark. Further provides that the State Procurement Officer must provide a monthly report of all contract awards that exceed $25,000 and are approved through the Division of Purchase and Contract to the Cochairs of the Joint Legislative Committee on Governmental Operations.

Amends GS 147-33.101, concerning award recommendations and the Chief Information Officer (CIO), providing that the CIO, when an award recommendation has been submitted for approval or other action, must promptly notify the agency, or institution making the recommendation, of the action taken, when recommending the awarding of a contract where the dollar value exceeds the established benchmark. Further provides that the CIO must provide a report of all contract awards approved through the Statewide IT Procurement Office as follows:

(1) for contract awards greater than $25,000 a report must be submitted to the Cochairs of the Joint Legislative Oversight Committee on Information Technology on a monthly basis and

(2) for all contract awards outside the established purchasing system, a report must be submitted to the Secretary of the Department of Administration on a quarterly basis.

Deletes changes made to GS 143-49, which specified certain dates for the implementation of varied programs or positions.

Makes technical, clarifying, and conforming changes throughout the act.

**Summary date:** Jul 8 2013

Senate amendment to the 3rd edition makes a technical correction.
Summary date: Jul 8 2013

AN ACT TO ESTABLISH THE CONTRACT MANAGEMENT SECTION OF THE DIVISION OF PURCHASE AND CONTRACT, DEPARTMENT OF ADMINISTRATION, TO AMEND THE LAWS REQUIRING NEGOTIATION AND REVIEW OF CERTAIN STATE CONTRACTS, TO PROVIDE OVERSIGHT AND REPORTING OF CERTAIN CONTRACT AWARDS, AND TO PROVIDE FOR CONTRACT MANAGEMENT AND ADMINISTRATION, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE. Enacted July 3, 2013. Sections 1 through 3 are effective October 1, 2013. The remainder is effective July 3, 2013.

SL 2013-235

CHILD NUTRITION PROGRAM SOLVENCY AND SUPPORT.

Bill H 57

Summary date: Jan 31 2013

Amends GS 115C-450 as the title indicates. Defines indirect costs as the term is defined in the United States Office of Budget and Management Circular A-87, as revised, and uses the term cost of operation as defined in GS 115C-264(c).

Appropriates $80,000 in recurring funds for 2013-14 from the General Fund to the Department of Public Instruction, Division of School Support, Child Nutritional Services Section, for purposes as the title indicates. Requires the Department of Public Instruction (DPI) to make annual reports to the Joint Legislative Education Oversight Committee beginning on October 1, 2014, and each subsequent year that DPI receives this appropriation. Effective July 1, 2013.

Summary date: Mar 13 2013

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

Deletes the appropriation from the General Fund to the Department of Public Instruction (DPI) of $80,000 in recurring funds for fiscal year 2013-14 to be used to provide administrative support for the North Carolina Procurement Alliance to promote optimal pricing for child nutrition program foods and supplies. Makes conforming changes deleting references to the funding. Directs the North Carolina Procurement Alliance (Alliance) to promote optimal pricing for child nutrition program foods and supplies. Directs DPI to report to the Joint Legislative Education Oversight Committee on the annual savings from participation (was, increased participation) of local administrative units in the Alliance.

Makes a conforming change to the long title, deleting the reference to an appropriation.

Summary date: Jun 13 2013

Senate committee substitute makes the following changes to the 2nd edition.
Prohibits local school administrative units (LEAs) from assessing indirect costs to a child nutrition program unless the program has a minimum of one month's operating balance (was, prohibited LEAs from assessing indirect costs unless the child nutrition program's food services account had a balance greater than an average month's cost of operation for the program). Provides that one month's operating balance is to be determined by dividing net cash resources by one month's operating costs. Defines the term net cash resources as it is defined in 7 CFR § 210.2. Provides criteria to be used by the Department of Public Instruction (DPI) in calculating the average month's operating balance. Directs DPI to calculate and publish an average month's operating balance for each child nutrition program.

Deletes requirement that DPI report annually to the Joint Legislative Education Oversight Committee on the annual savings from participation of LEAs in the North Carolina Procurement Alliance.

Summary date: Jul 8 2013

AN ACT (1) TO PROHIBIT LOCAL SCHOOL ADMINISTRATIVE UNITS FROM ASSESSING INDIRECT COSTS TO A CHILD NUTRITION PROGRAM UNLESS THE PROGRAM IS FINANCIALLY SOLVENT AND (2) TO PROMOTE OPTIMAL PRICING FOR CHILD NUTRITION PROGRAM FOODS AND SUPPLIES, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE BASED ON RECOMMENDATIONS FROM THE PROGRAM EVALUATION DIVISION. Enacted July 3, 2013. Effective July 1, 2013.

SL 2013-236

AMEND ADOPTION LAWS.

Bill H 147

Summary date: Feb 21 2013

Rewrites GS 7B-909 to clarify that a review of a department's or agency's plan for a juvenile must be scheduled for a hearing in a court session whenever either of the described actions in subsections (a)(1) or (a)(2) have occurred. Amends subsection (a)(1) to provide that the need for review of a plan for placement is triggered when the parental rights of a non-surrendering parent are not being terminated and the non-surrendering parent's consent or relinquishment necessary for the adoption of the juvenile cannot be obtained, in addition to the existing condition that the termination proceedings have not been instituted against the non-surrendering parent within six months of surrender by the other parent. Amends subsection (a)(2) to clarify that a need for review of a placement plan is also triggered when both parents have surrendered a juvenile for adoption under GS Chapter 48, Article 3, Part 7, and there is no final decree of adoption within six months from the date of the most recent parental surrender. Enacts new subsection (b1) authorizing the court to void a relinquishment for adoption signed by the surrendering parent pursuant to new GS 48-3-707(a)(4) when the court finds that no steps are being taken to terminate the right of the other parent from whom consent or relinquishment has not been obtained. Provides additional criteria regarding notice to the relinquishing parent whose rights will be restored. Provides that additional reviews are not required after a relinquishment is voided under new
subsection (b1) and exempts a review hearing under subsection (b1) from being conducted under GS 7B-908.

Amends GS 48-2-204 to provide guidelines regarding the death of a stepparent seeking to adopt a juvenile prior to the entry of a final decree. Makes additional clarifying changes.

Amends GS 48-2-207 to provide that its provisions regarding notice and response time apply to an individual who is described in GS 49-3-601 (person whose consent to adoption is required) or entitled to notice under GS 48-2-401.

Makes technical and conforming changes to GS 48-2-302.

Amends GS 48-2-305 by deleting the requirement that the listed documents must be filed at the time the petition for adoption is filed. Instead provides that any of the specified documents that are available to the petitioner at the time that the petition is filed must be filed with the petition and that any document unavailable at the time the petition is filed is to be filed when the document becomes available. Provides that the petitioner must file or cause to be filed (1) a copy of any required pre-placement assessment certified by the preparing agency (was, and any required certificate of service), or (2) an affidavit from the petitioner stating why the assessment is not available. Expands the list of documents required to be filed to include a certificate as required by GS 48-3-307(c) and a certified copy of any conviction of a crime as specified under GS 48-3-603(a)(9) establishing that an individual's consent to adoption is not required.

Amends GS 48-2-401(c)(3) to require that notice of filing of an adoption petition must be supplied to a man whose consent to the adoption is not required under GS 48-3-603(a)(9), because of his conviction for a specified crime.

Amends GS 48-3-603(a) to include a person convicted under GS 14-27.2A (rape of a child) and whose actions resulted in the conception of the child to be adopted, as a person whose consent to an adoption is not required. Makes additional technical changes and corrections.

Amends GS 48-3-605(c) to provide that a person executing a consent document must be given an original or a copy of the fully executed consent (was, individual received or was offered a copy). Makes additional technical changes and corrections.

Amends GS 48-3-702 to add provisions governing the procedures for executing a relinquishment. Makes conforming changes, technical changes, and corrections to GS 48-3-603, GS 48-3-606, and GS 48-3-703.

Amends GS 48-3-707(a) to provide for the court-ordered voiding of a relinquishment upon the motion of a county department of social services or licensed child-placing agency, in specified circumstances.

Amends GS 50-13.1(a) to provide that a person convicted under GS 14-27.2A and whose actions resulted in the conception of a child cannot claim the right to custody of that minor child.

Summary date: Mar 6 2013
House committee substitute makes the following changes to the 1st edition.

Amends GS 7B-909 to provide a review of a department's or agency's plan for a juvenile must be scheduled for a hearing within six months of accepting a relinquishment of a juvenile for adoption under the provisions of Part 7 GS Chapter 48, Article 3 unless one of the described actions in subsections (a)(1) or (a)(2) is true (was, clarified that a review of a department's or agency's plan for a juvenile must be scheduled for a hearing in a court session whenever either of the described actions in subsections (a)(1) or (a)(2) have occurred).

Amends subsection (a)(1) to provide that the juvenile has become the subject of an adoption decree and substantively moves the proposed content of (a)(1) from the 1st edition to (a)(2), regarding when only one parent has relinquished for adoption and the other parent's consent for relinquishment cannot be obtained.

Provides that notification of the court under this section is by a petition for review or a motion for review (was, by a petition for review) if the court is exercising jurisdiction over the juvenile.

Amends GS 48-3-702 regarding procedures for relinquishment to provide that an individual before whom a relinquishment is signed and acknowledged must certify that the parent, guardian, or minor to be adopted who is executing the relinquishment has been advised that counseling services are available (was, may be) through the agency to which the relinquishment is given (was, through county departments of social services or licensed child-placing agencies).

Makes technical corrections.

Summary date: Jun 13 2013

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

Amends GS 7B-909, Review of agency's plan for placement, providing that the director of social services must promptly notify the clerk to calendar a review of the department's or agency's plan for a juvenile if the juvenile is in the custody of the department or agency and has not become the subject of a decree of adoption within six months following relinquishment of the juvenile for adoption by a parent, guardian, or guardian ad litem under the provisions of GS 48, Article 3, Part 7. Makes conforming and organizational changes.

Summary date: Jul 8 2013


SL 2013-237

DV ORDERS/FINDINGS NOT REQUIRED.
Bill H 209

Summary date: Mar 4 2013

Amends GS 50B-3 to allow entering a consent protective order without findings of fact and conclusions of law if the parties agree in writing that those items will not be included in the order. Provides that the consent protective order is valid and enforceable and has the same force and effect as a protective order entered with findings of fact and conclusions of law.

Amends GS 50C-5 to allow the court to assess attorney's fees to either party as a form of relief in a civil no contact order.

Applies to orders entered on or after October 1, 2013.

Summary date: Jun 10 2013

Senate committee substitute makes the following changes to the 1st edition. Makes an organizational change to the 1st edition, removing a provision previously enacted as part of subsection (a) of GS 50B-3 and enacting that provision as new subsection (b1) of GS 50B-3. Deletes the change to GS 50C-5(b)(7) that allowed the court to assess attorneys' fees to either party as a form of relief in a civil no contact order.

Amends the title of this act.

Summary date: Jul 8 2013


SL 2013-238

DESIGNATE NC FRAGILE X AWARENESS DAY.

Bill H 220

Summary date: Mar 5 2013

Enacts new GS 103-12 to provide as the title indicates.

Summary date: Jun 19 2013

The Senate amendment to the 1st edition changes the statute number of proposed GS 103-12 to GS 103-13.

Summary date: Jul 8 2013

SL 2013-239

LIENS/SELF-SERVICE STORAGE FACILITIES.

Bill H 243

Summary date: Mar 6 2013

As the title indicates.

Amends GS 44A-40 (Definitions) as follows: (1) provides that last known address means a mailing or email address, (2) personal property includes watercraft, and (3) adds a definition for email or electronic mail.

Amends provisions governing Notice and Hearing (GS 44A-43) to include notice and hearing criteria regarding property with a lien claimed for a motor vehicle, watercraft, or trailer (was, a motor vehicle) and property with a lien claimed for other than a motor vehicle, watercraft, or trailer. Makes a conforming change to include notice sent by electronic mail (was, notice only via the United States Postal Service).

Also provides that notice via first class mail (was, certified mail) or electronic mail is acceptable regarding the sale of personal property by the lienor at public sale (was, notice only via the USPS). Permits the lienor to publish notice of sale not less than five days prior to public sale either in a newspaper of general circulation in the county of the sale or in any other commercially reasonable manner. Provides that the advertisement is deemed to be commercially reasonable if a minimum of three independent bidders attend the sale.

Permits the sale to be conducted at a live auction or via an online, publicly accessible auction web site.

Deletes subsection (d) of GS 44A-43 regarding the content of the Notice of Sale.

Amends GS 66-306 to provide that in rental contracts with a fixed time for payment of the rent, the late fee for a rental unit cannot be more than $20 or 20% (was, 15%) of the rental payment, whichever amount is greater.

Summary date: Mar 20 2013

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

Asserts that providing notice of the public sale of personal property by a lienor via first class mail and electronic mail, if available (was, first class mail or electronic mail), is acceptable.
Makes a conforming change to the title, substituting the phrase regular and electronic mail for regular or electronic mail.

Clarifies that the sale is to be conducted in a commercially reasonable manner as defined in GS 25-9-627.

Summary date: Mar 26 2013

House amendment to the 2nd edition makes the following changes. Changes the act's effective date to October 1, 2013 (was, when the act becomes law). Specifies that the amendments to GS 66-306 apply only to contracts entered into on or after October 1, 2013.

Summary date: Apr 2 2013

House amendment #2 makes the following changes to the 2nd edition.

Changes long title.

Amends GS 44A-43(c), providing that not less than 20 days prior to the public sale, the lienor will issue a notice to the person having a security interest in the property by certified mail, or by verified electronic mail if the occupant makes an election in the rental agreement that notice will be given in that manner. This notice will be presumed to be delivered when it is properly addressed, first-class postage prepaid and deposited with the USPS or sent by verified electronic mail to the occupant's last known address.

House amendment #3 makes the following change to the 2nd edition.

Amends GS 66-306 (Late fees), establishing that the applicable late fees for rental contracts in which a definite time for payment of the rent is fixed will not exceed $15 or 15% of the rental payment for each rental unit, whichever is greater.

Summary date: Apr 30 2013

Senate committee substitute to the 3rd edition makes the following changes. Amends GS 44A-40 to add definitions of independent bidder and verified electronic mail. Amends GS 44A-43 to clarify that notices may be sent by electronic mail if the occupant has made an election in the rental agreement to receive notice by electronic mail. Provides that for notice of public sale given by the lienor no less than 20 days before the sale, notice given by verified electronic mail is presumed delivered when it is transmitted. Makes conforming and clarifying changes. Amends the title.

Summary date: Jun 17 2013

Conferees concur in the Senate Committee Substitute (4th edition) without any changes.

Summary date: Jul 8 2013

AN ACT AUTHORIZING AN OWNER OF A SELF-STORAGE FACILITY WHO HAS A LIEN UPON PERSONAL PROPERTY TO DELIVER NOTICE OF THE PUBLIC SALE OF THE PROPERTY TO THE OCCUPANT BY CERTIFIED
MAIL OR BY VERIFIED ELECTRONIC MAIL, TO PUBLISH NOTICE IN ANY COMMERCIAL MANNER, AND TO CONDUCT THE SALE THROUGH AN ONLINE, PUBLICLY ACCESSIBLE AUCTION WEB SITE, AND TO INCREASE THE MINIMUM LATE FEES FOR SELF-Storage FAcILITY RENTAL CONTRACTS.

**SL 2013-240**

**SUBSTITUTE TEACHER DEDUCTION/PERSONAL LEAVE.**

**Bill H 249**

**Summary date:** Mar 6 2013

Amends GS 115C-302.1(d) as the title indicates. Applies beginning with the 2013-14 school year.

**Summary date:** Mar 19 2013

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

Provides that teachers using personal leave on teacher workdays will receive full salary (previously, teachers using personal leave on non-protected teacher workdays received full salary).

**Summary date:** Jul 8 2013

AN ACT TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO REFUND THE SUBSTITUTE DEDUCTION TO A TEACHER TAKING PERSONAL LEAVE IF NO SUBSTITUTE IS HIRED FOR THAT TEACHER. Enacted July 3, 2013. Effective July 3, 2013, and applies beginning with the 2013-14 school year.

**SL 2013-241**

**NOTIFY LAW ENFORCEMENT OF Towed VEHICLES.**

**Bill H 626**

**Summary date:** Apr 9 2013

Amends GS 20-219.11 to require a tower who is towing a vehicle as provided in GS 20-219.10 to provide the following information to the local 911 call center before moving the vehicle: (1) a description of the vehicle, (2) the place from which the vehicle was towed, (3) the place where the vehicle will be stored, and (4) the contact information for the person from whom the vehicle owner may retrieve the vehicle. This notice is in addition to the required notice to the last known registered owner. Provides that if the vehicle is impeding the flow of traffic or otherwise jeopardizing the public welfare so that immediate towing is necessary, the notice to the local 911 call center may be provided within 30 minutes of moving the vehicle rather than before moving the vehicle. If a caller to a local 911 call center can provide the information required under subdivisions (1) and (2) of this subsection, then a local 911 call center must
provide to the caller the information provided under subdivisions (3) and (4) of this subsection. Requires
the local 911 call center to keep the information required under this subsection for no less than 30 days
from the date on which the tower provided the information to the local 911 call center.

Effective October 1, 2013.

**Summary date:** May 13 2013

House committee substitute to the 1st edition makes the following changes. Amends proposed GS 20-
21.11(a1) to make a tower provide specified information, when a vehicle is towed as provided in GS 20-
219.10, to the local law enforcement agency having jurisdiction through calling the phone number
designated by the local law enforcement agency having jurisdiction (was, provide the specified
information to the local 911 call center). Makes conforming changes, replacing the local 911 call center
with local law enforcement agency having jurisdiction. Updates the act's titles.

**Summary date:** Jun 12 2013

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

Changes the long title.

Deletes all of the provisions of the previous edition.

Enacts GS 20-219.20 in new Article 7A, of GS Chapter 20, titled *Notification of Towing*, requiring a tower
that is towing a vehicle at the request of a person other than the owner or operator to provide the
following information to the local law enforcement agency having jurisdiction before moving the
vehicle:

(1) a description of the vehicle,

(2) the place the vehicle was towed from,

(3) the place where the vehicle will be stored, and

(4) the contact information for the person from whom the vehicle owner may retrieve the vehicle.

Provides that if the vehicle is impeding the flow of traffic or otherwise jeopardizing the public welfare so
that immediate towing is necessary, the notice to the local law enforcement agency can be provided
within 30 minutes of moving the vehicle rather than before moving the vehicle. If a caller to the local
law enforcement agency can provide the information required under (1) and (2) found above, then the
local law enforcement agency must provide to the caller the information provided under (3) and (4).
Requires the local law enforcement agency to keep the information required under this subsection for
no less than 30 days from the date on which the tower provided the information. Provides that the
above provisions will not apply to vehicles that are towed at the direction of a law enforcement officer
or to vehicles removed from a private lot where signs are posted in accordance to GS 20-219.2(a).
Provides for a $100 fine for a violation of the above provisions.
Amends 20-219.2, *Removal of unauthorized vehicles from private lots*, requiring that the signs required to be posted pursuant to this section must be legible and at all entrances. Also provides that the provisions of the statute are not effective until 72 hours after the required signs are posted. Provides that the act is effective December 1, 2013, and applies to violations committed on or after that date.

**Summary date:** Jul 8 2013


**SL 2013-242**

**PROTECT/PROMOTE LOCALLY SOURCED BLDG. MTRL'S.**

**Bill H 628**

**Summary date:** Apr 9 2013

Amends GS 143-135.37 (*Energy and water use standards for public major facility construction and renovation projects; verification and reporting energy and water use*), providing that to achieve sustainable building standards, construction projects can utilize a nationally recognized high performance environmental building rating system provided that such system (1) does not use a material or product-based credit system disadvantaging materials or products from NC; (2) gives certification credits equally to forest products grown, manufactured, and certified under the Sustainable Forestry Initiative, the American Tree Farm System, and the Forest Stewardship Council; (3) is developed in conformity with American National Standards Institute procedures; and (4) must either be approved as American National Standards or developed by a designator audited by the American National Standards Institute.

**Summary date:** May 7 2013

House committee substitute to the 1st edition make the following changes. Makes a clarifying change. Provides that the act applies to construction and renovation projects for which the bidding process is initiated on or after the date that the act becomes law.

**Summary date:** May 13 2013

House amendment to the 2nd edition makes the following changes. Changes the act's effective date from when the act becomes law to October 1, 2013.

**Summary date:** Jun 11 2013
Senate committee substitute makes the following changes to the 3rd edition.

Amends the short and long title of this act.

Deletes changes to subsection (b) of GS 143-135.37, which permitted a construction project to use a nationally recognized high-performance environmental building rating system meeting certain qualifications to achieve sustainable building standards. Instead, adds two new subsections, (a1) and (f), to GS 143-135.37.

Enacts new subsection (a) to provide that the requirements of GS 143-135.37 only apply to a major facility construction or renovation project if the Department of Administration determines that the application of the requirements to the project will result in an anticipated net savings. Defines what constitutes an anticipated net savings. Specifies that all third-party certification costs are to be included in determining construction and operating costs.

Enacts new subsection (f) authorizing a major facility construction or renovation project to use a building rating system to achieve sustainable building standards as required by this section, providing that the rating system meets four specified criteria.

**Summary date:** Jun 17 2013

Senate amendment makes the following changes to the 4th edition. Makes renovation projects that (1) include guaranteed energy savings contracts as defined by GS 143-64.17, and are (2) executed in accordance with the provisions of Part 2 of Article 3B of GS Chapter 143, exempt from the net savings requirements of new subsection (a1) of GS 143-135.37.

**Summary date:** Jul 8 2013

AN ACT TO REQUIRE NET SAVINGS IN ASSOCIATION WITH MAJOR FACILITY CONSTRUCTION AND RENOVATION PROJECTS AND PROTECT USE OF NORTH CAROLINA PRODUCTS IN MAJOR FACILITY CONSTRUCTION AND RENOVATION PROJECTS UNDER THE SUSTAINABLE ENERGY-EFFICIENT BUILDINGS PROGRAM. Enacted July 3, 2013. Effective October 1, 2013, and applies to construction and renovation projects for which the bidding process is initiated on or after that date.

**SL 2013-243**

**FORFEITURE FOR SPEEDING TO ELUDE REVISIONS.**

**Bill H 656**

**Summary date:** Apr 10 2013

Provides that GS 20-28.2 applies to forfeiture of a motor vehicle for felony speeding to elude arrest. Clarifies that an acknowledgment as defined in subsection (a1) of this section is an "impaired driving acknowledgement." Adds a definition for a speeding to elude arrest acknowledgement. Amends the
definition for innocent owner to distinguish between a motor vehicle seizure resulting from an impaired driving offense and one resulting from a felony speeding to elude arrest offense.

Adds new subsection (b2) to provide that a judge may determine if the vehicle driven at the time of an offense becomes subject to an order of forfeiture at any of the following times: (1) a sentencing hearing for the underlying felony speeding to elude arrest offense, (2) a separate hearing after the defendant's conviction, and (3) a forfeiture hearing held at least 60 days after the defendant failed to appear at the trial for the underlying offense and the order of arrest for failure to appear has not been set aside. Provides that a vehicle becomes subject to an order of forfeiture if the greater weight of the evidence shows that the defendant is guilty of felony speeding to elude arrest under GS 20-141.5(b), regarding aggravating factors at the time of the violation, or subsection (b1), regarding a violation of subsection (a) of GS 20-141.5 as the proximate cause of the death of any person.

Amends GS 20-28.3 to direct the seizing officer to notify the Division of Motor Vehicles (DMV) no more than 24 hours after the seizure of the motor vehicle. Requires the DMV to issue written notification of the seizure to any lienholder of record and to any motor vehicle owner who was not operating the motor vehicle at the time of the offense. Makes the DMV responsible for notifications previously designated as the responsibility of the executive agency as designated by the Governor under subsection (b1).

Distinguishes provisions for pretrial release of a motor vehicle to a defendant owner if the seizure was for an impaired driving offense or for a felony speeding to elude arrest offense. Provides that if the underlying offense resulting in the seizure is felony speeding to elude arrest under GS 20-141.5(b) or (b1) and the defendant's conviction is for misdemeanor speeding to elude arrest under GS 20-141.5(a), regardless as to whether the reduced charge is due to a plea agreement, the defendant will be ordered to pay restitution to the county board of education, the motor vehicle owner, or the lienholder the cost paid or owing for the towing and storage of the motor vehicle.

Amends GS 20-28.8 to require the clerk of superior court to make an electronic report to the DMV of the execution of an impaired driving acknowledgment or a speeding to elude arrest acknowledgment. Amends GS 20-54.1 to add subsection (a1) requiring that the DMV revoke the registration of all motor vehicles registered in the name of a person convicted of felony speeding to elude arrest under GS 20-141.5(b) or (b1) and prohibits registering a motor vehicle in the convicted person's name until that person's license is restored. Requires a convicted person to surrender the registration on all motor vehicles registered in that person's name within 10 days of receiving notice of the revocation of registration from the DMV.

Repeals subsections (g) through (j) of GS 20-141-5 (Speeding to elude arrest; seizure and sale of vehicles.)

Makes conforming changes to reflect the inclusion of felony speeding to elude arrest as an offense for which there may be a forfeiture of a motor vehicle to GS 20-28.2, 20-28.3, and 20-28.4(a). Makes a conforming change, adding a new subsection to GS 20-141.5. Makes clarifying and technical changes.
Effective December 1, 2013, and applies to offenses committed on or after that date.

**Summary date:** May 1 2013

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

Amends GS 20-28.2(e), providing that no motor vehicle subject to forfeiture under this section will be released to a nondefendant motor vehicle owner if the records of the Division indicate the motor vehicle owner had previously signed an impaired driving acknowledgment or a speeding to elude arrest acknowledgment, as required by this section, and the same person was operating the motor vehicle at the time of the current seizure (was, while the person's license was revoked), unless the innocent owner meets specified evidentiary standards.

Amends GS 20-28.3(e), making a correction to a statute reference, replacing a reference to GS 20-28.3(c) with GS 20-28.2(c).

Amends GS 20-28.3(e2), making a clarifying change, substituting "subdivision" for "subsection" in three locations. Deletes GS 20-28.3(e2)(2)(c), which allowed the release of a vehicle as a result of executing a speeding to elude arrest acknowledgement, as described in GS 20-28.2(a1)(1a).

**Summary date:** Jun 17 2013

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

Amends the definition section of GS 20-28.2, providing that the definitions of the included terms also apply to GS 20-54.1 and 20-141.5. Makes a technical change. Amends part of the definition for *innocent owner*, providing that an innocent owner is a motor vehicle owner who is (i) a rental car company as defined in GS 66-201(a), and the vehicle was driven by a person who is not listed as an authorized driver on the rental agreement, as defined in GS 66-201; or (ii) is an authorized driver and if the offense resulting in seizure was an impaired driving offense, the rental car company has no actual knowledge of the revocation of the renter's drivers' license at the time the rental agreement is entered, or if the offense resulting in seizure was a felony speeding to elude arrest offense, the rental agreement expressly prohibits use of the vehicle while committing a felony (previously, a motor vehicle owner who is in the business of renting vehicles, and the vehicle was driven by a person who is not listed as an authorized driver on the rental contract).

**Summary date:** Jul 8 2013

AN ACT TO REVISE THE LAWS GOVERNING THE SEIZURE, FORFEITURE, AND SALE OF MOTOR VEHICLES USED BY DEFENDANTS IN FELONY CASES INVOLVING SPEEDING TO ELUDE ARREST. Enacted July 3, 2013. Effective December, 1, 2013, and applies to offenses committed on or after that date.
WORTHLESS CHECK/PRESENT CASHED CHECK.

Bill H 784

Summary date: Apr 12 2013

Amends GS 6-21.3(a), providing that any person, firm, or corporation that knowingly draws, makes, utters, or issues and delivers to another any check that has previously been presented and honored for the payment of money or its equivalent will be liable to the payee for the following: (1) the amount owing on the check, the service charges, and processing fees and (2) additional damages of three times the amount owing on the check, not to exceed $500 or to be less than $100.

Sets out the procedure for demanding the damages, including initial and subsequent demand letters and steps that can be taken after the sending of or failure of the demand letters.

Amends GS 6-21.3(d), establishing that the remedies provided in this section also apply to checks that have been presented with the knowledge that the check had previously been presented and honored for the payment of money or its equivalent (previously, only applied to checks that were drawn, made, uttered or issued with the knowledge there were insufficient funds in the account).

Amends GS 14-107 (Worthless checks; multiple presentment of checks), providing that it is illegal for any person, firm or corporation, to draw, make, utter or issue and deliver to another, any check or draft on any bank or depository, for the payment of money or its equivalent, or to solicit, aid, or abet another person, firm or corporation to do the same when, knowing at the time, the check has been previously presented for the payment of money or its equivalent. Such a violation is a Class 1 felony if the amount of the check or draft is more than $2,000, if less, then it is a misdemeanor, punishable as specified (previously, the provisions of this section only applied to checks that were drawn, made, uttered or issued with the knowledge there were insufficient funds in the account).

Effective December 1, 2013 and applies to offense committed on or after that date.

Summary date: May 6 2013

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

Amends GS 6-21.3 to allow a check or draft that is refused by a bank or depository that is stamped or marked or with an attachment to be submitted as evidence for the remedy provided in the statute if, in the regular course of business, it is business stamped, marked, or with an attachment that indicates the reason for the dishonor; lists terms that may be used to indicate the reason for dishonor.

Amends GS 14-107.1(e) to make conforming changes, listing a number of terms that may be used to indicate the reason for dishonor.

Amends that act's long title.
Senate committee substitute makes the following changes to the 2nd edition.

Amends GS 6-21.3, making clarifying changes, providing that a check or draft by a bank or depository, or the image of that check or draft, can be submitted as evidence for the remedy provided in the statute, if the bank or depository has returned it in the regular course of business stamped, marked, or with an attachment which indicates the reason of dishonor using certain terms, with examples given (previously, allowed a check, draft, or image of such that was refused by a bank or depository that is stamped or marked or with an attachment to be submitted as evidence for the remedy provided in the statute if, in the regular course of business, it is business stamped, marked, or with an attachment that indicates the reason for the dishonor; lists the same terms that may be used to indicate the reason for dishonor).

Summary date: Jun 18 2013

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

Amends GS 6-21.3(e) and GS 14-107.1(e), deleting the words "wrong bank" from the nonexhaustive list of reasons which indicate that a check or draft is dishonored.

Summary date: Jul 8 2013

AN ACT TO PROVIDE THAT THE REMEDIES AND PENALTIES FOR WORTHLESS CHECKS ALSO APPLY WHEN A CHECK THAT HAS BEEN PAID IN FULL IS PRESENTED AGAIN FOR PAYMENT AND TO PROVIDE THAT CHECKS REFUSED TO BE HONORED BY A BANK MAY BE SUBMITTED AS EVIDENCE IF THEY ARE STAMPED OR MARKED WITH ONE OF A NUMBER OF DIFFERENT LISTED TERMS. Enacted July 3, 2013. Effective December 1, 2013, and applies to offenses committed on or after that date.

SL 2013-245

COST-SHARING/TRANSPORTATION IMPROVEMENTS.

Bill H 785

Summary date: Apr 12 2013

Amends GS 136-28.6 to authorize the Department of Transportation (DOT) to create a statewide pilot program to participate in cost-sharing for transportation improvements and allows DOT to create a fair share allocation formula and other procedures to facilitate the pilot program. Require the formula to uniformly determine the value of transportation improvements and apportion these costs among applicable parties. Allows transportation improvement projects developed under the pilot program to provide for ingress and egress to new additional private development before acceptance of the improved portion of the roads constructed providing access to the development by the State or local government for maintenance as a public street or highway. For the purposes of this pilot program, funds
collected by DOT may be administered and managed in the same way as a public enterprise improvement. Requires DOT to report on the pilot program to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division of the Legislative Services Commission no later than the convening date of the 2021 regular session of the General Assembly. Effective July 1, 2013.

**Summary date:** May 7 2013

House committee substitute to the 1st edition makes the following changes. Deletes provisions concerning the pilot program and provides the following. Allows the Department of Transportation (DOT) to create a statewide pilot program for cost-sharing with private developers for transportation improvements in circumstances where the nature of the developer-constructed facilities are atypical in size, scope, or complexity. Requires the creation of Cost Sharing Project Boundary Delineation that identifies the properties captured in the pilot program that would be affected by the developer-constructed facilities. Allows for the creation of an allocation formula that allows for the initial developer to be reimbursed as secondary developers impact the system. Limits reimbursements to payments from a developer constructing transportation improvements at the time of driveway permit approval. Provides that nothing in the statute obligates DOT to custodial responsibility for managing or distributing monies in the application of the program. Retains the reporting requirement and effective date from the 1st edition.

**Summary date:** Jun 12 2013

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

Amends new subsection (j) to GS 136-28.6 to authorize the Department of Transportation (DOT) to create a statewide pilot program for participation in cost-sharing for transportation improvements in connection with driveway permits (was, authorized the DOT to create a statewide pilot program for cost-sharing with private developers for transportation improvements under certain circumstances). Authorizes the DOT to create a fair share allocation formula and other procedures to facilitate the pilot program. Requires the formula to uniformly determine the value of transportation improvements and apportion these costs, on a project-by-project basis, among applicable parties including the DOT and private property developers (was, required the allocation formula to apportion costs equitably among the private property developers based on the value of the transportation improvement they have constructed). Provides that the transportation improvement projects developed under the pilot program may include the provision of ingress and egress to new private development prior to the acceptance of the improved portion of the roads constructed to provide access to the development by the state or local government for maintenance as a public street or highway.

Amends new subsection (k) to delete language limiting reimbursements to payments from a developer constructing transportation improvements at the time of the driveway permit approval.

Provides that the bill does not require that DOT assume custodial responsibility for managing or distributing funds in the application of this program. Also provides that this act does not require a
private developer to participate in the pilot program in order to obtain a driveway permit or other approval from DOT or any local government. Requires DOT to report on the pilot program to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division of the Legislative Services Commission no later than the convening date of the 2021 Regular Session of the General Assembly.

Adds a new Section 2 to this act, which allows DOT to create and study a statewide pilot program for contracted services cost savings for the 2013-14 budget cycle. Requires DOT to make efforts to reduce their existing maintenance, repair, operation, and service costs by at least 10% by implementing cost-effective and streamlined procurement strategies, as the act provides. Specifies steps that DOT must take to obtain the required reduction. Specifies facility maintenance, repair, operation, and service contracts that may be subject to the section's requirements. Requires DOT to report to the Joint Legislative Transportation Oversight Committee, the Fiscal Research Division, and the Governor by December 31, 2014. Provides that if DOT achieves the savings provided for in the act, DOT may retain the saved funds and use the funds for any authorized purpose.

Summary date: Jun 17 2013

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

Amends Section 2 of the act, regarding DOT’s authorized study of a statewide pilot program for contracted services cost savings for the 2013-14 budget cycle, providing that the DOT must study methods to reduce their existing maintenance, repair, operation, and service costs by at least 10% (previously, the DOT was required to make every effort to reduce their existing maintenance, repair, operation, and service costs by at least 10%). Requires DOT to report its findings to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Transportation Oversight Committee on or before April 1, 2014. Sets out the topics and items the DOT must investigate and study in order to determine whether cost reductions can be achieved (previously, set out the specific steps that DOT was required to take to obtain the required reduction).

Deletes paving from the specified list of services that can be subject to the requirements of this act.

Changes the date of the required report to the Joint Legislative Transportation Oversight Committee, the Fiscal Research Division, and the Governor to December 31, 2015 (was, December 31, 2014).

Provides that if the DOT achieves savings provided for in the act, then DOT must retain the funds saved (was, may retain) and can use the funds for any purpose authorized by applicable law.

Summary date: Jul 8 2013

AN ACT TO CREATE A STATEWIDE PILOT PROGRAM TO ENABLE COST-SHARING FOR TRANSPORTATION IMPROVEMENTS AND TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION TO CREATE A STATEWIDE PILOT PROGRAM FOR CONTRACTED SERVICES COST-SAVINGS. Enacted July 3, 2013. Effective July 1, 2013.
EXPAND PHARMACISTS' IMMUNIZING AUTHORITY.

Bill H 832

Summary date: Apr 11 2013

Identical to S 500, filed 3/27/13.

Enacts new GS 90-85.15B in Article 4A of GS Chapter 90 to authorize a pharmacist to administer any vaccine or immunization recommended or required by the Centers for Disease Control and Prevention, provided the pharmacist follows the listed limitations and requirements. Prohibits immunizations to patients under the age of 18.

Deletes the description of practice of pharmacy in GS 90-85.3(r) and incorporates those provisions into new GS 90-85.3A. Makes a conforming change.

Makes conforming changes to GS 130A-153 and 130A-154(a) (pertaining to immunizations under the Public Health Law).

Specifies the rule that governs the administration of specified vaccines by an immunizing pharmacist. Requires the NC Medical Board, in cooperation with the NC Board of Pharmacy, to amend another specified rule to give immunizing pharmacists the authority to administer the flu vaccine to patients under age 14.

Effective July 1, 2013.

Summary date: May 9 2013

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

Amends GS 90-85.15B, Immunizing pharmacists, providing that except as provided in subsection (b), an immunizing pharmacist can administer vaccinations or immunizations only if the vaccinations or immunizations are recommended or required by the Centers for Disease Control (CDC) and administered to persons at least 18 years old pursuant to a specific prescription order. Sets out the specific vaccinations or immunizations that can be administered and the written protocols and regulations that must be adhered to in the administering of the vaccinations or immunizations. Also provides that the pharmacist cannot administer specified tetanus- or pertussis-related shots if the patient discloses that he or she has an open wound, puncture, or tissue tear. Makes clarifying changes.

Deletes proposed changes to GS 130A-154(a).

Deletes Section 7 of the act, which specified the rule that governs the administration of the flu, pneumococcal and zoster vaccines by an immunizing pharmacist.

Directs specified special interest groups to cooperate and collaborate on recommending minimum standards for screening questionnaires and safety procedures for written protocols for the
administration of vaccinations or immunizations under GS 90-85.15B(b). Sets outs the procedures and different time requirements for completing such.

**Summary date:** May 13 2013

House amendment makes the following change to the 2nd edition. Makes a technical correction to new GS 90-85.15B.(3) to delete an extraneous preposition.

**Summary date:** Jun 19 2013

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

Amends new GS 90-85.3A(c) to provide that an *immunizing pharmacist* is authorized and permitted to administer drugs under rules designed to ensure the safety and health of patients that have been adopted by the Board of Pharmacy, the Board of Nursing, and the North Carolina Medical Board, in addition to the immunizing pharmacist's authority to administer drugs under GS 90-85.15B.

Amends GS 90-85.15B to provide that an immunizing pharmacist may administer the following vaccinations or immunizations to persons at least 18 years of age (previously, was not age specific): (1) pneumococcal polysaccharide or pneumococcal conjugate vaccines; (2) herpes zoster vaccine; (3) hepatitis B vaccine; (4) meningococcal polysaccharide or meningococcal conjugate vaccines; and (5) tetanus-diphtheria, tetanus and diphtheria toxoids and pertussis, tetanus and diphtheria toxoids and acellular pertussis, or tetanus toxoid vaccines. Authorizes an immunizing pharmacist to administer the influenza vaccine to persons at least 14 years of age under 21 NCAC 46.2507 and 21 NCAC 32U.0101. Makes an exception to the mandate that an immunizing pharmacist record a vaccine or immunization in the North Carolina Immunization Registry (Registry) within 72 hours after its administration, providing that if the Registry is not operable, an immunizing pharmacist may record the administering of any vaccine or immunization as soon as reasonably possible.

Provides that regardless of the provisions of Sections one through five of this act and any other provisions of law, pharmacists qualified to administer influenza, pneumococcal, and zoster vaccines before the effective date of this act may continue to administer these vaccines in accordance with the provisions of 21 NCAC 46.2507 until June 30, 2014, including administration to individuals at least 14 years old.

Provides that Sections 1 through 5 of this act become effective October 1, 2013, and the remainder of the act is effective when it becomes law (was, the act became effective July 1, 2013).

**Summary date:** Jul 8 2013

AN ACT TO PROTECT THE PUBLIC’S HEALTH BY INCREASING ACCESS TO IMMUNIZATIONS AND VACCINES THROUGH THE EXPANDED ROLE OF IMMUNIZING PHARMACISTS. Enacted July 3, 2013. Sections 1 through 5 are effective October 1, 2013. The remainder is effective July 3, 2013.
Deletes Part 30 of GS Chapter 143B, Article 3, which established the state schools for hearing-impaired children in the cities of Wilson and Morganton.

Enacts a new Article 9C in GS Chapter 115C to make the State Board of Education (SBE) the sole governing agency for the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf collectively identified as the "residential schools" for the purposes of new Article 9C. Directs the SBE to adopt rules to carry out all duties and responsibilities of this article, specifying that the rules should minimally include (1) codes of conduct and appeals provisions for students, (2) policies and procedures for academic performance and academic discipline, and (3) rules setting reasonable fees and charges for extracurricular activities and athletics. Exempts the SBE from the provisions of GS Chapter 150B in adopting these rules but does require the SBE (1) to give notice of the adoption of the rules 30 days in advance of their adoption and (2) to provide an opportunity for comment by interested parties.

Amends GS 143B-146.1(b)(4) to define participating school to mean a residential school, except as otherwise provided in proposed Article 9C of GS Chapter 115C, that is required to participate in the ABCs program.

Amends GS 143B-146.2(a) to delete requirement that the Governor Morehead School and the schools for the deaf participate in the ABC's Program. Provides that the Secretary of Health and Human Services (Secretary), in consultation with the General Assembly and the SBE, may designate residential schools (was, other residential schools) that must participate in the ABC's program.

Provides that the Secretary is to evaluate the principal (was, the Secretary or the Superintendent). Makes it the duty of the principal to notify the Secretary (was, Secretary or Superintendent) of any report made to law enforcement under this section. Deletes requirement that Secretary adopt policies and offer training to ensure that personnel offering direct services to children attending schools for the deaf become proficient in sign language. Makes additional conforming changes.

Provides that unless rules adopted under repealed Article 30 or any statutory provisions of GS Chapter 143B prior to being amended in this act are inconsistent with the provisions of proposed Article 9C, those rules are to remain in effect until they are superseded by rules adopted under Article 9C of GS Chapter 115C as enacted by Section 2 of this act. Confers continued responsibility for maintenance and repair of grounds and facilities and providing utilities for the Governor Morehead School on the Department of Health and Human Services (DHHS). Also provides that DHHS is to continue its responsibility for information technology support for the Eastern NC School for the Deaf, the NC School for the Deaf, and the Governor Morehead School.
Senate committee substitute makes the following changes to the 1st edition.

Repeals GS 115C-383 regarding school attendance of deaf and sight-impaired children. Also repeals Part 9A, *State School for Sight-Impaired Children*, of Article 3 of GS Chapter 143B.

Changes the title of new Article 9C in GS Chapter 115C to *Schools for Students with Visual and Hearing Impairments* (was, *Residential Schools for Visually Impaired and Hearing Impaired Students*). Makes the Department of Public Instruction (DPI) responsible for the administration and oversight of schools governed under new Article 9C (was, designated the State Board of Education as responsible for administration and oversight as well as the sole governing agency for these schools).

Clarifies that except as may be otherwise provided, the requirements of GS Chapter 115C apply to the schools governed by Article 9C (the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf). Limits free tuition, room, and board at a school governed under Article 9C to children who are residents of North Carolina.

Makes conforming changes to GS 143B-138.1(b). Amends GS 143B-146.1(b) to add a definition for *residential school* as a school operated by the Department of Health and Human Services (DHHS) that provides residential services to students. Excludes schools operated under new Article 9C of GS Chapter 115C from this definition of *residential school* for the purposes of this Part. Makes a conforming change to the definition for a *participating school*.

Provides that unless they are inconsistent with the provisions of Article 9C of GS Chapter 115C, the rules governing the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf and adopted under former Part 9A or Part 30 of Article 3 of GS Chapter 143B, or any other provisions of Chapter 143B prior to amendment by this act, remain in effect until they are superseded by rules adopted under Article 9C of GS Chapter 115C as enacted by Section 2 of this act.

Provides that notwithstanding GS 143C-6-4, DPI may reorganize staffing of the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf to meet needed functions (was, authorized the State Board of education to make any needed organizational changes).

Provides that DHHS may enter into a memorandum of understanding with DPI for DPI to assume responsibility for information technology support and repair and maintenance of grounds and facilities for the schools governed under Article 9C of GS Chapter 115C.

Directs DPI to study and develop recommendations on educational options, including residential services, for students with visual and hearing impairments. Requires DPI to report its findings and recommendations to the Joint Legislative Education Oversight Committee (Committee) on or before January 1, 2014.
Before the initial adoption of the rules required by Section 2 of this act, directs DPI and the State Board of Education to present a draft of the proposed rules to the Committee on or before January 1, 2014.

**Summary date:** Jul 8 2013


**SL 2013-248**

**HOOKERTON/MAYSVILLE SATELLITE ANNEXATIONS.**

**Bill S 177**

**Summary date:** Mar 4 2013

Amends GS 160A-58.1(b)(5) to add Hookerton and Maysville to the list of towns and cities exempt from the cap on satellite annexations.

**Summary date:** Jul 10 2013

AN ACT TO REMOVE CERTAIN RESTRICTIONS ON SATELLITE ANNEXATIONS FOR THE TOWNS OF HOOKERTON AND MAYSVILLE. Enacted July 9, 2013. Effective July 9, 2013.

**SL 2013-249**

**WS/FC SCHOOL BOARD VACANCIES.**

**Bill H 196**

**Summary date:** Feb 28 2013

Amends Section 2(a)(5)(iv) of SL 1961-112, providing that vacancies occurring during a term of office will be filled by appointment by the remaining members of the Winston-Salem/Forsyth County Board of Education for the unexpired term (previously, vacancies occurring were filled by the Board of Commissioners of Forsyth County).

**Summary date:** Jul 10 2013

SL 2013-250

WINSTON-SALEM/SEISMIC CODES.

Bill H 318

Summary date: Mar 14 2013

Identical to S 296, filed 3/13/13.

Provides that in Forsyth County only, requirements for seismic upgrades to Occupancy Category IV do not apply to structures occupied by an emergency preparedness communications and operations center for less than five years while the structure ordinarily occupied by the center is undergoing seismic upgrades to Occupancy Category IV. Expires June 30, 2018.

Summary date: Jun 25 2013

Senate committee substitute to the 1st edition provides that the act applies to Winston-Salem and Forsyth County (was, Forsyth County only).

Summary date: Jul 10 2013

AN ACT TO EXEMPT FROM SEISMIC UPGRADE REQUIREMENTS A TEMPORARY OCCUPANCY BY AN EMERGENCY OPERATIONS CENTER TO ALLOW SIMILAR UPGRADES TO BE PERFORMED ON THE BUILDING PERMANENTLY HOUSING THE CENTER. Enacted July 9, 2013. Effective July 9, 2013, and expires June 30, 2018.

SL 2013-251

BUNCOMBE CTY LOTTERY FUND USE EXPANSION.

Bill H 334

Summary date: Mar 19 2013

Amends SL 1983-134, as amended, to require that unencumbered revenue distributed to Buncombe County under GS 105-472 be used to (1) finance new public school construction of any amount and public school improvement and renovation projects estimated to cost more than $100,000 at any one location, (2) retire any indebtedness incurred by the county after July 1, 1983 for these purposes, or (3) provide for digital learning needs. Makes conforming changes.

Summary date: Jun 25 2013

Senate committee substitute to the 1st edition deletes the provisions of the 1st edition and replaces it with the following. Amends GS 115C-546.2(d) to allow Buncombe County to use lottery funds for digital
learning needs. Effective when the act becomes law and applies only to unencumbered funds received by Buncombe County before that date. Amends the act's titles.

**Summary date:** Jul 10 2013

AN ACT AUTHORIZING BUNCOMBE COUNTY TO USE SOME LOTTERY FUNDS TO EXPAND DIGITAL LEARNING IN THE PUBLIC SCHOOLS. Enacted July 9, 2013. Effective July 9, 2013, and applies only to unencumbered funds received by the county prior to that date.

**SL 2013-252**

AMEND GREENSBORO FIRE RETIREMENT/CHARTER.

**Bill H 347**

**Summary date:** Mar 19 2013

Amends SL 1953-899, as amended, to provide that the general administration and responsibility for the operation of the supplemental retirement system vests in the Board of Trustees of the Firefighters' Relief Fund of the City of Greensboro (Relief Fund Board) as appointed under GS 58-84-30. Deletes requirement that the Relief Fund Board pay all the funds entrusted to the Relief Fund Board in excess of $10,000 to the Board of Trustees of the Greensboro Firemen's Supplemental Retirement System (Supplemental Retirement Board) on July 1 annually. Instead, directs the Relief Fund Board to pay those funds into the Supplemental Retirement System.

Abolishes the Supplemental Retirement Board and provides that its members serve as ex officio, nonvoting members of the Relief Fund Board. Deletes provisions establishing the Supplemental Retirement Board. Makes stylistic changes to insert gender neutral language, substituting firefighters for firemen as applicable.

**Summary date:** Jun 25 2013

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

Amends Section 5.65 (concerning the duties of the Board of Adjustment) of the Greensboro Charter, SL 1959-1137, as amended, to replace the building inspector with the compliance officer. Also amends Section 5.74 (concerning the Housing Commission) to replace the building inspector with the compliance officer.

Amends the act's short and long titles.

**Summary date:** Jul 10 2013
AN ACT TO AMEND THE GREENSBORO FIREFIGHTERS' SUPPLEMENTAL RETIREMENT SYSTEM AND TO AMEND THE CHARTER OF THE CITY OF GREENSBORO TO CHANGE CERTAIN REFERENCES FROM BUILDING INSPECTOR TO COMPLIANCE OFFICER. Enacted July 9, 2013. Effective July 9, 2013.

SL 2013-253

CAMDEN LOCAL STORMWATER FEES.

Bill H 404

Summary date: Mar 21 2013

Amends SL 2012-55, Section 1, as the title indicates.

Summary date: Jul 10 2013

AN ACT TO ALLOW CAMDEN COUNTY TO COLLECT DELINQUENT STORMWATER UTILITY FEES IN THE SAME MANNER AS DELINQUENT PERSONAL AND REAL PROPERTY TAXES. Enacted July 9, 2013. Effective July 9, 2013.

SL 2013-254

ROBESON COUNTY DRAINAGE DISTRICT.

Bill H 441

Summary date: Mar 26 2013

Provides that the Board of Drainage Commissioners of Robeson County Drainage District Number One (Board) consists of four members, serving four-year terms. Provides that the terms of the current members expire when the act becomes law and appoints the new commissioners. Provides for the appointment of successors. Allows the Board to assign duties, by resolution, for a particular watershed to the two persons serving that watershed.

Summary date: Apr 22 2013

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

Makes technical corrections. Also modifies the provisions regarding the composition of the Board of Drainage Commissioners of Robeson County Drainage District Number One to provide that the three current members serve out the remainder of their terms (was, provided that those terms expire when this act becomes law). Provides that a fourth member is to be appointed to serve until September 30, 2016 (was, a fourth member appointed by the clerk of superior court of Robeson County for a term that
expires on September 30, 2015). Provides that two members are to serve the Jacob Swamp Watershed and two are to serve the Black Swamp Watershed. Deletes specified appointments.

**Summary date:** Jun 25 2013

Senate committee substitute to the 2nd edition makes the following changes. Provides that if a vacancy on the Board of Drainage Commissioners of Robeson County Drainage District Number One occurs because of death, resignation, or otherwise, the remaining members are to discharge the necessary board duties until the vacancy is filled. If the vacancy is in the office of chairman or secretary, the remaining members may elect a secretary and the clerk must appoint one of the remaining members to act as chairman to hold office until the board vacancy is filled.

**Summary date:** Jul 10 2013

AN ACT TO INCREASE THE MEMBERSHIP OF THE BOARD OF DRAINAGE COMMISSIONERS OF ROBESON COUNTY DRAINAGE DISTRICT NUMBER ONE FROM THREE PERSONS TO FOUR PERSONS AND TO ALLOW TWO OF THEM TO SERVE EACH WATERSHED WITHIN THE DISTRICT. Enacted July 9, 2013. Effective July 9, 2013.

**SL 2013-255**

**EDGECOMBE COUNTY OCCUPANCY TAX AUTHORIZATION.**

**Bill H 529**

**Summary date:** Apr 2 2013

Authorizes the Edgecombe County Board of Commissioners to levy a room occupancy tax of up to 6%. Provides that both taxes must be levied, administered, collected, and repealed as provided in GS 153A-155 (Uniform provisions for room occupancy taxes). Requires the Edgecombe County Tourism Development Authority (TDA) to use at least two-thirds of the occupancy tax proceeds to promote travel and tourism in the county and the remainder for other tourism-related expenditures. Mandates that at least one-third of the TDA’s members must be affiliated with businesses that collect the tax in the county and at least one-half must be currently active in the county’s travel and tourism promotion. Makes conforming changes to GS 153A-155.

**Summary date:** Jul 10 2013

AN ACT TO AUTHORIZE EDGECOMBE COUNTY TO LEVY AN OCCUPANCY TAX. Enacted July 9, 2013. Effective July 9, 2013.
SL 2013-256

EASTERN REGION/DISBURSEMENT OF FUNDS.

Bill H 107

Summary date: Feb 14 2013

Amends GS 158-41 to allow a county withdrawing from the Eastern Region to receive its portion of temporary vehicle registration tax proceeds, which must be used for economic development purposes (previously, counties could not receive early distribution but could receive a share of Region assets, as specified). Effective July 1, 2013.

Summary date: May 16 2013

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

Changes the short and long title.

Deletes the provisions of the 1st edition in its entirety and makes the following proposed changes.

Enacts a new subsection GS 158-42(g), regarding disbursement of tax proceeds, providing that the North Carolina's Eastern Region (Region) will disburse to a participating county, after receipt of a resolution adopted by the county's board of commissioners, its net share of tax proceeds which have been placed in trust. A county's net share is the total amount in the trust attributable to that county, less the total amount of outstanding loans from the Region and less any amount attributable to an appropriation made to the Region by the General Assembly. A resulting negative amount results in the county not being entitled to a disbursement. Disbursed funds can only be used for economic development purposes, as described in this subsection.

Repeals GS 158-41(a) concerning withdrawal from the Region.

Effective July 1, 2013.

Summary date: May 16 2013

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

Amends GS 158-42(g), providing that upon accepting the disbursement of funds provided for in this section, the county will be removed from the Region.

Adds new Section 2.1, providing that this act only applies to Craven County.

Summary date: Jun 26 2013

Senate committee substitute to the 3rd edition makes the following changes. Amends GS 158-42 to delete the provision removing a county from the Region upon acceptance of the disbursement.
Expands the scope of the act so that it also applies to Carteret, Duplin, Edgecombe, Greene, Jones, Lenoir, Nash, Onslow, Pamlico, Pitt, Wayne, and Wilson counties.

Summary date: Jul 11 2013


SL 2013-257

ROANOKE RAPIDS GRADED SCHOOL DISTRICT.

Bill H 546

Summary date: Apr 3 2013

Amends SL 2006-87, Section 7, to provide that the trustees of the Roanoke Rapids Graded School District are to elect a chairperson at the first meeting in December after the election to serve for the two following years until the successor is elected (was, unless the present chairman's term has not expired). Amends language to make references to the chair gender neutral.

Summary date: Jul 11 2013


SL 2013-258

GUARDIANSHIP ROLES OF MHDDSA PROVIDERS.

Bill H 543

Summary date: Apr 3 2013

As the title indicates.

Summary date: Apr 24 2013

House committee substitute to the 1st edition makes the following changes. Amends GS 35A-1213(f) to provide that an individual who contracts with or is employed by an entity that contracts with an LME for the delivery of mental health, developmental disabilities, and substance abuse services may not serve as a guardian for a ward for whom the individual or entity is providing these services unless one of three conditions is met, including the individual is not biologically related to the ward, and was serving on
March 1, 2013 as a guardian without compensation (was, not biologically related to the ward and appointed by the court and serving as a guardian without compensation).

Adds the requirement that the Joint Legislative Oversight Committee on Health and Human Services appoint a subcommittee to examine the impact of the 1915(b)/(c) Medicaid waiver and other mental health system reforms on public guardianship services and report to the Committee on or before May 9, 2014, at which time the subcommittee terminates.

**Summary date:** Jun 5 2013

Senate committee substitute to the 2nd edition makes the following changes. Amends GS 35A-1213(c) to prohibit appointing a corporation as guardian for an individual to whom it provides mental health, developmental disabilities, or substance abuse services for compensation as part of a contractual or other arrangement with a local management entity.

Amends GS 35A-1213(f) to add a licensed therapeutic foster care provider to those that may serve as a guardian for a ward for whom the entity is providing services, where the provider is under contract with a local management entity for the delivery of mental health, developmental disabilities, and substance abuse services and is serving as a guardian as of January 1, 2013. Makes organizational and clarifying changes to the statute.

Amends the act's short and long titles.

**Summary date:** Jun 26 2013

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

Amends GS 35A-1213(f) to allow an individual contracting with or employed by an entity contracting with a LME for mental health, developmental disabilities, and substance abuse services to serve as a guardian for a ward for whom the services are provided if the person is a member of the ward's immediate family and under contract with an LME for the delivery of services and was serving as a guardian on January 1, 2013 (was, a member of the ward's immediate family, a licensed family foster care provider, or a licensed therapeutic foster care provider under contract for the delivery of services and serving as a guardian as of January 1, 2013).

**Summary date:** Jul 11 2013


**SL 2013-259**

EXCLUDE CUSTOM SOFTWARE FROM PROPERTY TAX.
Bill S 490

Summary date: Mar 27 2013


As title indicates. Amends GS 105-275(40), (Property classified and excluded from the tax base), deleting GS 105-275(40)b, which provides that the exclusion does not apply to software purchased or licensed from an unrelated person that is capitalized in the taxpayer’s books. Also deletes language referencing embedded software as it relates to software that is not included in the exclusion.

Effective for taxes imposed for taxable years beginning on or after July 1, 2013.

Summary date: May 7 2013

Senate committee substitute to the 1st edition make the following changes. Removes proposed deletions in GS 105-275 and instead amends GS 105-275 to exclude from tax the development of software or any modifications to software, whether done by the taxpayer or by a third party, to meet the customer’s specified needs. Update the act’s titles.

Summary date: Jun 19 2013

House committee substitute makes the following changes to the 2nd edition. Makes the changes to GS 105-275 effective for taxes imposed for taxable years beginning on or after July 1, 2014 (was, July 1, 2013). Provides that the changes to the statute are not be to construed to affect the interpretation of any statute that is the subject of litigation pending as of the effective date of the act or to affect any other aspect of pending litigation.

Summary date: Jul 11 2013

AN ACT TO EXCLUDE CUSTOM SOFTWARE FROM PROPERTY TAX. Enacted July 10, 2013. Section 1 is effective for taxes imposed for taxable years beginning on or after July 1, 2014. The remainder is effective July 10, 2013.

SL 2013-260

MARSHVILLE CHARTER AMENDMENT/UTILITY BILLING.

Bill H 422

Summary date: Mar 25 2013

As title indicates. Repeals Section 6.1 of the Charter of the Town of Marshville, contained in SL 2011-70.

Summary date: Jul 11 2013
AN ACT AMENDING THE CHARTER OF THE TOWN OF MARSHVILLE TO DELETE THE PROVISIONS FOR

SL 2013-261

HIGH POINT ELECTIONS/TRYON CHARTER AMENDMENTS.

Bill H 468

Summary date: Mar 27 2013

Amends Sec. 3.1 of the City of High Point's charter to change the election cycle in which municipal elections are conducted to odd-numbered years (was, even-numbered years) beginning with the 2017 election, and to change the method of electing the mayor and city council members to the nonpartisan primary (was, plurality) and election method under GS 163-294 (was, GS 163-292). For the 2014 election only, the mayor and council members would be elected for three-year terms. Requires these changes be approved by referendum in the November 2014 general election and provides for preclearance submittal if required under section 5 of the Voting Rights Act of 1965. Effective when the act becomes law unless otherwise provided.

Summary date: Apr 15 2013

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

Makes a clarifying change, providing that the referendum must be approved by the voters for the provision to elect the mayor and council members for three-year terms in the 2014 election to take effect.

Summary date: Apr 16 2013

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

Amends Section 3 of the act providing that if the changes affecting voting required by Section 1 of the act are subject to preclearance under section 5 of the Voting Rights Act of 1965, the municipal attorney for the City of High Point will submit the conduct of the referendum under this act to the Attorney General of the U.S., within 30 days of the act becoming law (was, required to submit the date of the election to the Attorney General).

Summary date: Jul 2 2013

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

Amends the short and long titles.
Deletes Section 3 of the previous edition, which dealt with the preclearance of the changes made by Section 1 of the bill affecting voting under section 5 of the Voting Rights Act. Makes conforming changes.

Amends the Charter of the Town of Tryon, which is Section 1 of Chapter 441 of the 1971 Session laws, amending language throughout the Charter to make it gender neutral.

Provides that notwithstanding GS 160A-148(1), the Board of Commissioners will appoint the Tryon town clerk but can grant the town manager the authority to direct and supervise the town clerk to the extent deemed appropriate by the board. Makes conforming changes. Provides that the town manager does not have the authority to appoint or remove the town clerk. Requires the independent audit to be conducted pursuant to GS 159-34 by a certified public accountant or a qualified public accountant certified under GS Chapter 93 (was, qualified public accountant registered under GS 93). Provides that the Tryon Planning and Adjustment Board will be comprised of seven members and two alternates. Four members and one alternate, all residents of the Town of Tryon, are appointed by the Board of Commissioners and three members and one alternate, all residents of the area outside of and within one mile of the corporate limits of Tryon, are appointed by the Board of Commissioners of Polk County. Makes conforming changes. Provides that an 80% vote of the Planning and Adjustment Board will be necessary to reverse any order, requirement, decision, or determination of any administrative official with respect to the territory outside of and within one mile of the corporate limits of the Town of Tryon.

Summary date: Jul 3 2013

Senate amendment makes the following changes to the 4th edition.

Deletes proposed changes to Article IV, Regular Election Procedure, Section 4.3, and Article XV, Claims Against the Town, Section 15.1 of the Town of Tryon Charter, which made specified language gender neutral.

Summary date: Jul 11 2013


SL 2013-262

BUNCOMBE CULTURE & REC. AUTHORITY.

Bill H 418

Summary date: Mar 21 2013
Allows Buncombe County and Asheville to, by agreement, create a Parks and Recreation Authority (Authority). The purpose of the Authority is to manage or operate parks, greenways, or recreation facilities as designated by the Board of Commissioners (Board) and City Council (Council). Provides that the Authority consists of seven members and specifies membership appointment. Appointments are for three years and provides for filling vacancies. Allows the Board or Council to transfer property to the Authority, but once an asset is conveyed to the Authority, it may not be removed from the Authority's management or control without approval by a majority of the members of the Board and Council. Establishes the Authority's powers. Authorizes the Board and Council to appropriate funds to support the Authority. Allows the Authority to establish any license and regulatory fees and charges, subject to approval by the Board and Council. Allows the county to levy a tax not to exceed $.07 on the $100 valuation of property in the county from year to year, to be used only for park and recreational purposes under the Authority's jurisdiction. Also allows, if funds are insufficient, for a question on issuing bonds to be submitted to the voters. Gives the Board and Council the power to terminate the Authority by a majority vote.

**Summary date:** May 1 2013

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

Changes the short and long titles.

Deletes the requirement that one of the members of the authority must be appointed jointly by the Board of Commissioners of Buncombe County and the City Council of Asheville.

Establishes that the purpose of the authority will also extend to the management and operation of libraries and cultural organizations (previously, the purpose only included parks, greenways, and recreation facilities).

Amends the *General Powers of the Authority* and *Funds sections*, making technical and conforming changes in order to include cultural programs and cultural organizations.

**Summary date:** May 1 2013

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

Changes the short and long title.

Establishes that Buncombe County or Buncombe County and one or more municipalities located within that county can create a Culture and Recreation Authority (Authority) (previously, only Buncombe County and the City of Asheville were authorized, by agreement, to create the Authority). Sets out the procedures for establishing the Authority, membership of the Authority, and related provisions depending on who is party to the Authority.

Amends the "Purpose of the Authority" provision, making conforming changes.
Amends the "General Powers of the Authority" provision, making conforming changes and establishing that the Authority has the power to appoint a full-time director to serve at its pleasure and sets out the duties and responsibilities of the director. Establishes that while the Authority has the power to prepare and submit an annual budget to the participating units, it is only subject to adoption by the county.

Amends the "Funds" provision, making conforming changes and establishing that, pursuant to GS 153A-149, Buncombe County can separately levy and collect an ad valorem tax in the county, not to exceed 7¢ on each $100 valuation of property. The funds raised by the tax will be maintained as a separate and special fund, used only for cultural or recreational purposes under the jurisdiction of the Authority. Also authorizes the County to issue general obligation bonds, as authorized by the Local Government Bond Act of the NC General Statutes.

Amends the "Fiscal Accountability" provision, making conforming changes.

Amends the "Termination" provision, making clarifying and conforming changes.

**Summary date: Jun 18 2013**

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

Amends the provisions regarding the creation of the Culture and Recreation Authority, providing that the Authority can initially be created by only Buncombe County by ordinance (previously, provided for the creation of the Authority by the county or by the county and one or more municipalities located within the county). Makes conforming changes regarding the changes to the creation of the Authority. Provides that the Authority can be expanded by adding additional municipalities no earlier than 24 months after the creation of the Authority.

**Summary date: Jun 25 2013**

Senate committee substitute makes the following changes to the 4th edition.

Deletes provisions authorizing the Buncombe County Board of Commissioners (County) to expand the Culture and Recreation Authority (Authority) created in this act to include additional municipalities located within Buncombe County as participating units in the agreement establishing the Authority. Instead, provides that the Board of the Authority will consist of seven members, all of whom are appointed by the County (was, a minimum of seven members with a majority appointed by the County). Makes a conforming change, deleting the definition for *participating unit*. Makes additional conforming changes.

Requires that at least one of the members appointed to the Authority be a member of the governing board of Buncombe County.

Gives the Board of Commissioners the right to assign Buncombe County employees to the Authority, who are then considered Authority employees.

Makes a conforming change to the title.
Summary date: Jul 16 2013


SL 2013-263

CENTRAL CAROLINA COM. COLL. TRUSTEE ELECTIONS.

Bill H 512

Summary date: Apr 2 2013

Amends GS 115D-12(a) to provide that Group One consists of four trustees residing in Lee County, elected by the county's board of commissioners. Prohibits more than one trustee from the group from being a member of the board of county commissioners. Applies only to Central Carolina Community College. Applies to appointments to terms beginning on or after July 1, 2013.

Summary date: Jul 10 2013

Senate committee substitute to the 1st edition deletes the provisions of the 1st edition and replaces it with the following.

Provides that the terms of individuals elected solely by the Lee County Board of Education to the Central Carolina Community College Board of Trustees (Board) expire effective August 1, 2013.

Requires that no later than August 1, 2013, four trustees are to be jointly elected to the Board by the Board of Education of Chatham County, the Board of Education of Lee County, and the Board of Education of Harnett County with each board having one vote in the election of each trustee. Prohibits a board of education from (1) electing a member of the board of education or any person employed by the board of education and (2) reelecting an individual elected solely by the Lee County Board of Education whose term expires August 1, 2013. Specifies the terms of the four trustees to be elected.

Amends the act's titles.

Summary date: Jul 18 2013

AN ACT TO CORRECT ELECTIONS MADE OUTSIDE OF STATUTORY AUTHORITY TO THE BOARD OF TRUSTEES OF CENTRAL CAROLINA COMMUNITY COLLEGE. Enacted July 17, 2013. Effective July 17, 2013.

SL 2013-264

APEX LAND USE CHANGES.
Amends GS 160A-388(e1), as it applies to Apex, to prohibit a member of the board or any other body exercising the functions of a board of adjustment from participating in or voting on any quasi-judicial matter in a way that would violate the affected persons' constitutional rights to an impartial decision maker. Repeals GS 160A-393 (Appeals in the nature of certiorari in appeals of quasi-judicial decisions of decision-making boards) and GS 160A-377 (Appeals of decisions on subdivision plats). Applies to Apex only. Applies to the decisions of the board of adjustment on or after the date that the act becomes effective.

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

Provides that the act applies to quasi-judicial decisions of the Town of Apex on or after the date the act becomes law (previously, only applied to the decisions of the board of adjustment for the Town of Apex).

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

Deletes proposed changes made to GS 160A-388(e1).

Amends GS 160A-388(e)(2), as enacted by Section 2 of SL 2013-126 and applying only to Apex, to prohibit a member of any board exercising the functions of a board of adjustment from participating in or voting on any quasi-judicial matter in a way that would violate the affected persons' constitutional rights to an impartial decision maker. Effective October 1, 2013 (was, when the act becomes law) and applies to quasi-judicial decisions of the Town on or after that date.

AN ACT TO ALLOW THE TOWN OF APEX TO CONTINUE COMMUNICATIONS WITH RESIDENTS AND OTHERS ON OTHER MATTERS PENDING A QUASI-JUDICIAL DECISION. Enacted July 17, 2013. Effective October 1, 2013.

SL 2013-265

NC FARM ACT OF 2013.

Bill S 638

Summary date: Apr 2 2013
Provides that when any board, commission, or official within the Department of Agriculture and Consumer Services has the authority to assess civil penalties, the authority does not require the issuance of a monetary penalty when the entity determines that nonmonetary sanctions, education, or training are sufficient to address the violation.

**Summary date:** May 8 2013

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

Creates new Part 2, Farm Animal Activity Liability, in Article 1 of GS Chapter 99E. Provides that a farm animal activity sponsor, a farm animal professional, or any other person engaged in a farm animal activity is not liable for an injury to or the death of a participant resulting from the inherent risks of farm animal activities and no participant or representative thereof will maintain an action against or recover from a farm animal sponsor, a farm animal professional, or any other person engaged in a farm animal activity for injury, loss, damage, or death of the participant resulting exclusively from any of the inherent risks of farm animal activities. Defines farm animal activity as an activity in which participants observe, engage with, or learn about one or more farm animals, including specified activities. Does not prevent or limit liability if the farm animal activity sponsor, professional, or person engaged in a farm animal activity (1) provides the equipment or tack and knew or should have known that the equipment or tack was faulty and the faulty equipment proximately caused the injury, damage, or death; (2) provides the farm animal and failed to make reasonable and prudent efforts to determine the ability of the participant to engage safely in the farm animal activity or to safely manage the particular farm animal; (3) commits an act or omission that constitutes willful or wanton disregard for the safety of the participant, and that act or omission proximately caused the injury, damage, or death; or (4) commits another act of negligence or omission that proximately caused the injury, damage, or death. The statute also does not prevent or limit liability under liability provisions as set forth in the products liability laws. Requires all farm animal activity sponsors and every farm animal professional to post and maintain warning notices that include specified language. Also requires every written contract to include the warning. Amends GS 99E-31 to provide that the statute does not prevent or limit the liability of an agritourism professional if the professional (1) commits an act or omission that constitutes gross negligence (was, negligence) or willful or wanton disregard for the safety of the participant and that act or omission proximately causes injury, damage, or death; or (2) has actual knowledge or reasonably should have known if an existing dangerous condition (was, known of a dangerous condition) on the land, facilities, or equipment used in the activity or the dangerous propensity of a particular animal used in such activity and does not make the danger known to the participant and the danger proximately causes injury, damage, or death to the participant. Effective July 1, 2013.

Makes a clarifying change to proposed GS 106-22.6.

Amends GS 106-24 to require the Department of Agriculture and Consumer Services (Department) to require the biennial (was, annual) collection of information on water use by those who withdraw 10,000 gallons per day or more for agricultural activities. Specifies that the Department must report the results
of the survey to the Environmental Review Commission no later than July 1 of each year in which the survey was collected.

Amends GS 106-24.1 to provide that information collected from farm operators for the purposes of its animal health programs including, but not limited to, certificates of veterinary inspection, animal medical records, lab reports, or other records that may be used to identify a person or private business activities subject to regulation by the Department must not be disclosed without the owner's permission unless the state Veterinarian decides that disclosure is necessary to prevent the spread of an animal disease or to protect the public health, or the disclosure is necessary in the implementation of these animal health programs.

Repeals Article 4E (Pest Control Compact) of GS Chapter 106, GS 106-246 (concerning sanitation of places where ice cream, milk shakes, milk sherbet, sherbet, water ices, and other similar frozen or semifrozen food products are made for sale, all creameries, butter and cheese factories), and GS 106-248 (concerning purity of cream, ice cream, butter, cheese, or other products).

Amends GS 106-942 to change the setback distance for burning flammable material resulting from ground clearing from 1,000 feet to 500 feet and amends the hours during which the burning is allowed.

Repeals GS 119-26.2 (sulfur content standards for gas).

Amends GS 143-138 (state building code) to provide that a farm building does not lose its status as such because it is used for public or private events that are taking place on the farm because of its farm or rural setting. Requires the Building Code Council to provide for an exemption from any requirements in the fire prevention code for installation of an automatic sprinkler system applicable to buildings that (1) have one floor, (2) meet the equipment of 29 CFR 1910.142, and (3) meet the requirements of GS Chapter 95, Article 19 (Migrant Housing Act) and the rules implementing the Article.

Amends GS 143-212 to amend the definition of the term waters to provide that wetlands classified as waters are restricted to waters of the United States. Amends GS 143-215.1 to provide that permit is not required for activities in wetlands that are not waters of the United States. Makes conforming changes.

Amends GS 143-215.25A to provide that the Part (dam safety law) does not apply to any dam that is constructed for and maintains the purpose of providing water for agricultural use when a licensed professional engineer or a person who is employed by the Natural Resource Conservation Service, county, or local Soil and Water Conservation District and has federal engineering job approval authority under GS Chapter 89C designed or approved plan for the dam, supervised its construction, and registered the dam with the Division of Energy Mineral and Land Resources of the Department. Requires that the registration occur prior to construction.

Amends GS 143-355.3 (water shortage emergency powers) to provide that nothing in the statute limits a landowner from withdrawing water for use in agricultural activities when the water is withdrawn from: (1) surface water sources located wholly on the landowner's property, including impoundments
constructed by or owned by the landowner and captured stormwater or (2) groundwater sources including wells constructed on the landowner's property, springs, and artesian wells.

Requires the Department of Environment and Natural Resources and the Department of Transportation to jointly petition the Wilmington District of the US Army Corps of Engineers no later than October 1, 2013, to allow for greater flexibility and opportunity to perform wetlands mitigation for public and private development outside of the eight digit Hydrologic Unit Code where development will occur. Requires a report to the Environmental Review Commission no later than January 1, 2014.

Makes conforming changes to the act's title.

**Summary date:** Jun 24 2013

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

Enacts new GS 99B-12 entitling a commodity producer who is certified by the US Department of Agriculture Agricultural Marketing Service Good Agricultural Practices and Good Handling Practices Audit Verification Program, or other designated third party certification program, to a rebuttable presumption that the commodity producer was not negligent when death or injury is proximately caused by the consumption of the producer's raw agricultural commodity. Provides that the presumption can be overcome only by clear and convincing evidence. Defines *commodity producer* and *raw agricultural commodity*.

Amends GS 99E-2 to delete acts of negligence or omission that proximately caused the injury, damage, or death from those acts that an equine activity sponsor, equine professional, or another person engaged in an equine activity can be held liable for.

Amends GS 99E-4 as follows. Amends the definition of *farm animal activity* to remove reference to informal or impromptu in regard to rides, trips, shows, clinics, hunts, parades, games, exhibitions, or other activities sponsored by a farm animal activity sponsor.

Amends GS 99E-5 to delete acts of negligence or omission that proximately caused the injury, damage, or death from those acts that a farm animal activity sponsor, a farm animal professional, or any other person engaged in a farm animal activity can be held liable for.

Amends GS 99E-31 to delete acts of negligence that proximately caused the injury, damage, or death from those acts that an agritourism professional can be held liable for. Effective July 1, 2013.

Amends GS 106-65.23 to make language gender neutral and to change the name of the Structural Pest Control Division to the Structural Pest Control and Pesticides Division. Removes the requirement that the Structural Pest Control Committee report to the Board of Agriculture on the action taken in the Committee's final decision and the financial status of the Structural Pest Control Division. Makes conforming changes to the Division's name in GS 106-65.24 and GS 106-65.30.
Amends GS 106-245.20 to provide that the statute (which establishes egg labeling requirements) does not apply to retailers who (1) display egg prices in the same manner as other products the retailer sells and (2) comply with GS 106-245.15 (designation of grade and class on containers required; conformity with designation; exemption).

Enacts new GS 136-92.1 to exempt forestry operations and silviculture operations that require temporary ingress from a property to state roads from the temporary driveway permit process, except for controlled access facilities, if the operator of the temporary driveway has attended an education course on timbering access and has obtained a safety certification.

Makes conforming changes to the act's long title.

Makes technical changes to GS 143-138.

Repeals GS 143-214.7(d1), which prohibits a retail merchant from using more than 400 square feet of impervious surface area within the portion of the merchant's premises that is designed to be used for vehicular parking for the display and sale of nursery stock, with listed exceptions.

Amends the directive requiring the Department of Environment and Natural Resources and the Department of Transportation to petition the Wilmington District of the US Army Corps of Engineers to require that it include petition for greater flexibility and opportunity to perform stream mitigation, as well as wetlands mitigation, outside of the eight digit hydrologic unit code where development will occur.

Amends SL 2005-276, Section 19.5(a), as amended, to require all state agencies, universities, and community colleges that have state-owned vehicle fleets to continue to implement petroleum displacement plans to improve the state's use of alternative fuels, synthetic lubricants, and efficient vehicles. Requires that efforts include use of specified types of fuel and vehicles and the use of advanced technology to manage and reduce the consumption of petroleum products. Deletes the requirement that the plan achieve a 20% reduction of current petroleum products by July 1, 2016, requiring a report to the State Energy Office before implementing a plan, and requiring the State Energy Office to report on plans to the Joint Legislative Commission on Governmental Operations and requiring agencies to implement their plans by January 1, 2006.

Summary date: Jun 27 2013

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

Amends GS 99B-12 to add the following to the requirements to be met in order for commodity producers to be entitled to a rebuttable presumption that they were not negligent when consumption of the producer's raw agricultural commodity is the proximate cause of death or injury: the producer (1) has a written food safety policy complying with the certification program's standard and can provide evidence that the producer trains employees on the policy annually and (2) has had no administrative findings or sanctions, legal judgments, or settlements of complaints against the producer during the
previous three years based on a claim that the commodity producer's negligence was the proximate cause of a plaintiff's death or illness.

Amends GS 99E-5 to amend the definition of farm animal activity to mean an activity in which participants engage with farm animals (was, participants observe, engage with, or lean about farm animals), including the specified activities.

Deletes Part XV of the act, Water Quality Permit Not Required for Activities in Wetlands That Are Not Waters of the United States.

Amends SL 2005-279, Section 19.5(a), as amended, to add that no state agency, university, or community college shall alter its petroleum displacement plan in a way that increases the amount of the petroleum products consumed.

Amends the act's long title.

Summary date: Jun 27 2013

House amendments make the following changes to the 4th edition.

Amendment #1 amends GS 99B-12 to modify the criteria that must be met in order for commodity producers to be entitled to a rebuttable presumption that they were not negligent when consumption of the producer's raw agricultural commodity is the proximate cause of death or injury to require that the producer has had no settlement agreements concluding litigation where the settlement exceeds $25,000 or in which the producer admitted liability (was, no settlements of complaints against the producer) during the previous three years based on a claim that the producer's negligence was the proximate cause of a plaintiff's death or injury.

Amendment #2 amends GS 99E-2 and GS 99E-6 to require in any action for damages against an equine activity sponsor or an equine professional or a farm animal activity sponsor or farm animal professional for an equine or farm animal activity that the sponsor or professional plead the affirmative defense of assumption of the risk by the participant.

Amendment #3 amends GS 99E-5 to clarify that the inherent risks of farm animal activities include the risk of contracting an illness due to coming into physical contact (was, coming into contact) with animals or their feed or waste.

Summary date: Jul 18 2013

AN ACT TO ENACT THE NORTH CAROLINA FARM ACT OF 2013 TO (1) LIMIT THE LIABILITY OF NORTH CAROLINA COMMODITY PRODUCERS ARISING FROM FOOD SAFETY ISSUES RELATED TO THEIR PRODUCTS; (2) LIMIT THE LIABILITY OF FARM ANIMAL ACTIVITY SPONSORS, FARM ANIMAL PROFESSIONALS, AND AGRITOURISM OPERATORS AND CLARIFY THAT EQUINE RECREATION WHERE THE LANDOWNER RECEIVES NO COMPENSATION IS SUBJECT TO THE RECREATIONAL USE STATUTE AND NOT THE EQUINE ACTIVITY LIABILITY STATUTE; (3) ALLOW THE COMMISSIONER OF AGRICULTURE TO ASSESS

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NONMONETARY PENALTIES TO ADDRESS VIOLATIONS WHEN APPROPRIATE; (4) DECREASE THE FREQUENCY OF THE AGRICULTURAL WATER USE SURVEY; (5) LIMIT THE PERSONALLY IDENTIFYING INFORMATION THAT THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES MAY DISCLOSE ABOUT ITS ANIMAL HEALTH PROGRAMS; (6) MAKE CONFORMING CHANGES TO THE NAME OF THE STRUCTURAL PEST CONTROL AND PESTICIDES DIVISION AND CLARIFY THE RESPONSIBILITIES OF THE DIVISION; (7) AMEND CERTAIN EGG LABELING REQUIREMENTS; (8) REPEAL THE INTERSTATE PEST CONTROL COMPACT; (9) REPEAL CERTAIN CLEANLINESS STANDARDS FOR CREAMERIES AND DAIRY FACILITIES THAT ARE ADDRESSED BY THE NC FOOD, DRUG, AND COSMETIC ACT; (10) CHANGE SETBACK DISTANCES AND BURN TIMES FOR FLAMMABLE MATERIALS RESULTING FROM GROUND CLEARING ACTIVITIES; (11) REPEAL THE STATE SULFUR CONTENT STANDARDS FOR GASOLINE; (12) EXEMPT FORESTRY AND SILVICULTURE OPERATIONS FROM TEMPORARY DRIVEWAY PERMITTING; (13) ALLOW A FARM BUILDING THAT IS USED FOR PUBLIC OR PRIVATE EVENTS TO MAINTAIN ITS FARM BUILDING STATUS FOR PURPOSES OF THE STATE BUILDING CODE; (14) EXEMPT CERTAIN STRUCTURES FROM THE SPRINKLER SYSTEM REQUIREMENTS OF THE NORTH CAROLINA BUILDING CODE; (15) ALLOW RETAILERS TO DISPLAY MORE THAN FOUR HUNDRED SQUARE FEET OF NURSERY STOCK FOR SALE IN THEIR PARKING LOTS; (16) EXPAND THE AGRICULTURAL DAM EXEMPTION TO THE DAM SAFETY ACT; (17) ALLOW A LANDOWNER TO WITHDRAW WATER FOR AGRICULTURAL USE DURING WATER SHORTAGE EMERGENCIES UNDER CERTAIN CONDITIONS; (18) DIRECT THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND THE DEPARTMENT OF TRANSPORTATION TO JOINTLY PETITION THE WILMINGTON DISTRICT OF THE UNITED STATES ARMY CORPS OF ENGINEERS TO ALLOW FOR GREATER FLEXIBILITY AND OPPORTUNITY TO PERFORM STREAM AND WETLANDS MITIGATION BEYOND THE IMMEDIATE WATERSHED WHERE DEVELOPMENT WILL OCCUR; AND (19) ACCELERATE THE SUNSET DATE OF THE PETROLEUM DISPLACEMENT PLAN AS A RESULT OF THE STATE HAVING SUBSTANTIALLY ACHIEVED ITS TWENTY PERCENT REDUCTION GOAL OF THE USE OF PETROLEUM PRODUCTS. Enacted July 17, 2013. Sections 2 through 4 are effective August 1, 2013. The remainder is effective July 17, 2013.

SL 2013-266

ALLOW ROW USAGE IN CENTRAL BUSINESS DISTRICTS.

Bill H 192

Summary date: Mar 5 2013

As title indicates.

Allows the Department of Transportation (Department) to enter into agreements with local governments to allow the use of state rights-of-way for sidewalk dining activities with the following requirements and conditions: (1) Tables, chairs, and furnishings are placed a minimum of six feet from travel lanes. (2) Tables, chairs, and furnishings are placed so that they leave at least five feet of unobstructed paved space of sidewalk and otherwise comply with the Americans with Disabilities Act (ADA). (3) Tables, chairs, and furnishings do not block driveways, alleyways, entrances or exits, fire

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hydrants or standpipes, utility accesses, ventilation areas, or ramps needed for the ADA. (4) Maximum posted speed of the roadway adjacent to the area used for sidewalk dining activities cannot exceed 45 mph. (5) Restaurant operator will provide evidence of adequate liability insurance. (6) Restaurant operator will provide an indemnity agreement and hold the Department or local government harmless. (7) Restaurant operator will provide copies of all required permits and licenses. (8) Restaurant operator will cease part or all sidewalk dining activities during times of construction, maintenance, or repair.

The Department or local governments can impose additional requirements on a case-by-case basis.

Amends GS 136-18(9), making clarifying, conforming, and technical changes to provide for the implementation and allowance of sidewalk dining activities.

This act does not preempt or override local ordinances currently in place.

Summary date: Mar 20 2013

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

Corrects a reference in Section 1, GS 136-18(9), to GS 136-27.4.

Changes the number of the new statute in Section 2 of the bill to GS 136-27.4

Amends Section 2 of the bill making technical, clarifying, and conforming changes.

Adds new GS 136-27.4(a) to add to the requirements to be met for sidewalk dining any other requirements deemed necessary by the Department, either for a particular local government or a particular component of the state highway system. Also amends the amount of required liability insurance.

Amends GS 136-27.4(a), expanding the power and authority a local government has in regards to sidewalk dining. It has the authority to issue such permits or deny them completely, as well as impose additional requirements as it sees fit.

Summary date: Jun 26 2013

Senate committee substitute makes the following changes to the 2nd edition. Makes an organizational and clarifying change.

Summary date: Jul 18 2013

A BILL TO BE ENTITLED AN ACT TO PERMIT LOCAL GOVERNMENTS TO ENACT SIDEWALK DINING ORDINANCES FOR USE OF STATE-OWNED RIGHT-OF-WAY. Enacted July 17, 2013. Effective July 17, 2013.

SL 2013-267

PUBLIC CONTRACTS/PROJECT LABOR.
Bill H 110

Summary date: Feb 14 2013

Enacts new GS 143-133.1, forbidding any governmental unit or entity awarding a government construction contract from requiring, prohibiting, or otherwise discriminating against a bidder or contractor for adhering to or not adhering to an agreement with a labor organization for the project. Forbids a governmental unit or entity from conditioning a grant, tax reduction, or credit on adherence or non-adherence to an agreement with a labor organization in a construction contract. Permits a governmental unit to exempt a particular project, contract, grant, tax reduction, or credit from such requirements if necessary to avert a public health or safety threat, as specified. Prohibits discrimination when awarding a contract, grant, reduction, or credit based on participation or non-participation with a labor organization. Provides that GS 143-133.1 does not (1) prohibit employers or others from engaging in activities protected by the National Labor Relations Act or (2) interfere with labor relations not regulated by the Act.

Summary date: Apr 8 2013

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

Clarifies language in GS 143-133.5(b) replacing "Any agent or employee of the State, any board or governing body of the State or of any institution of the State government, or any agent, employee, or board or governing body of any political subdivision of the State awarding a contract for the construction, repair, remodeling, or demolition of a public building" with "Every officer, board, department, commission, or commissions charged with the responsibility of preparation of specifications or awarding or entering into contracts for the erection, construction, alteration, or repair of any buildings for the State, or for any county, municipality, or other public body subject to this Article." Similar language is deleted and replaced in GS 143-133.5(c) and (d).

Makes clarifying changes, replacing "tax credit" or "tax abatement" with "tax incentive" throughout the act.

Amends GS 143-133.5(f), changing a reference to "an imminent threat" to "a significant, documentable threat" to public health or safety in reference to the exemption of certain requirements during such an occurrence.

Changes effective date to October 1, 2013 (was, effective when the act became law).

Summary date: Jul 18 2013

A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR FAIR AND OPEN COMPETITION IN GOVERNMENTAL CONSTRUCTION CONTRACTS AND TO PROHIBIT REQUIREMENTS FOR CERTAIN TERMS IN GOVERNMENT CONTRACTS. Enacted July 17, 2013. Effective October 1, 2013.
CORPORAL PRUITT RAINY BRASS TO CLASS ACT.

Bill H 767

Summary date: Apr 12 2013

Requires the State Board of Education to modify its policies for giving credit for salary purposes to principals, assistant principals, and teachers who served in the US Armed Forces and received an Honorable Discharge. Requires that one full year of experience be credited toward his or her total licensure experience rating for each full year of relevant nonteaching work experience while on active military duty, regardless of whether the military service occurred before or after the individual received a bachelor's degree. Applies beginning with the 2013-2014 school year.

Summary date: May 2 2013

The House committee substitute to the 1st edition makes the following changes. Deletes the provisions of the 1st edition and replaces it with the following. Requires the State Board of Education (SBoE) to establish rules for awarding credit for salary purposes to principals, assistant principals, and teachers who served in the US Armed Forces and who have retired or who have received an Honorable Discharge. Specifies what is to be included in the rules, including how much credit to be awarded for each year of relevant nonteaching experience. Requires the SBoE to establish specific criteria within the rules for determining the relevance of nonteaching work experience that is to be credited towards an individual's total license experience rating for salary purposes and specifies components that are to be included in the criteria. Requires the SBoE to report to the Joint Legislative Education Oversight Committee by December 1, 2013, on the rules. Effective when the act becomes law and applies to military veterans employed by local school administrative units in the 2014-15 school year and beyond. Amends the act's long title.

Summary date: May 16 2013

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

Clarifies that in awarding credit for salary purposes to teachers, principals, and assistant principals, the State Board of Education (SBE) is to award one full year of experience credit for each two years of full-time relevant non-teaching work experience completed while on active military duty in the US Armed Forces and before earning a bachelor's degree (was, limited relevant non-teaching work experience that could be credited for salary purposes for military veterans to five years). Awards one full year of experience credit for every two years of full-time instructional or leadership training while on active military duty in the Armed Forces, regardless of the academic degree held while participating in the training.

Directs the SBE to include in the specific criteria developed for determining the relevance of non-teaching work experience earned while on active military duty a process for reviewing and accepting
military transcripts and corresponding American Council for Education (CE) recommendations for awarding academic and experiential credit.

 Requires the SBE to study (1) the costs and benefits of providing student teaching stipends to persons pursuing a teacher or school administrator license who served in the military and are retired or were honorably discharged and (2) the potential reductions in teacher and school administrator licensure requirements for individuals who are certified master instructors. Directs the SBE to report the results of the study to the Joint Legislative Education Oversight Committee by December 9, 2013.

 **Summary date:** May 16 2013

 House amendment to the 3rd edition makes the following changes. Corrects the name of the American Council on Education. Amends the issues that the State Board of Education is required to study to include potential reduction in teacher and school administrator licensure requirements for certified instructors (was, certified master instructors).

 **Summary date:** Jun 26 2013

 Senate committee substitute to the 4th edition makes the following changes.

 Adds a whereas clause.

 Gives the State Board of Education continuing authority to cap nonteaching experience credit for Junior Reserve Officer Training Corps instructors.

 Requires the State Board of Education to report to the Joint Legislative Education Oversight Committee by February 28, 2014 on the rules to implement the act.

 Deletes the required State Board of Education study and the related reporting requirement.

 Updates the act's short and long titles.

 **Summary date:** Jul 18 2013

 A BILL TO BE ENTITLED AN ACT ENACTING THE CORPORAL PRUITT RAINEY BRASS TO CLASS ACT, WHICH DIRECTS THE STATE BOARD OF EDUCATION TO ESTABLISH RULES FOR AWARDING CREDIT FOR PRIOR WORK EXPERIENCE GIVEN TO CERTAIN VETERANS FOR THE PURPOSE OF PLACING THEM ON STATE SALARY SCHEDULES. Enacted July 17, 2013. Effective July 17, 2013, and applies to military veterans initially employed by local school administrative units in the 2014-2015 school year and beyond.

 **SL 2013-269**

 **OCEAN ISLE BEACH/SEA TURTLE SANCTUARY.**

 **Bill S 229**
Summary date: Mar 7 2013

Authorizes the town of Ocean Isle to create a sea turtle sanctuary within the areas of the town limits, above the mean low watermark, including the foreshore. Ordinances adopted to regulate activities within the sea turtle sanctuary must be consistent with the town's general ordinance-making powers. The ordinance may incorporate the sea turtle criminal statutes by cross reference. Makes it unlawful to disturb or destroy a sea turtle, sea turtle nest, or sea turtle eggs within the sanctuary, in violation of an ordinance adopted by the Town.

Summary date: Jul 15 2013

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

Amends GS 160A-266 to permit Ocean Isle Beach to exchange personal property or a parcel of real property for other real or personal property or for services subject to limitations prescribed in subsection (b) of the statute regarding the exchange of real or personal property by a city via private negotiation and sale. Amends GS 160A-271 to provide that Ocean Isle Beach may exchange real or personal property that belongs to the city for services via private negotiation. Limits application of this act to the Town of Ocean Isle Beach and allows the town to exchange a parcel of real property for services, specifying that this provision only applies to land used for the construction and exchange of an Alcoholic Beverage Control building owned by the Town of Ocean Isle Beach. These provisions expire on July 1, 2018.

Amends the title of this act to reflect the changes to the bill content.

Summary date: Jul 22 2013

AN ACT TO AUTHORIZE THE TOWN OF OCEAN ISLE BEACH TO CREATE A SEA TURTLE SANCTUARY AND TO EXCHANGE A PARCEL OF REAL PROPERTY FOR SERVICES. Enacted July 18, 2013. Effective July 18, 2013.

SL 2013-270

WAKE COMM VACANCY & ABERDEEN ZONING.

Bill S 288

Summary date: Mar 13 2013

Enacts new GS 153A-27.2 to provide that vacancies on the Wake County Board of Commissioners are to be filled by the remaining members of the board. If the vacating member was elected from a political party, the board must consult with the county executive committee of that party before filling the vacancy. The board will then vote on the nomination within 30 days of its submission. If the nominee is not approved, the board must request another name from the county executive committee. The vote on
the second name must also come within 30 days of its submission. If that nominee fails to get approved, the board can appoint any eligible person. If the board is unable to fill the vacancy within 30 days of the failed second nominee, and the vacating member was elected from a political party, then a special primary election will be held.

If the vacancy occurs later than 90 days before the general election held after the first two years of the term, the appointment to fill the vacancy is for the remainder of the unexpired term. Otherwise, the term of the person appointed to fill the vacancy extends to the first Monday in December next following the first general election held more than 90 days after the day the vacancy occurs; at that general election, a person will be elected to the seat vacated for the remainder of the unexpired term.

To be eligible to be appointed to fill a vacancy, a person must be a member of the same political party as the vacating member if the member was elected as a party nominee and be a resident of the same district as the vacating member, if the county is divided into electoral districts.

Special primary election will be conducted in accordance with GS Chapter 163, Article 10. The county board of elections can, with the approval of the State Board of Elections, set deadlines for filing notices for candidates and for absentee voting. The date of the special election will be set by the board of commissioners but governed by GS 163-287.

Provides further details of special election procedures and cases when a special election should not be held. Provides procedure for allowing the clerk of superior court of the county to fill vacancies if a quorum of the board cannot be obtained.

**Summary date:** Jul 15 2013

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

Makes a technical correction to new GS 153A-27.2.

Amends Section 5 of SL 2009-52, as amended, and amends Section 5 of SL 2013-70 to add Wake County to those counties (Mecklenburg, Pitt, and Alamance) authorized to establish a Domestic Violence Fatality Prevention and Protection Review Team to identify and review domestic violence related deaths and facilitate communication among the various agencies and organizations involved in domestic violence cases to prevent future fatalities. Applies only to Wake County and is effective when the act becomes law.

Permits multifamily development on certain described parcels in the Town of Aberdeen, as described in new Section 3.(a) of this act. Specifies that this section applies only to the Town of Aberdeen. Effective when the act becomes law.

Amends the long and the short title of this act to reflect changes in the bill content.

**Summary date:** Jul 22 2013
AN ACT CONCERNING FILLING OF VACANCIES ON THE BOARD OF COMMISSIONERS OF WAKE COUNTY AND ESTABLISHING A DOMESTIC VIOLENCE FATALITY PREVENTION AND PROTECTION REVIEW TEAM IN WAKE COUNTY AND TO PERMIT MULTIFAMILY DEVELOPMENT ON CERTAIN PARCELS IN THE TOWN OF ABERDEEN. Enacted July 18, 2013. Effective July 18, 2013.

SL 2013-271

EDENTON-CHOWAN SCH. BD. TERMS.

Bill H 537

Summary date: Apr 3 2013

As title indicates.

Summary date: Jul 22 2013


SL 2013-272

CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT.

Bill S 81

Summary date: Feb 13 2013

Establishes the Charlotte Regional Airport Authority (Authority), consisting of eleven members who must meet specified qualifications. Prohibits an elected official from serving on the Authority. Details terms, suspension, voting, meeting, compensation, and other administrative requirements. Provides for staggered terms for members, as indicated. Establishes the Authority's 20 duties, including acquiring, administering, or otherwise regulating airports and/or landing fields for use by airplanes and other aircraft and all facilities incidental to their operation, within the limits of Mecklenburg County. Authorizes the Authority to acquire any real or personal property from Mecklenburg County or Charlotte, which may be necessary for the construction, operation, or maintenance of any airport or facilities located in Mecklenburg County.

Requires Charlotte to transfer to the Authority within 90 days after enactment of the act all rights and title to Charlotte Douglas International Airport; if approval from a federal agency or current bondholder is required, then the time period is extended to within 90 days of the approval. Provides for the acquisition of private property; prohibits the Authority from exercising the power of eminent domain.
unless required by federal law. Prohibits the Authority from levying any taxes. Extinguishes any claim by Charlotte on account of acquired property. Requires the Authority to make an annual report to area boards of commissioners and the Charlotte City Council. Provides for entering into contracts, leases, conveyances, and other agreements. Requires the Authority's powers be construed liberally in favor of the Authority. States that GS 66-58(a), which prohibits the sale of merchandise by governmental units in competition with citizens under the Umstead Act, does not apply to the Authority.

**Summary date:** Feb 20 2013

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

Deletes the definition for CAAC member, defined as a member of the Charlotte Airport Advisory Committee in existence when this act becomes law. Renumbers the remaining subdivisions accordingly.

Requires the appointing authorities specified in subdivisions (1) through (8) of subsections (4a) (as amended by Amendment #1) to only appoint persons with experience in aviation, transportation logistics, construction and/or facilities management.

Increases the number of members on the Charlotte Regional Airport Authority (Authority) to 13 (was, 11), adding appointments of one member each from Iredell and Lincoln County. Makes conforming changes to add Iredell and Lincoln County to the provisions of the act, and to reflect the increase of members from 11 to 13. Amends requirements for three members who formerly had to be residents of one of the counties of the Authority to require that they be residents of Mecklenburg County. Provides that the appointment designated to be made by the Speaker of the House of Representatives, is instead to be made by the General Assembly upon the recommendation of the Speaker. Provides that the appointment designated to be made by the President Pro Tempore of the Senate, is instead to be made by the General Assembly upon the recommendation of the President Pro Tem.

Deletes prohibition against any person holding an elected public office being a member of the Authority. Reorganizes sections accordingly.

Changes the number of votes needed to constitute a majority to seven (was, six).

Amends the requirements for the two at-large members who are appointed by a majority vote of the other 11 members.

Makes technical corrections.

**Summary date:** Feb 27 2013

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

Provides that the right, title, and interest that the City of Charlotte (city) is to transfer to the Charlotte Regional Airport Authority (Authority) also includes leases, licenses, options to purchase, and other encumbrances on the airport property, whether or not those encumbrances are recorded. Provides that
the Authority assumes all rights, duties, and obligations of the city in commercial or development agreements pertaining to the property, upon the transfer of the airport property.

Provides that the Authority may acquire property or aviation easements needed for any airport, landing field, or facility via gift, devise, or purchase (was, private purchase).

Clarifies that the power of eminent domain under Article 3 of GS Chapter 40A may be used by the Authority for a public use only for an airport purpose (was, provided that GS Chapter 40A did not apply to the Authority unless the power of eminent domain was required by federal or state law). In addition, requires that any eminent domain proceeding must be authorized by a majority of the local government appointees (was, must be authorized jointly by all of the 11 appointing authorities), of the Authority as provided in Sections 4(a)(1) through (8) of this act. Provides that for purposes of GS Chapter 40A, the Authority is a public condemnor under GS 40A-3(c).

**Summary date:** Mar 12 2013

Senate amendment #1 makes the following changes to the 4th edition. Authorizes the Charlotte Regional Airport Authority (Authority) to use the procedure and authority set out in Article 9 (Condemnation) of GS Chapter 136 in exercising its authority of eminent domain to acquire property to be used for airports. Provides that a reference to the state or any state agency in Article 9 of GS Chapter 136 also includes the Authority and any reference in Article 9 to a state official includes the airport director. Clarifies the restrictions on the power of eminent domain. Prohibits the use of the power of eminent domain to condemn property already devoted to a public use. Makes organizational changes to Section 7.(c) of this act.

**Summary date:** Jun 4 2013

House committee substitute makes the following changes to the 7th edition.

Amends the definition section for the act, adding and defining the terms airport, airport property, appointing authorities, FAA, and servants.

Provides that the Authority will consist of 11 members (was, 13) and that the members of the Airport Advisory Committee of the City of Charlotte will serve as the initial board members until seven members of the new board have been appointed. Limits the powers of the initial members to ministerial acts and prohibits the awarding of any employment or management contracts. Encourages the appointing authorities to appoint members without delay. Deletes the requirement that one of the members appointed must be a registered voter in North Carolina, a resident of Mecklenburg County, and appointed by the Governor. Requires that one member be a registered voter in Mecklenburg County, nominated by the Charlotte City Council, and appointed by the General Assembly at the recommendation of the President Pro Tempore of the Senate. Provides that one at-large member will be appointed by a majority vote of the other members (was, two at-large members). Provides exceptions to who can be appointed to the Board.
Provides that all initial four-year terms expire June 30, 2017, and all initial two-year terms expire June 30, 2015. Provides that any member can be suspended or removed from office by a majority vote of the other members for cause affecting that member's duties and responsibilities, or other specified instances of misconduct. Allows members to continue to serve until a successor has been duly appointed and qualified, but not for more than 60 days beyond the end of the term (previously, only stated not beyond 60 days). Establishes that actions of the Authority will be determined by a majority vote of the members that are present and voting in a duly called meeting at which a quorum is present. Makes stylistic and clarifying changes to language.

Provides that the initial budget of the Authority will be the budget established by the City Council of the City of Charlotte for the Airport for the period July 1, 2013, through June 30, 2014, until the initial budget is revised by the Authority. Establishes that the financial affairs of the Authority will be governed by the Local Government Finance Act.

Makes technical and clarifying changes to the section concerning the power and authority of the Authority. Establishes that the Authority will honor and be bound by all existing contracts between the city and its service providers that are engaged or retained to assist Charlotte in regards to the Airport. Clarifies that the Executive Director can be subject to an employment contract. Amends the power and authority of the Authority to use eminent domain, deleting a requirement that any eminent domain proceeding be authorized by a majority of the local government appointees. Provides that eminent domain can only be used as to contiguous property and that the power of eminent domain cannot be used for a purpose that is not necessary for the operation or expansion of an airport or compliance with FAA regulations or requirements for or providing protection from or to ameliorate noncompatible land uses.

Makes clarifying changes to the Authority's ability to grant or convey real or personal property for the operation or maintaining of any airport or airport facility in Mecklenburg County. Deletes language regarding the Authority as the corporate instrumentality and agent of specified counties and Charlotte for the purpose of developing aviation facilities.

Sets out and specifies the titles and interests that are deemed to be transferred from the City of Charlotte to the Authority as a matter of law, including any rights or titles to the Airport Property and Charlotte Douglas International Airport as well as specified funds on deposit. Sets out all the liabilities, duties, and obligations that the Authority will assume as a matter of law.

Sets out eight procedures that will be followed in order to effectuate a seamless transfer of the Airport, including honoring and being bound by all existing contracts and grant agreements of the City of Charlotte with respect to the Airport and honoring and being bound by all existing contracts of the City of Charlotte with third-party concessionaires and management contractors.

Establishes that, upon the request of the Executive Director of the Authority, Charlotte will continue to provide administrative services to the Authority as it currently provides and will receive appropriate compensation.
Includes provisions concerning payment of consideration for the transfer of the Airport.

**Summary date:** Jul 10 2013

House committee substitute to the 8th edition makes the following changes. Changes the name of the Authority to the Charlotte Douglas International Airport Authority (was, the Charlotte Regional Airport Authority).

Changes the membership of the Authority as follows: (1) adds two registered voters of Charlotte appointed by the Mayor, at least one of whom is a resident of the west side of Charlotte; (2) adds two registered voters of Charlotte appointed by the city council, at least one of whom is a resident of the west side of Charlotte (previous edition required one person who is a registered voter of Charlotte appointed by the city council and one member that is a registered voter of Charlotte appointed by the Mayor); (3) deletes the requirement that one member be a registered voter in Mecklenburg County nominated by the Charlotte City Council appointed by the General Assembly upon the President Pro Tempore of the Senate's recommendation; and (4) provides that one member be appointed by the other 10 members (was, an at-large member appointed by a majority vote of the other members). Deletes the requirement the initial members of the Authority be the members of the Airport Advisory Committee of Charlotte, limits the powers of the initial members, and encourages the appointment of members without untoward delay. Requires the appointing authorities to appoint initial members by October 1, 2013, with terms commencing on that date. Requires the Authority to appoint the 11th member by December 1, 2013. Requires that members, when practical, have experience in aviation, logistics, construction and/or facilities management, law, accounting, and/or finance. Specifies that initial four-year terms expire December 31, 2017 (was, June 30) and all initial two-year terms expire December 31, 2015 (was, June 30).

Adds airport facilities to those entities for which the right, title, and interest of Charlotte is deemed to have been transferred. Makes conforming changes. Changes the date of the transfer to January 1, 2014 (was, upon enactment of the act). Provides that the Authority is to be deemed to have appointed, effective January 1, 2014, as its initial executive director, the Aviation Director of Charlotte. Also provides that it is deemed to have employed, effective January 1, 2014, the employees of Charlotte assigned to the City's Aviation Department and under the Aviation Director's supervision as the Authority's initial employees.

Adds that, in its initial decisions, the Authority must consider the consultant recommendations made to Charlotte in 2013 concerning governance of the Airport.

Adds that the Authority may make recommendations to the 2013 General Assembly before it reconvenes in 2014 concerning amendments to this act, with the recommendations eligible for consideration as if it were a committee or commission.

Adds that during the period from October 1, 2013, through December 31, 2013, the interim period beginning the time the terms of the Authority begins and ending the day before the Authority begins
operating the airport, Charlotte must make available to the Authority as needed the services of city officers and employees that this act transfers to the Authority.

Changes the act's short and long titles.

Summary date: Jul 16 2013

House amendment makes the following changes to the 9th edition.

Provides that the initial members of the Airport Authority will be the members of the Airport Advisory Committee of Charlotte. Such members will serve only until six members have been appointed by the Appointing Authorities. Limits the powers of the Airport Advisory Committee serving as the initial members to ministerial acts, having no power to award or enter into employment or management contracts. Deletes requirement that the initial terms of office for newly appointed members begin on October 1, 2013.

Provides that all right, title, and interest that the City of Charlotte holds in airport property, facilities, and Charlotte Douglas International Airport will be considered to have been transferred to the Authority when this act becomes law (was, January 1, 2014). Further provides that any development agreements or other contracts of the City of Charlotte pertaining to or related to airport property and airport facilities in effect at the time of the transfer, including any contracts in regards to insurance, will remain in full force and effect after the transfer is completed.

Deletes the effective date for appointing the Aviation Director of the City of Charlotte as the Executive Director of the Authority (previously, effective date of appointment was January 1, 2014). Makes technical changes regarding the compensation and benefits of the Executive Director.

Deletes provision providing that the Authority will be deemed to have employed, effective January 1, 2014, the employees assigned to the Charlotte Aviation Department as the initial employees of the Authority.

Adds new section to the act providing that, from the date the act is enacted and continuing until December 31, 2013, unless terminated earlier by a specified agreement, Charlotte will continue to employ the employees of the city's Aviation Department with the Authority leasing the employees from the city. Sets outs the details and conditions of the lease, including requiring that the city be responsible for all matters related to the payment of payroll taxes, salaries, and any other employee benefits and that the Authority compensate the city for the costs of such expenses and as required by law. Further details that the city must continue to provide all the employment benefits currently available to the airport employees. Provides that effective January 1, 2014, or earlier by way of specified agreement, the Authority will be deemed to have hired all the airport employees as the initial employees of the Authority, with the terms of employment, compensation, and benefits of the airport employees remaining the same under the Authority as provided under employment by the city as of December 31, 2013, or at the time of execution of the specified agreement.
Deletes language requiring Charlotte to make the services of its officers and employees available to the Authority from October 1, 2013, through December 31, 2013.

Makes technical and conforming changes.

Summary date: Jul 22 2013

AN ACT TO CREATE THE CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT AUTHORITY. Enacted July 18, 2013. Effective July 18, 2013.

SL 2013-273

UNC/MAHEC/HONOR REP. MARY NESBITT.

Bill H 895

Summary date: Apr 16 2013

As title indicates.

Summary date: Jul 22 2013


SL 2013-274

MODIFY MEDICAID SUBROGATION STATUTE.

Bill H 982

Summary date: Apr 18 2013

Amends GS 108A-57(a) deleting the county as an entity that will be subrogated. Also requires a personal injury or wrongful death claim brought by a medical assistance beneficiary against a third party to include a claim for all medical assistance payments for health care items or services furnished to the beneficiary as the result of the injury referred to in the statute as the Medicaid claim.

Amends GS 108A-57, adding subsection (b) establishing presumptions for Medicaid claims that exceed or do not exceed one-third of the medical assistance beneficiary's gross recovery.

Amends GS 108A-57, adding subsection (c) outlining the procedure for a medical assistance beneficiary to dispute the presumptions established in subsection (b).
Amends GS 108A-57(d), changing the amount of assistance distributed to the Department to the portion presumptively determined under subsection (b) or the portion judicially determined under subsection (c) of this section.

Amends GS 108A-57(e) specifying that the United States and the state of North Carolina are entitled to share in each net recovery by the Department of Health and Human Services (DHHS).

Amends GS 108A-57, adding subsection (h) granting authority to enforce this section to DHHS and allowing DHHS to adopt administrative rules for this purpose.

**Summary date:** May 15 2013

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

Amends GS 108A-57 to make organizational changes, re-labeling the subsections of this section. Provides that a medical assistance beneficiary may dispute the presumption that the gross recovery includes compensation for the full amount of medical beneficiary's Medicaid claim by applying to the court in which the beneficiary's claim against the third party is pending, or if there is none, then to a court of competent jurisdiction (was, to the superior court with jurisdiction over the action). Clarifies that an action filed under subsection (a2), (was, subsection (c)) is to be served on the Department of Health and Human Services (DHHS) no later than 30 days after the settlement agreement is executed by all parties, or if the judgment has been entered, no later than 30 days after the date the judgment is entered. Adds that the court must hold an evidentiary hearing no sooner than 30 days after the date the action was filed. Amends the factors that are to apply to the court's determination under subsection (a2) concerning the presumptions.

Requires the medical assistance beneficiary or the beneficiary's attorney to notify DHHS within 30 days of receiving the proceeds of a settlement or judgment related to a claim under subsection (a) of this section. Amends the standards for calculating the amount of the proceeds to be paid to DHHS out of the proceeds obtained by or on behalf of the beneficiary by settlement with or judgment against, or otherwise from a third party. Provides that DHHS may apply to the court in which the medical assistance beneficiary's claim against a third party is pending or to a court of competent jurisdiction to ensure compliance with this section.

This act remains effective when it becomes law but provides that it applies to claims against a third party by a medical assistance beneficiary in which either there is a settlement agreement executed by all parties or a judgment is entered against the third party on or after the effective date. Gives the medical assistance beneficiary 90 days from the effective date of this act to apply to the court under GS 108A-57(c) regarding claims in which the Medicaid claim has not been satisfied and prior to the effective date of this act, a settlement agreement has been executed by all parties, or judgment has been entered against the third party.

**Summary date:** Jun 25 2013

Senate committee substitute to the 2nd edition makes the following changes.
Amends GS 108A-57 to provide that if the beneficiary rebuts the presumption (concerning what specified amounts are presumed to represent compensation for the Medicaid claim), then the court must determine the portion of the recovery that represents compensation for the claim and order the beneficiary to pay that amount. Also provides that if the beneficiary does not rebut the presumption, then the court must order the beneficiary to pay the presumed amount. Allows the medical assistance beneficiary and the Department of Health and Human Services (Department) to reach an agreement on the portion of the recovery that represents compensation for the Medicaid claim. Requires the medical assistance beneficiary, or the beneficiary's attorney, to pay a certain amount to the Department, with the payment calculation varying depending on whether or not an application disputing the recovery presumptions has been filed, or if an agreement has been reached between the beneficiary and the Department. Makes it a Class 1 misdemeanor for a person who seeks or has been given assistance to willfully fail to disclose to the Department the identity of the person or organization against whom the recipient has a right of recovery.

Provides that the act is effective when it becomes law and it applies to (1) Medicaid claims arising on or after that date and (2) to Medicaid claims arising before that date for which the Department has not been paid in full. Provides that for claims that arose before the effective date of the act where the Department has not been paid in full, the beneficiary has 90 days from the act’s effective date to apply to the court under GS 108A-57(a2).

Makes clarifying and technical changes.

Summary date: Jul 22 2013

AN ACT TO MODIFY THE MEDICAID SUBROGATION STATUTE IN RESPONSE TO THE UNITED STATES SUPREME COURT DECISION IN WOS V. E.M.A. Enacted July 18, 2013. Effective July 18, 2013.

SL 2013-275

PYROTECHNICS TECHNICAL AND CONFORMING CHANGES.

Bill H 783

Summary date: Apr 12 2013

Amends GS 14-410 allowing the pyrotechnics display operator for the University of North Carolina School of the Arts to appoint a representative to supervise any performances that include a proximate audience display, provided that the representative is 21 years old or older and is properly trained in the safe discharge of proximate audience displays.

Amends GS 14-410 adding subsection (a4) allowing pyrotechnics to be exhibited, used, handled, manufactured, or discharged within the State as a special effect for a motion picture production as long as the set is closed to the public or there is a minimum of 500 feet distance from the public.
Amends GS 14-410 adding subsection (a5) allowing the use of pyrotechnics for the purpose of pyrotechnic or proximate audience display instruction consisting of classroom and practical skills training as approved by the Office of State Fire Marshall.

Amends GS 14-413, adding subsections (1) and (2) enumerating circumstances for which no permits for concerts or public exhibitions are required.

Amends GS 58-82A-3 adding subsection (b1) allowing the Commissioner of Insurance to issue a Limited Pyrotechnic Operator license to an individual meeting all of the requirements in subsection (b) with the exception of the letter of clearance if the individual signs a statement affirming that they have not been convicted of a specified violation and are not prohibited from possessing pyrotechnic materials. Makes a conforming change.

Amends GS 58-82A-3 adding subsection (e) excluding public exhibitions consisting of materials exempted by GS 14-414 from the operator license requirements.

Amends GS 58-82A-25(3) changing the on-site examination passing score to a minimum of 5 (instead of 5) questions testing basic pyrotechnic safety knowledge.

Amends GS 58-82A-25(4) prohibiting an event employee from being in the presence of pyrotechnic materials without signing a statement provided by the Commissioner of Insurance affirming that the individual has not been convicted of violating 18 U.S.C. Chapter 40, Section 842(i), or is not otherwise prohibited from possession pyrotechnic materials. The event employee will also not be allowed to discharge or be in the presence of pyrotechnic materials unless under direct supervision of a licensed pyrotechnic operator.

Summary date: Apr 24 2013

House committee substitute to the 1st edition makes a spelling correction.

Summary date: May 1 2013

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

Amends GS 14-410(a1)(3), providing that a display operator, for a pyrotechnics display, is also not required to obtain written authority from the board of commissioners or city for a concert or public exhibition if written authority has been obtained from the University of North Carolina (UNC) School of Arts and pyrotechnics are exhibited on lands or in buildings owned by the state and used by the University of North Carolina School of the Arts (previously, only provided for written authorization from the University of North Carolina or UNC-Chapel Hill).

Amends subsection (a)(2) of GS 14-413 (Permits for use at public exhibitions), providing that a permit for use at public exhibitions is not required for a public exhibition if it is authorized by the UNC School of the Arts and is conducted on lands or in buildings owned by the state and used by the University of North
Carolina School of the Arts (previously, only referred to the exhibition being conducted on lands or in buildings owned by UNC School of the Arts in Forsyth County).

Amends GS 58-82A-3 (Pyrotechnics display operator license), making a technical change.

Amends GS 58-82A-25 (Qualifications for event employees), providing that event employees are not allowed to discharge or be in the presence of the pyrotechnic material unless under direct supervision of a licensed pyrotechnic operator or an on-site representative as provided in GS 14-410(a1)(2) (previously, only provided an exception for being under direct supervision of a licensed pyrotechnic operator).

**Summary date:** Jul 1 2013

Senate committee substitute to the 3rd edition makes the following changes. Amends GS 14-410 to require that the permitted pyrotechnics be exhibited, used, handled, manufactured, or discharged by a production company, as defined in GS 105-164.3(30).

**Summary date:** Jul 22 2013

AN ACT TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE LAWS GOVERNING PYROTECHNICS DISPLAYS. Enacted July 18, 2013. Effective July 18, 2013.

**SL 2013-276**

REWARD AMT/ARREST OF FUGITIVE FROM JUSTICE.

**Bill H 137**

**Summary date:** Feb 20 2013

Amends GS 15-53 (Governor may employ agents and offer rewards) and GS 15-53.1 (Governor may offer rewards for information leading to arrest and conviction), as the title indicates, to increase the amounts that may be awarded to an amount not to exceed $100,000 (was, not to exceed $10,000). Further amends the statutes to make the language gender neutral.

**Summary date:** Jul 22 2013

AN ACT TO INCREASE THE REWARD AMOUNT THAT THE GOVERNOR MAY OFFER FOR THE APPREHENSION OF A FUGITIVE FROM JUSTICE OR FOR INFORMATION LEADING TO THE ARREST AND CONVICTION OF A FUGITIVE FROM JUSTICE. Enacted July 18, 2013. Effective July 18, 2013.

**SL 2013-277**

MANDATORY RETIREMENT AGE FOR MAGISTRATES.
**Bill H 161**

**Summary date:** Feb 26 2013

Amends GS 7A-170 to prohibit magistrates from continuing in office beyond the last day of the month in which the magistrate reaches the mandatory retirement age for justices and judges of the General Court of Justice (age 72). Effective October 1, 2013.

**Summary date:** Mar 6 2013

House committee substitute makes the following change to the 1st edition. Changes the effective date to January 1, 2015.

**Summary date:** Mar 19 2013

House amendment to the 2nd edition makes the following changes. Clarifies that the act applies to individuals whose term of office as magistrates begin on or after the January 1, 2015, effective date.

**Summary date:** Jul 22 2013

AN ACT TO ESTABLISH A MANDATORY RETIREMENT AGE FOR MAGISTRATES. Enacted July 18, 2013. Effective January 1, 2015, and applies to individuals whose terms of office as magistrates begin on or after that date.

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**SL 2013-278**

DIVISION OF ATTY'S FEES IN WORKERS' COMP.

**Bill H 168**

**Summary date:** Feb 27 2013

As title indicates.

**Summary date:** May 13 2013

House committee substitute to the 1st edition makes the following changes. Deletes the provisions of the 1st edition and replaces it with the following. Amends GS 97-90(f) to require the Industrial Commission to hear and determine disputes between an employee's current and past attorney regarding the division of a fee as approved under the statute (legal and medical fees to be approved by Commission; misdemeanor to receive fees unapproved by Commission, or to solicit employment in adjusting claims; agreement for fee or compensation). Provides for the right of appeal for an attorney who is party to an action under the new subsection.

**Summary date:** Jul 2 2013
Senate amendment makes the following change to the 3rd edition. Provides that the act applies to all fee disputes under the section as to which no action to adjudicate the dispute has been filed in superior court before the effective date of the act (was, applies to disputes that arise on or after the effective date of the act).

**Summary date:** Jul 3 2013

Senate amendment #2 makes the following change to the 3rd edition.

Provides that this act, which is effective when it becomes law, applies to fee disputes for which no action to adjudicate has been filed in superior court prior to that date.

**Summary date:** Jul 22 2013


**SL 2013-279**

**CHARTER SCHOOL ELECTION.**

**Bill H 176**

**Summary date:** Feb 27 2013

As title indicates. Requires that the elections to participate be made no later than 30 days after the act's effective date and requires that they be made in accordance with GS 135-5.3 (optional participation in the retirement system for charter schools operated by private nonprofit corporations) and GS 135-48.54 (Optional participation in the state health plan for charter schools operated by private nonprofit corporations).

**Summary date:** Jul 22 2013

AN ACT TO AUTHORIZE CORVIAN COMMUNITY SCHOOL, AN EXISTING CHARTER SCHOOL, TO ELECT TO PARTICIPATE IN THE TEACHERS’ AND STATE EMPLOYEES’ RETIREMENT SYSTEM AND THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES. Enacted July 18, 2013. Effective July 18, 2013.

**SL 2013-280**

**AMEND REAL ESTATE LICENSE LAW/RECORDS.**

**Bill H 214**
Amends GS 93A-4 to provide that documents containing personal information that are collected by the NC Real Estate Commission (Commission) in connection with an application for examination, licensure, certification, renewal or reinstatement, or informational updates are not considered public records unless admitted into evidence in a Commission hearing.

AN ACT EXEMPTING FROM PUBLIC RECORDS DOCUMENTS COLLECTED OR COMPILED IN CONNECTION WITH AN APPLICATION FOR LICENSURE UNDER THE LAWS REGULATING REAL ESTATE BROKERS AND SALESPERSONS. Enacted July 18, 2013. Effective July 18, 2013.

SL 2013-281

UNCLAIMED PROPERTY PROGRAM IMPROVEMENTS.

Bill H 257

Amends GS 116B-6(i) to direct the Treasurer to record any other owner information obtained from the holder of property assumed to be abandoned in addition to the holder's name and last known address. Specifies that the required owner information includes Social Security or tax identification number, date of birth, driver's license or state identification number, and email address of each person, annuitant, insured, or beneficiary who may be entitled to the abandoned property based on the holder's report. Provides that the records must be available for inspection at public request within a reasonable time period but provides that access may be limited to those records required to be disclosed in GS 116B-62. Amends GS 116B-52(11) to define property to mean money or tangible personal property (was, tangible property) held by a holder as specified in this section.

Current law requires a holder of property presumed to be abandoned to make a report to the Treasurer regarding the property. Requires the holder of property presumed to be abandoned to file a certification and verification that the holder has complied with GS 116B-59. Amends GS 116B-60 to permit holders making the report electronically to file an electronic certification and verification as required to comply with this statute. Deletes the processing fee for filing a request for an extension of time to file a report.

Effective July 1, 2013, and applies to reports filed or records created on or after that date.
Senate committee substitute to the 1st edition makes the following changes. Deletes the existing law and proposed changes in GS 116B-6(i) and instead requires the State Treasurer to maintain the records it receives from holders who report unclaimed property according to GS 116B-60. Limits the information that may be subject to public inspection to the information the State Treasurer is required to annually submit to the clerks of superior court. Changes the effective date of the act from July 1, 2013, to when the act becomes law.

Summary date: Jul 22 2013

AN ACT TO AMEND THE STATUTES GOVERNING THE ESCHEAT FUND TO PROTECT THE PRIVACY OF INFORMATION COLLECTED FOR THE PROCESS OF PAYING CLAIMS; TO ELIMINATE THE FEE PAID BY HOLDERS FOR FILING AN EXTENSION REQUEST; TO REDUCE THE AMOUNT OF PAPERWORK REQUIRED BY HOLDERS; AND TO IMPROVE THE EFFICIENCY AND EFFECTIVENESS OF PROCESSING HOLDER REPORTS. Enacted July 18, 2013. Effective July 18, 2013.

SL 2013-282

BLUE MONDAY SHAD FRY.

Bill H 241

Summary date: Mar 6 2013

Amends GS 145-33 to adopt the East Arcadia Blue Monday Shad Fry as the state’s official Blue Monday Shad Fry.

Summary date: Jul 22 2013

AN ACT TO MAKE THE BLUE MONDAY SHAD FRY IN EAST ARCADIA LOCATED ON THE CAPE FEAR RIVER LOCK AND DAM #1 IN BLADEN COUNTY AND SOUTHEAST COLUMBUS COUNTY THE OFFICIAL STATE BLUE MONDAY SHAD FRY. Enacted July 18, 2013. Effective July 18, 2013.

SL 2013-283

OMNIBUS WILDLIFE RESOURCES COMMISSION ACT.

Bill H 296

Summary date: Mar 13 2013

Identical to S 234, filed 3/7/13.

Amends GS 113-270.1A (Hunter safety course required), requiring that any person procuring a hunting license in North Carolina must produce a hunter education certificate of competency, a NC hunting
heritage apprentice permit from the Wildlife Commission (Commission), or a hunting license issued prior to July 1, 2013, by the Commission.

Exempts people who qualify for a disabled license, pursuant to GS 113-270.1C(b)(5) or (6), GS 113-270.1D(b)(7) or (8), or GS 113-351(c)(3)(f) or (g), from complying with GS 113-270.1A(a), the section above (previously, only exempted those that qualified for a totally disabled combination license under GS 113-270.1C(b)(4)), when the same only makes use of the license when accompanied by an adult of at least 18 years of age who is licensed to hunt and when the licensed adult maintains a proximity close enough to remain within sight and hearing distance without the help of electronic devices (previously, only stated that the disabled hunter must be accompanied by an adult and that the adult must stay close enough to communicate with the disabled hunter).

Makes technical and conforming changes to GS 113-270.1A(b). Also expands the organizations that the Commission may work with to develop courses.

Amends GS 113-270.1A(c) to state that, on or after July 1, 2013 (was, on or after July 1, 1991), any person who obtains a hunting license by a fictitious certificate of competency or through other means of fraud will have his or her hunting privileges revoked by the Commission for a period not to exceed one year.

Amends GS 113-270.1A(d) by adding the Nonresident Lifetime Sportsman License, the Age 65 Resident Lifetime Sportsman License, and the Lifetime Unified Sportsman/Coastal Recreational Fishing Licenses to the list of lifetime licenses that may be purchased by or in the name of people who have not obtained a hunter education certificate of competency, subject to specified conditions. Makes technical and conforming changes to GS 113-270.1A(d).

Amends GS 113-270.2A, stating that an applicant for a hunting license can make a contribution to the Commission for the purpose of funding a hunter safety education program (was, can make a contribution of 50 cents).

Amends GS 113-274(c) by enacting new GS 113-274(c)(3c), which provides for the issuance of a Hunting Heritage Apprentice Permit by the Commission. The permit authorizes a person that does not meet the hunter education course requirements to purchase a hunting license and hunt if accompanied by an adult at least 18 years old who is licensed in North Carolina, or if accompanied by an adult landholder or spouse that is exempt from the hunting license requirement pursuant to GS 113-276(c) if hunting on the landholder's land. Defines accompanied as previously described in GS 113-270.1A(a1). Hunting with a permit issued pursuant to this section but not complying with all the requirements violates GS 113-270.1B, hunting without first procuring a current and valid license.

Amends GS 113-276, making technical and conforming changes.

Act replaces references to hunter safety with hunter education throughout. Also, elaborates that being accompanied by an adult signifies having a person 18 years of age or older maintain a proximity close enough to remain within sight and hearing distance without the help of electronic devices.
Effective July 1, 2013.

Summary date: Apr 4 2013

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

Makes technical and clarifying changes.

Summary date: Jun 27 2013

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

Amends the short and long titles.

Raises the fees for the following licenses by various amounts: The Resident Combination Hunting and Inland Fishing License, Annual Sportsman License, Lifetime Sportsman Licenses, Resident State Hunting License, Lifetime Resident Comprehensive Hunting License, Controlled Hunting Preserve Hunting License, Resident Annual Comprehensive Hunting License, Nonresident State Hunting License, Resident Big Game Hunting License, Nonresident Bear Hunting License, Nonresident Big Game Hunting License, Migratory Waterfowl Hunting License, hunting and fishing guide licenses issued by the Wildlife Resources Commission (WRC), trapping licenses issued by the WRC, Hook-and-Line fishing licenses issued by the WRC, Special Trout License, Mountain Heritage Trout Waters 3-Day Fishing License, Resident Special Device licenses issued by the WRC, and the Unified Hunting and Fishing Licenses.

The fees for the following licenses were lowered by the act: The Resident Disabled Veteran Lifetime Unified Sportsman/Coastal Recreational Fishing License, Resident Disabled Veteran Lifetime Sportsman License, Resident Totally Disabled Lifetime Sportsman License, Resident Totally Disabled Lifetime Unified Sportsman/Coastal Recreational Fishing License and Resident Special Device License.

Provides that the different disabled veteran licenses can also be issued to resident veterans that are at least 50% disabled as established by the rules of the WRC (current law only allows the issuance for 50% disablement as determined by the US Department of Veteran Affairs or by the Social Security Administration depending on the license).

Provides that the age for discounted special licenses is now 70 (was, 65). Makes conforming changes in regards to the age change, providing that now adult licenses are issued to individuals between the age of 12 and 70.

Amends GS 113-270.2(c), repealing the Resident County Hunting License and changing the Six-Day Nonresident State Hunting License to a Ten-Day License.

Amends GS 113-270.3, establishing a bear management stamp for a $10 fee, which must be obtained prior to the taking of any bear in NC. Funds from the fee will be dedicated to black bear research and management. Changes the Six-Day Nonresident Big Game Hunting License to a Ten-Day License.
Amends GS 113-270.5(b) and GS 113-271(d), repealing the Resident County Trapping License and the Resident County Inland Fishing License.

Amends GS 113-272.2(c), repealing the Resident Noncommercial Special Device License and the Nonresident Noncommercial Special Device License and providing for only the Resident Special Device License and the Nonresident Special Device License (current law has these two licenses labeled as "Commercial" licenses, this language is now deleted).

Amends GS 113-291.1(b), adding language providing that the WRC cannot establish rules that allow the taking of a black bear with the use and aid of any kind of bear bait. Also prohibits the WRC from making rules that allow the taking of a bear while it is consuming bait.

Repeals Chapter 828 of the 1981 Session Laws, a local act prohibiting the taking of a black bear with bait.

Amends GS 113-26, exemptions and exceptions to license and permit requirements, providing that landowners are not exempt from the requirement to obtain a bear management stamp before the taking of a black bear on their property. Amends GS 113-276(n), updating statute citations.

Amends GS 113-270.1(b), concerning licensing agents, providing that license agents can charge a fee of $2 per transaction for the issuance of licenses or permits (was, can deduct a fee of up to 6% from the amount collected for each license or permit).

Amends GS 113-270.1B by adding a new subsection (c) providing that for licenses sold directly through the WRC, the WRC can charge a fee of $2 per transaction. Prohibits a fee from being charged for the federal Harvest Information Program certification, big game harvest report cards for lifetime license holders, exempt landowners, persons of less than 16 years of age, or for any other license or vessel transactions that do not carry a charge.

Amends GS 75A-5.2(c), to increase the surcharge levied and received by vessel agents for certain transactions. Provides that the surcharge will be added to the fee for each certificate issued.

Amends GS Chapter 143 by adding a new section, GS 143-249.1, operating budget, providing that no more than 25% of the certified operating budget of the WRC is allowed to accumulate in a cash balance. Provides that it is the intent of the General Assembly to implement nonrecurring reductions in subsequent fiscal years in the amount equal to the cash balance that exceeds 25% of the authorized operating budget in the prior fiscal year.

Amends GS 143-250.1 by adding a new subsection that provides that when the cash balance in the Wildlife Endowment Fund is equal to or greater than $100 million, the WRC will budget at least 50% of the annual expendable interest from the Fund to implement the conservation goals found in the WRC's strategic plan.

The WRC is directed to adopt rules to establish fees for the hunting, fishing, trapping, and activity licenses issued and administered by the WRC. However, no rule to increase fees above January 1, 2015, levels may increase a fee in excess of the average increase in the Consumer Price Index for All Urban
Consumers over the preceding five years. Provides that effective January 1, 2015, the statutory fees for the hunting, fishing, trapping, and activity licenses issued and administered by the WRC will remain at the levels existing on that date until the rules required to be adopted by the WRC become effective. Provides that the statutory fees for the hunting, fishing, trapping, and activity licenses issued and administered by the WRC will expire when the WRC’s adopted rules become effective.

Provides that all discounted licenses for persons at least 65 years of age provided for in GS 113-270.1D(b), 113-271(d), 113-351(c), and 113-174.2(c) for which the age requirement is increased from 65 to 70 by this act will remain available at age 65 for persons born on or before August 1, 1953.

Amends the enactment clause, providing that Sections 1 through 11 and Sections 14 and 21 of the act become effective August 1, 2014. Sections 12 and 13 are effective when they become law. Sections 15, 16, 17, and 18 of the act become effective January 1, 2014. Section 20 becomes effective January 1, 2015. The remainder of this act becomes effective July 1, 2013.

**Summary date:** Jul 2 2013

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

Deletes proposed changes made to GS 113-270.1C(b)(2) through (b)(6), concerning increases in fees for specified combination hunting and inland fishing licenses.

Deletes proposed changes made to GS 113-270.1D, *Sportsman licenses*, deleting proposed increases to Infant, Youth, and Adult Resident Lifetime Sportsman Licenses, as well as Age 70 Resident Lifetime Sportsman Licenses, Resident Disabled Veteran Lifetime Sportsman Licenses, and Resident Totally Disabled Lifetime Sportsman Licenses.

Deletes proposed fee changes for the Mountain Heritage Trout Waters 3-Day Fishing License, Lifetime Resident Comprehensive Hunting License, the Lifetime Resident Comprehensive Inland Fishing License, Age 70 Resident Lifetime Inland Fishing License, Resident Disabled Veteran Lifetime Inland Fishing License, the Resident Totally Disabled Lifetime Inland Fishing License, the Infant Lifetime Unified Sportsman/Coastal Recreational Fishing License, the Youth Lifetime Unified Sportsman/Coastal Recreational Fishing License, the Resident Age 70 Lifetime Unified Sportsman/Coastal Recreational Fishing License, the Resident Disabled Veteran Lifetime Unified Sportsman/Coastal Recreational Fishing License, Resident Totally Disabled Lifetime Unified Sportsman/Coastal Recreational Fishing License, the Resident Lifetime Unified Inland/Coastal Recreational Fishing License, and the Resident Lifetime Unified Inland/Coastal Recreational Fishing License.

**Summary date:** Jul 22 2013

AN ACT TO (1) ADJUST THE FEES CHARGED FOR CERTAIN HUNTING AND FISHING LICENSES ISSUED BY THE WILDLIFE RESOURCES COMMISSION AND REPEAL THE COUNTY HUNTING, FISHING, AND TRAPPING LICENSES AND THE NONCOMMERCIAL SPECIAL DEVICE LICENSES; (2) ESTABLISH A BLACK BEAR MANAGEMENT STAMP THAT MUST BE PROCURED BEFORE TAKING BEAR WITHIN THE STATE AND AMEND THE LAW RESTRICTING THE TAKING OF BLACK BEAR WITH BAITS; (3) ADJUST THE AGE FOR
DISCOUNTED SPECIAL LICENSES FROM AGE SIXTY-FIVE TO AGE SEVENTY; (4) PROVIDE THAT EFFECTIVE JANUARY 1, 2015, THOSE HUNTING AND FISHING LICENSE FEES IN EFFECT SHALL REMAIN AT THE EXISTING LEVELS UNTIL THE WILDLIFE RESOURCES COMMISSION ESTABLISHES NEW FEES THROUGH RULE MAKING, AND AUTHORIZE THE WILDLIFE RESOURCES COMMISSION TO ESTABLISH LICENSE FEES THROUGH RULE MAKING BEGINNING IN 2015; (5) REPLACE THE CURRENT SIX PERCENT WILDLIFE SERVICE AGENT COMMISSION FEE WITH A TWO-DOLLAR TRANSACTION FEE; (6) PROVIDE THAT NO MORE THAN TWENTY-FIVE PERCENT OF THE WILDLIFE RESOURCES COMMISSION'S AUTHORIZED OPERATING BUDGET SHALL BE KEPT IN RESERVE; AND (7) PROVIDE AN ANNUAL TARGET FOR UTILIZATION OF THE ANNUAL EXPENDABLE INTEREST OF THE WILDLIFE ENDOWMENT FUND. Enacted July 18, 2013. Sections 1 through 11 and 14 through 21 are effective August 1, 2014. Sections 12 and 13 are effective July 18, 2013. Sections 15 through 18 are effective January 1, 2014. Section 20 is effective January 1, 2015. The remainder is effective July 1, 2013.

SL 2013-284

FIRE AND RESCUE PENSION REVISIONS OF 2013.-AB

Bill H 327

Summary date: Mar 18 2013

Identical to S 304, filed 3/13/13.

Updates language in Article 86 of GS Chapter 58 to make the provisions gender neutral; for example, replaces "firemen" with "firefighters." Also makes provisions regarding firefighters gender neutral in GS 25-9-406(i), GS 25-9-408(f), GS 147-69.2, GS 147-69.7(a), and GS 147-69.8.

Enacts new GS 58-86-2 to add a definitions section to Article 86 for words and phrases as used in this Article.

Deletes GS 58-86-5 to eliminate the six-member Board of Trustees of the North Carolina Firemen's and Rescue Squad Workers. Enacts GS 58-86-6 to create the Firefighters' and Rescue Squad Workers' Pension Fund Advisory Panel (the advisory panel).

Provides that the advisory panel is to have seven members: (1) the director of the Retirement Systems Division of the North Carolina Department of State Treasurer, serving as chair; (2) a designee of the State Insurance Commissioner; and (3) five members appointed by the Board of Trustees of the Local Governmental Employees Retirement System (Board) that meet specified requirements. Allows members of the advisory panel to succeed themselves if they are reappointed by the Board.

Allows the persons who are serving on the Board of Trustees of the North Carolina Firemen's and Rescue Squad Workers on June 30, 2013, to serve as members of the advisory panel created in this act until their current terms expire.
Directs the Board to administer the Pension Fund. Amends GS 58-86-15, deleting the office of the Director of the North Carolina Firemen's and Rescue Squad Workers' Pension Fund.

Requires the advisory panel to meet at least once a year at the call of the chair. Provides that the advisory panel does not have any administrative authority, but requires the advisory panel to submit an annual report to the Board on the status and needs of the pension fund.

Amends GS 58-86-25 to delete the definition for eligible firemen (now moved to the definitions section in new GS 58-86-2 and titled eligible firefighters). Requires eligible firefighters to attend 36 hours of training in each calendar year. Directs each eligible fire department (was, department) to annually report the names of the firefighters who meet the eligibility requirements under this Article to its respective governing body. Prohibits an eligible firefighter from also qualifying as an eligible rescue squad worker in order to receive double benefits under Article 86 of GS Chapter 58. Amends GS 58-86-30 to make the same changes as above applicable to an eligible rescue squad worker, including the prohibition against receiving double benefits.

Amends GS 58-86-35 (firefighters) and GS 58-86-40 (rescue squad workers) to require that firefighters and rescue squad workers who are members of the fund make each monthly payment to the fund no later than March 31 following the end of the year in which the month occurred (was, 90 days after the end of the calendar year in which the month occurred). Provides that the pension fund does not award fully credited service based on payments after March 31, subsequent to the end of the calendar year in which the month occurred unless the payment is a lump sum payment as provided in GS 58-86-45(a1).

Amends GS 58-86-45, deleting outdated provisions regarding retroactive membership in the pension fund. Applies provision regarding a lump sum payment for service "otherwise not creditable" to all purchases of service credit for months for which timely payments were not previously made under GS 58-86-35 or GS 58-86-40.

Deletes provision that prohibited a member from receiving a pension until the member's official duties as a fireman or rescue squad worker, for which the member received compensation, had been terminated and the member had retired. Amends subdivision (4) of GS 58-86-60 to permit any member to withdraw from the fund, upon proper application, and receive a lump sum payment (was, made a distinction based on five or more years of contributing service and less than five years of contributing service). Provides that a member may not purchase time under GS 58-86-45 for which the member has received a refund.

Deletes GS 58-86-91, which allowed periodic deductions from a member’s retirement benefits to be paid to an employees' or retirees' association meeting certain criteria.

Enacts new GS 58-86-95 to provide that members who resign as eligible firefighters or eligible rescue squad workers have the option of withdrawing from the fund and seeking a refund under GS 58-86-60 or taking a leave of absence under this section, or the member will be considered inactive. Requires any member not on active military service to provide written notice to the office of the director that the member is taking a leave of absence. Requires members on active military service to provide notice to
the director before beginning active service and again upon returning from active duty. Provides additional criteria regarding leaves of absence and inactive membership.

Enacts new GS 58-86-100, effective December 1, 2013, to provide for the forfeiture of retirement benefits, except for a return of member contributions, for members convicted of certain felonies that would bring disrepute on a fire department or rescue squad. Applies to convictions under federal or state law meeting the specifications as detailed in this section. Provides for a member or former member to seek a reversal of a benefits forfeiture if the member subsequently receives a pardon, or the conviction is vacated or set aside for any reason, by presenting sufficient evidence to the State Treasurer.

Amends GS 15A-1340.16(d) to establish as an aggravating factor a defendant who is a firefighter or rescue squad worker and commits an offense that is directly related to service as a firefighter or rescue squad worker. Enacts new subdivision (h) to GS 58-86-95 to provide that a member with less than 20 years of fully credited service in this system as of December 1, 2013, and is convicted of certain offenses committed after December 1, 2013, forfeits all benefits except for a return of member contributions, and is not entitled to any fully credited service accruing after December 1, 2013. Effective December 1, 2013.

Except as otherwise indicated, this act becomes effective July 1, 2013.

**Summary date:** Apr 18 2013

House committee substitute to the 1st edition makes the following changes. Amends SL 2012-193 to add convictions under GS 135-5.1(h) to those that are to be included in the memorandum of agreement between the State Treasurer and US Attorneys under which the prosecutors notify the State Treasurer of convictions.

**Summary date:** Apr 30 2013

House committee substitute to the 2nd edition makes the following changes. Amends GS 58-86-55 to reinstate the provision that no member is entitled to a pension until the member’s official duties as a fireman or rescue squad worker for which the member is paid compensation have been terminated and the member has retired according to standards or rules fixed by the board of trustees.

**Summary date:** Jun 26 2013

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

Amends GS 58-86-95 to provide that if a member who is in service and has not received 20 years of fully credited service on December 1, 2013, is convicted of an offense listed in new GS 58-86-100 (was, GS 126-38.5) for acts committed after December 1, 2013, then that member is not entitled to any fully credited service that accrued after December 1, 2013.

**Summary date:** Jul 22 2013
AN ACT TO MODERNIZE, UPDATE, AND CLARIFY THE STATUTES GOVERNING THE FIREMEN'S AND RESCUE SQUAD WORKERS' PENSION FUND BY ADDING A DEFINITION SECTION TO THE STATUTES, TO REPEAL ARCHAIC AND UNNECESSARY PROVISIONS, TO MAKE THE PROVISIONS GENDER NEUTRAL, TO ELIMINATE THE BOARD OF TRUSTEES WHILE TRANSFERRING ITS AUTHORITY TO THE BOARD OF TRUSTEES OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, TO ESTABLISH A FIREFIGHTERS' AND RESCUE SQUAD WORKERS' ADVISORY PANEL, TO PROHIBIT CERTAIN FELONS FROM PARTICIPATING IN THE FUND, AND TO ESTABLISH AN AGGRAVATING FACTOR FOR DEFENDANTS WHO COMMIT OFFENSES DIRECTLY RELATED TO THEIR SERVICE AS FIREFIGHTERS OR RESCUE SQUAD WORKERS. Enacted July 18, 2013. Section 2 is effective December 1, 2013. The remainder is effective July 1, 2013.

SL 2013-285

LIMITED LINES TRAVEL INSURANCE.

Bill H 340

Summary date: Mar 19 2013

Creates new GS 58, Article 44B (Limited Line Travel Insurance), providing definitions to be used in this section, including limited lines travel insurance producer, offer and disseminate, travel insurance, and travel retailer. Provides that the Commissioner of Insurance (Commissioner) can issue to any individual or business entity a limited lines travel insurance producer license, authorizing the limited lines travel insurance producer to sell, solicit, or negotiate travel insurance through a licensed insurer.

Provides that a travel retailer can offer and disseminate travel insurance, under the license described above, only if certain conditions are met, found in GS 58-44B-2(b).

Provides that any travel retailer offering or disseminating travel insurance will make available to prospective purchasers brochures or other written materials that must include all of the following: (1) identity and contact information of the insurer and the producer, (2) an explanation that travel insurance is not required in order to purchase any other product or service from the travel retailer, (3) a disclaimer that an unlicensed travel retailer is permitted to provide general information about the insurance offered but cannot answer technical questions about the terms and conditions of the insurance offered by the travel retailer or evaluate adequacy of existing coverage.

A travel retailer’s employee who is not licensed cannot evaluate or interpret technical terms, benefits, and conditions of the travel insurance coverage, evaluate or provide advice on a prospective purchaser’s existing insurance coverage, or hold itself out as a licensed insurer, licensed producer, or insurance expert.
Provides that travel insurance can be provided under an individual policy or a group or master policy. The insurance producer is responsible for the acts of the travel retailer and will use reasonable means to ensure compliance by the travel retailer.

Provides that the limited lines travel insurance producer will be subject to the provisions of Article 63 and to the full enforcement of the Commissioner granted by Article 2.

Summary date: Apr 11 2013

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

Removes the provisions of the bill from GS Chapter 58, Article 44B, and places them in GS Chapter 58, Article 33, to comprise new GS Chapter 58-33-19 (Limited lines travel insurance).

Makes technical, conforming, and clarifying changes.

Changes the effective date to January 1, 2014 (was, effective when the act becomes law).

Summary date: Jun 6 2013

Senate committee substitute to the 2nd edition makes the following changes. Amends the definition of limited lines travel insurance producer (new GS 58-33-19) to mean a licensed insurance producer as defined by GS 58-33-10(7), and to also include a limited lines producer appointed by an insurer, as set forth in GS 58-33-49, acting as a landlord or real estate broker engaged in the rental or management of residential property for vacation rental as defined in GS Chapter 42A.

Summary date: Jul 22 2013

AN ACT TO ALLOW THE DEPARTMENT OF INSURANCE TO LICENSE NATIONAL TRAVEL INSURANCE PRODUCERS TO SELL TRAVEL INSURANCE THROUGH THIRD-PARTY TRAVEL RETAILERS. Enacted July 18, 2013. Effective January 1, 2014.

SL 2013-286

INCREASE PENALTIES FOR MISUSE OF 911 SYSTEM.

Bill H 345

Summary date: Mar 19 2013

Amends GS 14-111.4 to make it a Class 1 misdemeanor to knowingly misuse the 911 system (was, a Class 3 misdemeanor, with a Class 1 misdemeanor to knowingly access or attempt to access the 911 system to avoid a charge for voice communications service that exceeds $100). Effective for offenses committed on or after December 1, 2013.

Summary date: May 2 2013
House committee substitute to the 1st edition makes the following changes.

Amends GS 62A-41 to amend the membership of the 911 Board to require that the member appointed by the General Assembly upon the President Pro Tempore's recommendation who is a chief of police be appointed upon the recommendation of the North Carolina Association of Chiefs of Police.

Amends SL 2012-132 to provide that no operating standards set by the 911 Board under Article 3 of GS Chapter 62A are effective until January 1, 2015 (was, January 1, 2014).

Requires the Joint Legislative Emergency Management Oversight Committee to study five specified issues, including development of operating standards for Public Safety Answering Points, and administration of the 911 fund. Requires a report to the General Assembly on or before January 31, 2014.

All of the above provisions are effective when the act becomes law.

**Summary date:** May 15 2013

House amendment makes the following changes to the 2nd edition:

Amends GS 62A-41(a)(2) to require that the sheriff appointed to the 911 Board by the General Assembly upon the recommendation of the Speaker of the House be recommended by the North Carolina Sheriff's Association.

Changes the entity responsible for studying specified issues related to the 911 Board, 911 Service, and Public Safety Answering Points from the Joint Legislative Emergency Management Oversight Committee to the Legislative Research Commission.

**Summary date:** Jul 1 2013

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

Deletes the amendment to Section 1 of SL 2012-132, which provided that no operating standards set by the 911 Board under Article 3 of GS Chapter 62A were effective until January 1, 2015.

Deletes the requirement that the Legislative Research Commission study the specified issues related to the 911 Board and Public Safety Answering Points.

Amends the act's long title.

**Summary date:** Jul 22 2013

AN ACT TO INCREASE THE CRIMINAL PENALTY FOR MISUSE OF THE 911 SYSTEM, AND TO PROVIDE FOR RECOMMENDATIONS FOR CERTAIN APPOINTMENTS TO THE STATE 911 BOARD. Enacted July 18, 2013. Section 1 is effective December 1, 2013. The remainder is effective July 18, 2013.
Amends GS 135-96 (Supplemental Retirement Board of Trustees), establishing that the Supplemental Retirement Board of Trustees (Board) will also administer the North Carolina Public School Teachers' and Professional Educators' Investment Plan established under GS 115C-341.2. Provides that the Board may retain the services of professionals and firms with the skills necessary to provide for the proper administration of investment programs that the Board administers.

Amends GS 161-50.1(b) providing that the Board of Trustees of the Local Governmental Employees' Retirement System (was, Department of State Treasurer) now administers the provisions of the Article (Register of Deeds' Supplemental Pension Fund Act of 1987).

Amends GS 127A-40, providing that the Board of Trustees of the Teachers' and State Employees' Retirement System will administer the provision of the section (Pensions for the members of the North Carolina National Guard). Makes technical and clarifying changes throughout the section.

Amends GS 135-6(b) (administration of Retirement System for Teachers and State Employees), providing that members of the board of trustees may include one person who may be an active or retired member of the National Guard and one person who may be an active or retired member of the Firemen's and Rescue Squad Workers' Pension Fund (previously, neither organization was represented on the board).

Amends GS 135, adding new section GS 135-97 (Immunity), establishing that a person serving on the Board is immune from civil liability for monetary damages, except to the extent covered by insurance, for any act or failure to act arising out of that service except when (1) the person was not acting within the scope of official duties, (2) was not acting in good faith, (3) gross negligence was committed or willful or wanton misconduct resulted in the damages or injury, (4) the person derived an improper personal benefit, either directly or indirectly, (5) incurred liability from the operation of a motor vehicle.

Amends GS 120-4.9 (Retirement system established), replacing Legislative Services Commission with Board of Trustees, essentially vesting all direction and policies concerning the Legislative Retirement System with the Board.

Amends GS 120-4.10 (Administration of retirement system), making technical and conforming changes.

Effective July 1, 2013.

Summary date: May 2 2013

House committee substitute to the 1st edition makes the following changes. Deletes the proposed changes to GS 135-6 and instead amends the membership of the Board of Trustees Teachers' and State...
Employees’ Retirement System (Board) as follows. Decreases the number of Board members from 14 to 13, reducing the number of members appointed by the Governor and confirmed by the Senate from ten to nine. Deletes the requirement that one member be an employee of the Board of Transportation, reduces by one the number of members who are not members of the teaching profession or state employees, and adds that one member must be an active or retired member of the NC National Guard appointed by the Governor for a term of four years commencing July 1, 2013.

Amends GS 128-28 to amend the membership of the Board of Trustees for the North Carolina Local Governmental Employees’ Retirement System (Local Board) to decrease from seven to six the number of members of the Local Board that are members of the Board appointed under GS 135-6, to require only one of the two members appointed by the Governor not be members of the teaching profession or state employees (was, appoint three members who were not members of the teaching profession or state employees), and to add a member designated by the Governor who is an active or retired member of the Firemen's and Rescue Squad Workers' Pension Fund. Requires the Governor to designate six (was, seven) members on April 1 of years in which an election is held for Governor.

Summary date: Jun 26 2013

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

Amends GS 128-28(c), providing that five members (was, six members) from the Board of Trustees of the Teachers’ and State Employees’ Retirement System will be appointed to the Supplemental Retirement Board of Trustees. Requires the Governor to appoint eight members (was, six), to the Supplemental Retirement Board on April 1 of years in which an election is held for the office of Governor, or as soon thereafter as possible. Makes conforming changes.

Amends GS 135-97, concerning immunity for those serving on the Supplemental Retirement Board, making technical and clarifying changes.

Summary date: Jul 2 2013

Senate amendment to the 3rd edition changes the act's effective date from July 1, 2013, to when the act becomes law.

Summary date: Jul 22 2013

AN ACT TO INCREASE CITIZEN OVERSIGHT AND TO MAKE OTHER CONSOLIDATIONS AND IMPROVEMENTS IN THE GOVERNANCE OF THE STATE RETIREMENT SYSTEMS, AND TO IMPROVE TRANSPARENCY BY ENSURING THAT ALL RETIREMENT PLANS ADMINISTERED BY THE DEPARTMENT OF STATE TREASURER ARE OVERSEEN BY A BOARD OF TRUSTEES. Enacted July 18, 2013. Effective July 18, 2013.
Amends GS 143-166.30(d), deleting the limit of how much a participant can contribute to the Supplemental Retirement Income Plan for State Law-Enforcement Officers (was, couldn't contribute more than 10% of compensation).

Amends GS 143-166.50(e), deleting the limit of how much a participant can contribute to the Supplemental Retirement Income Plan for Local Government Law-Enforcement Officers (was, couldn't contribute more than 10% of compensation).

Amends GS 128-26(a1), dealing with the credit allowed an individual who gave military service. Establishes that a member retiring on or after July 1, 1971, will be allowed credit for any period of qualifying service in the Armed Services, as defined for purposes of reemployment rights under federal law, provided that, the returning member is in service, with the employer by whom the member was employed when the member entered military services, for a period of not less than 10 years after the member is separated or released from that military service under other than dishonorable conditions or the following are met:

(1) The member did not, prior to leaving for military service, provide clear written notice of an intent not to return to work after military service.

(2) The member was discharged from uniformed service and returned from the leave of absence for uniformed service to membership service in this system within the time limit mandated by federal law for reporting back to work.

(3) The period of uniformed service, for which additional service credit is sought, has been verified by suitable documentation and is not eligible for receipt of benefits under any other retirement system or pension plan.

(4) All service credit forfeited by a refund pursuant to the provisions of GS 128-27(f) has been purchased.

Limits the uniformed service credit allowed under this subsection to a maximum of five years unless specifically exempted by federal law. The salary or compensation of such an employee during qualifying military service will be considered to be that salary or compensation the employee would have received but for the period of service had the employee remained continuously employed. If the salary is not reasonably certain, the determination will be considered as an average rate of compensation during the 12-month period immediately preceding the period of service.
Amends GS 135-1(14), GS 128-21(14), GS 135-1, GS 128-21, GS 135-53(16), and GS 120-4.8, making technical, conforming, and clarifying changes.

Amends GS 135-5.1(b), providing that the Optional Retirement Program will be permitted to file individual election forms with the Retirement System using electronic transmission.

Amends GS 135-101(3), providing that the monthly disability benefit will not be prorated unless the death occurs during the final month of the approved benefit period. In such cases, the benefits will not exceed the last date of approval.

Amends GS 135-106(d), clarifying that an early service retirement allowance is effective with the first day of the month following the end of the short-term period.

Amends GS Chapter 135 by adding a new section, GS 135-111.1 (Improper receipt of decedent’s Disability Income Plan allowance). Provides that a person is guilty of a Class 1 misdemeanor if the person, with intent to defraud, receives money by cashing, depositing, or receiving a direct deposit of a decedent’s Disability Income Plan allowance and knows he or she is not entitled to those funds and receives the benefit of such funds two months after the date of the beneficiary’s death and does not attempt to inform the System of the beneficiary’s death.

Amends GS 135-118.11, 128-38.5, 135-75.2, and 120-4.34, making technical and clarifying changes. Establishes that the provisions apply to the death of a retiree or death of a beneficiary.

Amends GS 143-166.2(d), making technical changes. Establishes that the North Carolina Association of Rescue and Emergency Medical Services must file a roster meeting the specified requirements with the State Treasurer before January 31 of each year. DHHS is also required to furnish a list of ambulance service members to the State Treasurer on or about January 31.

Effective July 1, 2013.

Summary date: May 2 2013

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

Makes clarifying changes to GS 135-1(20), defining retirement as it applies to the Teachers’ and State Employees’ Retirement System, and GS 135-53(16), defining retirement as it applies to the Consolidated Judicial Retirement Act.

Deletes changes to GS 120-4.8, which amended the definition of retirement as it applied to the Legislative Retirement System.

Deletes changes to GS 135-101(3), defining benefits as they applies to the Disability Income Plan of North Carolina (Plan).
Amends GS 135-105(d) to require that an employer notify the Plan of the amount of short-term benefits and State Health Insurance premiums paid by the employer (was, notify the Plan of short-term benefits paid by the employer) for which the Plan is to reimburse the employer.

Makes a conforming change to GS 135-111 (Applicability of other pension laws).

Amends GS 135-18.11 to apply only to the improper receipt of a decedent’s retirement allowance (was, retirement allowance or disability benefit).

Makes a technical correction to GS 128-26(x).

Makes the amendments to statutes provided in Section 9 of this act, which deals with the improper receipt of a decedent’s disability income or retirement allowance, effective December 1, 2013, and applies to acts committed on or after that date. Provides that the remainder of this act becomes effective July 1, 2013, (was, all of the provisions of the act were effective July 1, 2013).

**Summary date:** Jul 22 2013

AN ACT TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE STATUTES AFFECTING THE STATE RETIREMENT SYSTEMS. Enacted July 18, 2013. Section 9 is effective December 1, 2013. The remainder is effective July 1, 2013.

**SL 2013-289**

**DEPT. OF PUBLIC SAFETY CHANGES.-AB**

**Bill H 362**

**Summary date:** Mar 19 2013

Repeals GS 20-196.3 which determines who may hold authority over members of the North Carolina State Highway Patrol.

Amends GS 143-134 to provide that Article 8 (Public Contracts) of GS Chapter 143 applies to the Department of Transportation and the Department of Public Safety (was, the Division of Adult Correction of the Department of Public Safety).

Amends GS 143B-600 regarding the organizational structure of the Department of Public Safety (Department). Deletes provisions declaring that the Department is to consist of six divisions and an Office of External Affairs. Provides that the deputy secretaries, directors and respective divisions of the Department are under the direction and control of the Secretary of Public Safety (was, the deputy secretaries were subject to the direction and control of the Secretary). Authorizes the Secretary to assign a Commissioner to oversee the Divisions of Prisons, Community Corrections, and Juvenile Justice and the following auxiliary services: (1) alcoholism and chemical dependency treatment, (2) offender records management, and (3) extradition.
Amends GS 143B-602(8) to add the following to the additional powers and duties of the Secretary: responsibility for federal and state liaison services, victim services, the Victim Services Warehouse, and the storage and management of evidence and other contents housed in the warehouse, and public affairs.

Repeals GS 143B-710, which required the Secretary to appoint a chief deputy secretary to the head of the Division of Adult Correction in the Department of Public Safety.

Amends GS 143B-806 to eliminate the title of Chief Deputy Secretary in the Division of Juvenile Justice. Instead re-titles that position as Director of Juvenile Justice.

Amends GS 148-132, which provides for the distribution of products and services produced by Correction Enterprises of the Division of Adult Correction. Deletes requirement that tax-exempt entities under 501(c)(3) of the Internal Revenue Code, to whom Correction Enterprises is authorized to market and sell products, must also receive local, state, or federal grant funding. Authorizes Correction Enterprises to sell to private contractors when the goods purchased will be used to perform work under a contract with a public agency or a nonprofit organization.

Amends GS 143-53(a)(1) to provide that the Division of Purchase and Contract is to review and decide a protest on a contract valued above the bid value benchmark established in GS 143-53.1 as that section is amended in this act (was, on a contract valued at $25,000 or more). Amends GS 143-53.1 to provide that on or after July 1, 2014 (was July 1, 1997) the setting of bid value benchmarks and the procedures for competitive bids are to be based on the agency's capacity to evaluate contracts below a certain benchmark value as determined by the State Purchasing Officer and approved by the Secretary of Administration. Provides that when an agency's benchmark is raised, the new benchmark becomes effective at the start of the fiscal year after the Secretary of Administration approves it.

Amends GS 166A-19.11 to add to the powers designated by the Governor to the Secretary of Public Safety the authority to authorize expenditures of up to $2 million of funds to be available for response to an emergency before a state of emergency has been declared. Requires the Secretary of Public Safety to report within 30 days of authorizing the expenditure to the Joint Legislative Commission on Governmental Operations.

Amends GS 20-185 to require applicants for employment as a state trooper to be at least 21 years old and not more than 39 years old as of the first day of patrol school. Additionally provides that Highway Patrol enforcement personnel cannot retire later than the end of the month in which their 62nd birthday falls.

Summary date: May 1 2013

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

Changes the long title.

Deletes Section 1 of the previous edition which repealed GS 20-196.3.
Amends GS 143-134, making technical and clarifying changes.

Amends GS 143B-600 (Organization), deleting subsection (b), which was concerned with the powers and duties of the deputy secretaries, directors, and the respective divisions of the Department.

Amends GS 143B-602(8), making a technical change.

Amends GS 143B-806 (Duties and powers of the Division of Juvenile Justice of the Department of Public Safety), providing that the Commissioner of Juvenile Justice is the head of the Division (previously, the 1st edition only established that the Director of Juvenile Justice would have certain powers and duties).

Amends GS 148-132 (Distribution of products and services), establishing that while the Section of Correction Enterprises of the Division of Adult Correction is empowered to market and sell products and services produced by the Enterprise to an entity or organization that has tax-exempt status, those products purchased by such an entity pursuant to this subdivision cannot be resold (previously, no limitation of the resell of the specified products or services was included).

Deletes changes made to GS 143-53(a)(1), as provided for in the previous edition of the act.

Amends GS 143-53(a)(2), dealing with rules for purchases and contracts. Allows the Secretary to adopt rules that prescribe the routine, including consistent contract language, for securing bids on items that do not exceed the bid value benchmark, established under the provisions of GS 143-53.1, 115D-58.14, or GS 116-31.10 (previous edition did not include a reference to GS 115D-58.14). Requires that the bid value benchmark for securing offers for each state department, institution, and agency established under GS 143-53.1 be determined by the Director of the Division of Purchase and Contract following consultation with the State Budget Officer and the State Auditor. Makes various other clarifying or technical changes. Replaces the word delegation with benchmark.

Amends GS 143-53.1 (Setting of benchmarks; increase by Secretary), deleting the added language from the 1st edition, which provided that on or after July 1, 2014, the setting of bid value benchmarks and the procedures for competitive bids are to be based on the agency's capacity to evaluate contracts below a certain benchmark value as determined by the State Purchasing Officer and approved by the Secretary of Administration. The committee substitute now provides that the setting of bid value benchmarks and the procedures for competitive bids will promote compliance with the principles of procurement efficiency, transparency, and fair competition to obtain the State's business. Makes a technical change.

Amends GS 166A-19.11, (Powers of the Secretary of Public Safety), making a technical change.

Amends the new language in GS 20-185(a1), provided for in the previous addition, establishing that Highway Patrol enforcement personnel, hired on or after July 1, 2013, will retire not later than the end of the month in which their 62nd birthday falls (previous edition did not include a hire on or after date).

Amends GS 20-196.3 (Who may hold supervisory positions over sworn members of the Patrol), making technical and reorganizational changes. Also establishes that the Commissioner of the Law Enforcement Division may hold supervisory positions over sworn members of the Patrol.
Summary date: May 15 2013

House committee substitute makes the following changes to the 2nd edition:

Deletes Section 9 of the bill which amended GS 166A-19.11 providing authorization to the Secretary of Public Safety to spend up to $2 million available for emergency response prior to a state of emergency declaration.

Renumbers the remaining sections of the bill.

Summary date: Jun 25 2013

Senate committee substitute to the 3rd edition makes the following changes. Amends GS 66-25 to require electrical devices, appliances, or equipment used by the Division of Adult Correction of the Department of Public Safety to be evaluated for safety and suitability by the Central Engineering section of the Department of Public Safety.

Summary date: Jul 22 2013

AN ACT TO MAKE TECHNICAL, CLARIFYING, AND SUBSTANTIVE CHANGES RELATING TO THE DEPARTMENT OF PUBLIC SAFETY AND TO ELIMINATE THE BENCHMARKS CEILING RELATING TO PURCHASES AND CONTRACTS. Enacted July 18, 2013. Effective July 18, 2013.

SL 2013-290

CHIROPRACTIC ASSISTANT CERTIFICATION/FEES.-AB

Bill H 371

Summary date: Mar 20 2013

Enacts new GS 90-143.4 requiring a person employed as a chiropractic clinical assistant (defined in the new act) to obtain a certificate of competency from the State Board of Chiropractic Examiners (Board) within 120 days after beginning employment. Does not require certification for employees with duties limited to administrative activities of a nonclinical nature. Makes it unlawful to practice unless certified. Requires applicants for certification to be at least 18, a high school graduate or equivalent, of good moral character, and able to demonstrate proficiency in the five listed areas. Provides for certification of applicants already certified or registered in another state. Certificates expire at the end of the calendar year unless renewed in a manner established by the Board. Sets a cap on the certification or renewal fee at $50. Effective July 1, 2014.

Summary date: Jul 22 2013
AN ACT AUTHORIZING THE STATE BOARD OF CHIROPRACTIC EXAMINERS TO ESTABLISH AND ENFORCE EDUCATIONAL STANDARDS FOR CHIROPRACTIC CLINICAL ASSISTANTS. Enacted July 18, 2013. Effective July 1, 2014.

**SL 2013-291**

**VOLUNTEER SERVICE IN RETIREMENT.**

**Bill H 391**

Summary date: Mar 20 2013

Amends GS 135-1(20), as the title indicates. Effective July 1, 2013.

Summary date: Jun 25 2013

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

Amends GS 135-1(20) to add that service as a member of the board of trustees of a community college or the board of trustees of any UNC constituent institution is not considered service under the definition of retirement. Makes technical changes. Amends the act's long title.

Summary date: Jul 22 2013


**SL 2013-292**

**TRICARE SUPPLEMENT FOR FLEX ACCOUNTS.**

**Bill H 402**

Summary date: Mar 21 2013

Amends GS 115C-341.1 (plan of flexible compensation to eligible employees of local school administrative units), GS 115D-25.2 (authorizing the State Board of Community Colleges to provide a plan of flexible compensation to eligible employees of constituent institutions), GS 116-17.2 (authorizing the UNC Board of Governors to provide a plan of flexible compensation to eligible employees of constituent institutions), and GS 126-95 (provide a plan of flexible compensation to eligible officers and employees of state departments, institutions, and agencies) to allow the plans to also offer a TRICARE
supplement. Provides that a state entity that does offer a TRICARE supplement must use a competitive bid process to award contracts to any third party provider. Requires the NC Flex plan to offer a TRICARE supplement by January 1, 2015.

**Summary date:** May 7 2013

House amendment to the 1st edition makes the following changes. Amends GS 115C-341.1, GS 115C-25.2, GS 116-17.2, and GS 126-95(b) to provide that if a plan of flexible compensation is offered, then a TRICARE supplement must be offered (previously, provided that a plan may offer a TRICARE supplement).

**Summary date:** Jun 25 2013

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

Provides that state entities must use a competitive bid process to award contracts to third party providers for TRICARE supplement options (was, required a competitive bid process for any state entity that decides to offer a TRICARE supplement option).

Amend the act's long title.

**Summary date:** Jul 22 2013

AN ACT TO REQUIRE A TRICARE SUPPLEMENT TO BE OFFERED IF A PLAN OF FLEXIBLE COMPENSATION IS OFFERED BY THE STATE. Enacted July 18, 2013. Effective July 18, 2013.

**SL 2013-293**

**NORTH CAROLINA SCHOOL BUS SAFETY ACT.**

**Bill H 428**

**Summary date:** Mar 26 2013

Amends GS 20-217 to provide that any person who violates GS 20-217 will be guilty of a Class 1 misdemeanor and will pay a minimum fine of $500 (previously, no fine was associated with the violation). Provides that any person who willfully violates GS 20-217(a) and strikes any person will be guilty of a Class I felony and will pay a minimum fine of $2,500 (previously, no fine was associated with the violation). If the striking of the person above results in death of that person, the violator will be guilty of a Class H felony and will pay a new minimum $5,000 fine.

Creates new GS 20-217(g1), providing that the Division of Motor Vehicles (DMV) will revoke the driver's license for one year for any person convicted of a second misdemeanor under this section in a three-year time period. A two-year revocation will occur for a conviction of a Class I felony and a three-year revocation for a conviction of a Class H felony. The DMV will permanently revoke the driver's license of
any person convicted of a second felony under this section at any time as well as any person convicted of a third misdemeanor violation of this section at any time.

For the instance of first felony convictions under this section, the licensee may apply to the sentencing court for a limited driving privilege after 12 months of revocation, provided no other revocation has occurred under a different law or regulation.

For instances of permanent revocation for committing a third misdemeanor under this section, the person may apply for a license after two years. The DMV may issue a new license upon satisfactory proof that the former licensee has not been convicted of a moving violation under this chapter or laws of another state. The DMV can impose any restrictions appropriate, but such restrictions will not exceed two years.

For instances of permanent revocation for committing a second Class I felony violation, the person may apply for a license after three years. The DMV may issue a new license upon satisfactory proof that the former licensee has not been convicted of a moving violation under this chapter or laws of another state. The DMV can impose any restrictions appropriate, but such restrictions will not exceed three years.

Creates new GS 20-217(g2), establishing that the failure of any person to pay a fine imposed pursuant to this section will result in the DMV withholding the registration renewal of a motor vehicle registered in that person's name. The DMV will continue to withhold the registration renewal until it is demonstrated that the fine is paid, that the fine was imposed on the wrong person, or that the failure to pay is not on purpose and a good faith effort to pay the fine is being made.

Amends GS 20-54 (Authority for refusing registration or certificate of title), by adding a new subdivision which provides that the DMV will refuse registration or issuance of a certificate or title if it has been notified that the owner of the vehicle has failed to pay a fine imposed pursuant to GS 20-217.

Includes language that states the General Assembly encourages local boards of education to use the proceeds of fines collected for violations of GS 20-217 to buy automated cameras and recording systems for school buses to help detect and prosecute violators of this section.

Effective December 1, 2013, applying to offenses committed on or after that date.

Summary date: May 14 2013

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

Changes the long title.

Amends GS 20-217, Motor vehicles to stop for properly marked and designated school buses in certain instances; evidence of identity of driver, providing that any person whose driver's license is revoked under this section is disqualified pursuant to GS 20-17.4 from driving a commercial motor vehicle for the
period of time in which the person's driver's license remains revoked. Makes technical and clarifying changes throughout.

Enacts new subsection GS 20-17.4(o), providing that any person whose driver's license is revoked under GS 20-217 is disqualified from driving a commercial motor vehicle for the period of time in which the person's driver's license remains revoked under GS 20-217.

Summary date: Jun 12 2013

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

Amends GS 20-217(g2) to add that failure to pay costs (as well as fines) imposed under the statute will result in the Division of Motor Vehicles (DMV) withholding registration renewal. Specifies that the clerk of superior court in the county where the case was disposed must notify DMV of a person failing to pay a fine or costs within 20 days of the date specified in the court’s judgment. Requires the DMV to continue to withhold registration renewal until the clerk of superior court notifies the DMV that the person has satisfied the applicable conditions of GS 20-24.1(b) (which includes conditions similar to those specified in the previous edition).

Makes a clarifying change to GS 20-54(11).

Summary date: Jul 2 2013

Senate amendments make the following changes to the 3rd edition.

Amendment #1 changes the name of the act from the North Carolina School Bus Safety Act to The Hasani N. Wesley Students' School Bus Safety Act.

Amendment #2 amends GS 20-217 to decrease the fine for a willful violation where a person is struck from $2,500 to $1,250 and for a willful violation where the persons struck dies from $5,000 to $2,500. Allows, in the case of a first felony conviction under the statute, a person to apply for a limited driving privilege after six months (was, 12 months) of license revocation.

Summary date: Jul 22 2013

AN ACT TO PROVIDE THAT THE PUNISHMENT FOR PASSING A STOPPED SCHOOL BUS IN VIOLATION OF G.S. 20-217 SHALL INCLUDE A FINE IN ALL CIRCUMSTANCES, A REVOCATION OF THE PERSON'S DRIVERS LICENSE IN CERTAIN CIRCUMSTANCES, AND DISQUALIFICATION OF THE PERSON'S COMMERCIAL DRIVING PRIVILEGES IN CERTAIN CIRCUMSTANCES; TO PROVIDE THAT THE DIVISION OF MOTOR VEHICLES SHALL WITHHOLD THE REGISTRATION RENEWAL OF A PERSON WHO FAILS TO PAY ANY FINE IMPOSED PURSUANT TO G.S. 20-217; AND TO ENCOURAGE LOCAL BOARDS OF EDUCATION TO USE THE PROCEEDS OF ANY FINES COLLECTED FOR VIOLATIONS OF G.S. 20-217 TO PURCHASE AUTOMATED CAMERA AND VIDEO RECORDING SYSTEMS TO INSTALL ON SCHOOL BUSES. Enacted July 18, 2013. Effective December 1, 2013.

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

Changes the bill title to add that the bill provides specific directions to the Industrial Commission to replace certain rules.

Changes Sections 1 and 2 by deleting the following five rules from the list of rules disapproved in the bill: 04 NCAC 10A.0408, .0607, .0702, .0103, and .0404.

Adds new Section 3 amending GS 97-18(k) to require that a formal hearing must be scheduled when an employer or insurer contests an employee's request for reinstatement of compensation.

Adds new Section 4 amending GS 97-2 to add a new subsection (23) defining commuted value to mean an 8% discount rate applied to unaccrued compensation.

Adds new Section 5 amending GS 97-40 to change the calculation of lump sum compensation paid when a deceased employee leaves no dependents from present value to commuted value.

Adds new Section 6 amending GS 97-79 by adding a new subsection (g) requiring the Commission to adopt rules for administrative motions practices and procedures.

Adds new Section 7 amending GS 97-78(f)(2) to require the Commission to schedule a formal hearing on a preemptive basis to expeditiously resolve requests for or disputes involving medical compensation.

Adds new Section 8 amending GS 97-73(a) clarifying that the schedule of fees established by the Commission includes fees to be borne by all parties.

Adds new Section 9 amending GS 97-80 to make several changes to the Commission's rules: (1) requires the Commission to adopt rules for forms, processes, and procedures, (2) exempts workers' compensation claims from the Rules of Civil Procedure (except for service requirements of Rule 45), (3) clarifies that the Commission has the authority to tax fees (along with costs) against all parties for hearings and depositions, (4) limits the service requirements of Rule 45 to apply only to witness subpoenas, (5) makes Rule 30(b)(6) depositions impermissible in workers' compensation claims, (6)
limits use of subpoena duces tecum only to a witness who is not a party to an action, and (7) adds
records and other tangible items to the Commission's authority to provide for and limit discovery.

**Summary date:** Jul 1 2013

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

Amends the long title.

Amends Sections 1 and 2, deleting the following Industrial Commission (Commission) rules from the list
of rules that are to be disapproved pursuant to the act: discount rate to be used in determining
commuted values, appointment of guardian ad litem, motions practice in contested cases, dismissals,
applicability of the rules, communication, order for mediated settlement conference, infants and
incompetents, and sanction.

Amends GS 97-18(k), deleting language that provided that if the employer or insurer contests an
employee's request for reinstatement, then the matter will be scheduled on a preemptive basis. Adds
language detailing and explaining the form which must be submitted by the employee in order to move
for reinstatement of compensation. The form must contain, among other things, the reasons for the
proposed reinstatement, available supporting documentation, and language informing the employer of
the right to contest the reinstatement of compensation. Specifies the procedures for an employer to file
an objection to the reinstatement. Sets out the procedures for conducting an informal hearing that
results from contesting a reinstatement. Provides that either party can request a formal hearing
pursuant to GS 97-83.

Deletes Section 4 of the act, which included a new proposed subdivision GS 97-2(23), which defined the
term *commuted value*.

Deletes Section 5 of the act, which included proposed changes to GS 97-40, involving the use of
commuted values.

Amends GS 97-25, medical treatment and supplies, making organizational changes and adding new
subsections (f) through (h). New subsections provide that, in claims subject to GS 97-18(b) and (d), a
party can file an expedited, emergency, or other medical motion with the Office of the Chief Deputy
Commissioner, with the non-moving party having the right to contest the motion. Sets out the
procedures for submitting motions and responses as well as the procedures for conducting an informal
hearing on the motions. Sets out further procedures and protocols for medical motions that are
determined by the Commission to be emergencies or motions that should be expedited.

Deletes Section 7 of the act, which included proposed changes to GS 97-78(f)(2), which provided that
the Commission must schedule formal hearings pursuant to GS 97-83 on a preemptive basis.

Deletes Section 8 of the act, which included proposed changes to GS 97-73(a), which provided language
stating the Commission can establish a schedule of fees, which are to be borne by all parties, for
specified documents and activities conducted.
Amends GS 97-80, concerning rules and regulations of the Commission, deleting the proposed new subsection (a1) from the act. Also deletes proposed changes to subsection (b) and (d). Amends subsection (e), deleting all the previous proposed changes but adding new language that provides that a party cannot issue a subpoena duces tecum less than 30 days prior to the hearing date except upon prior approval of the Commission. Makes clarifying changes.

Amends GS 97-81(a), concerning forms and literature used by the Commission, providing that notwithstanding GS 150B-2(8a)d., any new forms or substantive amendments to old forms adopted after July 1, 2013, must be adopted in accordance with the APA.

Directs the Commission to adopt rules to replace the rules disapproved by Sections 1 and 2 of the act. Sets out 12 specific directions which must be followed when adopting the new rules.

Sets out specific disapproved rules, concerning waiver of rules by the Commission, and directs the Commission to adopt rules to replace those listed. Instructs the Commission to amend the rules to provide that the Commission can waive a rule upon its own initiative only if the employee is not represented by counsel.

Directs the Commission to study the burdens on all parties of mandating that costs and fees be submitted electronically. The Commission must submit a report of its findings and recommendations to the 2014 Session of the General Assembly.

Directs the Commission to adopt permanent rules to replace the rules disapproved by this act in accordance with the instructions contained in the act. The Commission is authorized to use the temporary rulemaking procedure and time line, in order to expedite the process. Provides that the rule will also be exempt from the certification and fiscal note requirements of the APA and that the current rules will remain in effect until the rules adopted to replace them become effective.

Summary date: Jul 22 2013

AN ACT TO DISAPPROVE CERTAIN RULES ADOPTED BY THE NORTH CAROLINA INDUSTRIAL COMMISSION, TO PROVIDE SPECIFIC DIRECTIONS TO THE INDUSTRIAL COMMISSION TO REPLACE THE RULES, AND TO AMEND CERTAIN PROVISIONS OF THE WORKERS COMPENSATION LAW. Enacted July 18, 2013. Effective July 18, 2013.

SL 2013-295

MODIFY DUTIES/ADVISORY COUNCIL ON INDIAN EDUC.

Bill S 231

Summary date: Mar 7 2013
Amends GS 115C-210.4 to modify the duties of the State Advisory Council on Indian Education (Council) to include annually reviewing relevant data from the Department of Public Instruction (DPI) on Indian students regarding academic performance, growth, suspension and expulsion events, dropouts, and graduation rates. Provides that the review is not limited to these topics. Directs the Council to make an annual presentation to advise the State Board of Education on ways to meet the educational needs of Indian students more effectively. Deletes the requirement that the Council prepare an annual report on the status of Indian education to be presented to the State Board of Education. Directs the Council to work closely with DPI (was, work closely with the Division of Indian Education in DPI) to improve coordination and communication between and among programs. Makes organizational and technical changes.

Summary date: Jun 18 2013

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

Amends GS 115C-210.4 to clarify that the provisions apply to American Indian students. Amends the duties of the State Advisory Council on Indian Education (Council) to add improving consultations among the State Board of Education, the Department of Public Instruction (DPI), and American Indian tribal communities, students, parents, and educators. Amends the Council's duties to require (1) preparing an annual report and presenting to the State Board of Education to advise the Board on who to more effectively meet the education needs of American Indian students (was, only advise the State Board of Education to give an annual presentation on ways to more effectively meet the educational needs of Indian students); (2) presenting and sharing the annual report with the various tribal organizations at national conferences and the statewide Indian Unity Conference, along with an action plan based on recommendations (was, previous version deleted required report on the status of Indian education, to be presented to the State Board and various Indian tribal organizations at the statewide Indian Unity Conference); and (3) working with Tribal Leaders and Title VII Coordinators, in addition to the DPI, to improve coordination and communication between and among programs.

Summary date: Jun 19 2013

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

Amends GS 115C-210.4 to provide that among the duties of the Advisory Council on Indian Education (Council) is to share the annual report required under this section with the Indian Tribes and Indian organizations referenced in the North Carolina General Statutes, organizations holding membership on the North Carolina State Commission of Indian Affairs under GS 143B-407, and the North Carolina State Commission of Indian Affairs in addition to sharing the annual report at the statewide Indian Unity Conference (was, directed the Council to share the annual report with the various Indian tribal organizations at national conferences and the statewide Indian Unity Conference).

Summary date: Jun 27 2013

The conference report makes the following changes to the 3rd edition.
Amends GS 115C-210.4, duties of the State Advisory Council on Indian Education, to provide that the required annual report must include an action plan. Deletes requirement that the council must present and share the annual report to specified parties at national conferences. Makes conforming changes.

Summary date: Jul 22 2013


SL 2013-296

CHOICE OF HEARING AID SPECIALIST.

Bill S 248

Summary date: Mar 11 2013

As title indicates. Amends GS 58-50-30 to add that insured persons have the right to choose their hearing aid specialists and adds a definition for the term. Amends GS 93D-5 to increase the licensure fee for persons fitting and selling hearing aids in NC to $500 (was, $250). Makes a conforming change to GS 135-48.51(12) (concerning the State Health Plan). Effective October 1, 2012.

Summary date: Apr 17 2013

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

Amends subsections (a1) and (a2) of GS 58-5-30 to remove the listing of individual categories of health care providers and replace the list with a general reference to the right to choose services of certain providers as listed in subsection (b) of this section. Amends subsection (b), moving the types of providers previously listed in subsections (a1) and (a2) to subsection (b) and adding a licensed hearing aid specialist to the provider types listed. Makes some additional organizational changes to include all provider types listed in this statute in subsection (b) and renumbers the subsection accordingly.

Makes a conforming change to GS 135-48.51(12).

Provides that this act becomes effective October 1, 2013 (was, October 1, 2012).

Amends the long title.

Summary date: May 14 2013

Senate committee amendment makes the following change to the 2nd edition:

Amends GS 58-50-30(b)(15) to clarify that the section applies to a hearing aid specialist licensed to engage in fitting or selling hearing aids as defined in GS 93D-1.
AN ACT TO ENSURE THAT PATIENTS HAVE THE RIGHT TO CHOOSE THEIR HEARING AID SPECIALIST UNDER THEIR HEALTH BENEFIT PLANS, TO AUTHORIZE THE NORTH CAROLINA STATE HEARING AID DEALERS AND FITTERS BOARD TO INCREASE CERTAIN FEES, AND TO MAKE TECHNICAL CHANGES TO THE STATUTE ON CHOOSING SERVICES OF PROVIDERS. Enacted July 18, 2013. Effective October 1, 2013.

SL 2013-297

DCR/HISTORIC SITES/FEES.

Bill S 280

Summary date: Mar 14 2013

Amends GS 20-37.13(c1), providing that the DMV may waive the skills test for any qualified military applicant if the applicant is currently licensed at the time of application and meets several qualifications, including but not limited to, passing all required written knowledge exams and having not had more than one driver's license, except one from the military, in the last two years. The applicant must also certify and provide evidence that the applicant is a retired, discharged, or current member of an active or reserve component of the Armed Forces of the United States and is regularly employed or was regularly employed in a military position within the 90-day period immediately preceding the date of application. Additionally the applicant must either have operated, for the two-year period immediately preceding application, a vehicle similar to the class and type of commercial motor vehicle he or she seeks to be licensed for and has taken and passed a skills test given by the military or, for an applicant who is a retired or discharged member, satisfy requirements of GS 20-37.13(c1)(3)b., and has not been dishonorably discharged and has been retired or discharged for no more than 90 days prior to the date of application.

Summary date: Mar 27 2013

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

Makes a technical change to GS 20-37.13(c1)(3c).

Summary date: Jun 27 2013

House committee substitute to the 2nd edition deletes all provisions of the 2nd edition and instead provides as follows.

Allows non-state employees affiliated with the Transportation Museum to drive a state-owned vehicle on the museum property.

Amends GS 121-7.3 to allow the Department of Cultural Resources (Department) to charge an admission and related activity fee (was, admission fee) to any historic site or museum (was, museum only)
administered by the Department. Requires the admission and related activity fee be deposited into the appropriate special fund and requires that the revenue be used for the individual historic site or museum where the receipts were generated. Deletes the provision requiring the Department to retain unbudgeted receipts at the end of the fiscal year and deposit them into the nonreverting account, to be used to support a portion of each museum's operations.

Amends GS 143B-71 to allow Tryon Palace to charge admission and related activity fees.

Enacts new GS 143B-87.2 creating the A+ Schools Special Fund in the Department's NC Arts Council consisting of all receipts from private donations, grant funds, and earned revenue. The Fund revenue may be used only for contracted services, conference and meeting expenses, travel, staff salaries, and other administrative costs related to the A+ Schools program. States that the section applies to the A+ Schools program, transferred to the NC Arts Council in SL 2010-31. Requires the Department to report to specified legislative entities by September 30 of each year on the source and amount of all funds credited to the Fund and the purpose and amount of all Fund expenditures during the prior fiscal year.

Amends the act's titles.

**Summary date:** Jul 22 2013


**SL 2013-298**

**PRETRIAL RELEASE/REBUTTABLE PRESUMPTION.**

**Bill S 316**

**Summary date:** Mar 13 2013

Identical to H 251, filed 3/6/13.

Amends GS 15A-533 to create a rebuttable presumption that no condition of release will assure a person's appearance if a judicial official finds that there is reasonable cause to believe that the person committed a felony or Class A1 misdemeanor involving the illegal use, possession, or discharge of a firearm, and the official also finds (1) the offense was committed while the person was on pretrial release for another felony or Class A1 misdemeanor involving the use, possession, or discharge of a firearm or (2) the person was previously convicted of such a felony or Class A1 misdemeanor and no more than five years have elapsed since the later of the date of conviction or the person's release for
the offense. Applies to proceedings to determine pretrial release conditions on or after December 1, 2013.

Summary date: Mar 28 2013

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

Amends GS 15A-534 regarding procedures for determining the conditions of pretrial release. Increases the amount of a secured appearance bond to a minimum of $1,000 (was, $500) for a defendant who has failed to appear on one or more occasions and no bond has yet been required for the charges.

Directs the judicial official to require the execution of a secured appearance bond that is at least double the amount of the most recent previous secured or unsecured bond when the conditions of pretrial release are being determined for a defendant who is (1) charged with an offense and (2) currently on pretrial release for a previous offense. However, provides that if no bond has yet been required for the charges, then the secured appearance bond is to be set at a minimum of $1,000.

Makes conforming changes to the act's title.

Summary date: Jul 22 2013

AN ACT TO PROVIDE THAT A REBUTTABLE PRESUMPTION EXISTS IN CERTAIN CIRCUMSTANCES THAT A PERSON CHARGED WITH A FELONY OR CLASS A1 MISDEMEANOR OFFENSE INVOLVING THE ILLEGAL USE, POSSESSION, OR DISCHARGE OF A FIREARM SHOULD NOT BE RELEASED PRIOR TO TRIAL, AND TO AMEND CERTAIN BOND PROVISIONS. Enacted July 18, 2013. Effective December 1, 2013.

SL 2013-299

ASSESS PROPANE DEALERS/DISTRIBUTORS.

Bill S 378

Summary date: Mar 21 2013

Enacts new Article 5A of GS Chapter 119, establishing the Propane Assessment Act. Allows the NC Propane Education & Research Foundation (Foundation) to conduct referenda among the state's propane dealers and distributors on whether to levy an assessment on propane sold in the state. Requires the Foundation to determine the amount of the assessment, the time and place for the referendum, the procedure for conducting the referendum and counting votes, the proposed effective date for the assessment, and any other related matters. Caps the assessment rate at $.002 per gallon of propane sold. Provides that the assessment becomes effective if more than 50% of the eligible votes cast by dealers are in favor and if more than 50% of the eligible votes cast by distributors are in favor of the assessment.
Requires dealers to pay the assessment on each gallon of propane purchased from a distributor. Requires distributors to remit to the Foundation the assessment multiplied by the number of gallons of propane sold during the preceding quarter. Requires that the Foundation use the funds to promote the common good, welfare, and advancement of the propane industry. Provides for recordkeeping. Allows the Foundation to bring an action to recover any unpaid assessments plus reasonable costs. Allows a dealer to request a refund of the assessment by submitting a written request to the Foundation no later than 30 days after the end of the month for which the refund is requested. Prohibits any dealer who receives a refund from receiving (1) the benefit of any consumer rebate program for one year following the date of the refund request and (2) payment of any interest by the Foundation on the amount refunded.

Requires the Foundation to consult with the NC Propane Gas Association (Association) on the proposed use of the funds, as well as with entities representing agricultural consumers of propane to ensure some activities benefit the agriculture industry. Prohibits more than 10% of the funds from being used for administrative expenses. Provides for bookkeeping and recordkeeping.

Requires that the Foundation conduct a referendum on whether to continue the assessment upon the Commissioner of Agriculture's receipt of a petition signed by at least 10% of the dealers or a petition signed by at least 50% of the distributors requesting the referendum. Provides guidelines for the timing of the referendum and for the expiration of the assessment if the referendum passes. Also allows the Foundation to conduct a referendum on whether to continue the assessment on its own initiative.

Prohibits the Foundation and the Association from taking any action or interpreting this Article to pass the assessment costs on to the consumer.

**Summary date:** Apr 16 2013

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

Makes technical changes.

**Summary date:** Jul 22 2013

**AN ACT TO AUTHORIZE A REFERENDUM OF PROPANE DEALERS AND DISTRIBUTORS REGARDING A VOLUNTARY ASSESSMENT ON PROPANE TO PROVIDE FUNDING FOR PROMOTIONAL, EDUCATIONAL, AND OTHER PROGRAMS OF THE INDUSTRY.** Enacted July 18, 2013. Effective July 18, 2013.

**SL 2013-300**

**CRIMINAL DEFENDANT MAY WAIVE JURY TRIAL.**

**Bill S 399**

**Summary date:** Mar 21 2013
Subject to the approval of voters at a statewide general election held on November 4, 2014, amends Section 24 of Article I of the state constitution to allow a person accused of a crime to, in writing or on the record, with the trial judge's consent, waive jury trial, subject to regulations by the General Assembly. If approved by voters, the amendment becomes effective December 1, 2004, and applies to criminal offenses arraigned in superior court on or after that date.

Amends GS 15A-1201 to allow a defendant in a criminal case in superior court to waive the right to trial by jury with the judge's consent, in writing or on the record. Provides that when a defendant waives that right, the jury is dispensed and the whole matter of law and fact is to be heard by the court. Effective December 1, 2014, only if the constitutional amendment is approved.

Summary date: Apr 23 2013

Senate committee substitute to the 1st edition makes the following changes. Amends proposed language in Section 24 of Article I of the NC Constitution to provide that the waiver of jury trial is subject to procedures (was, regulations) prescribed by the General Assembly.

Summary date: May 13 2013

Senate amendment to the 2nd edition makes the following changes. Amends the act's provisions so that it only applies to a person accused of any noncapital criminal offense. Makes a conforming change to the act's long title.

Summary date: Jun 27 2013

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

Changes the long title.

Amends proposed language in Section 24 of Article 1 of the NC Constitution to provide that a person accused of any criminal offense for which the State is not seeking a death sentence in superior court can, in writing or on the record in the court and with the judge's consent, waive the right to trial by jury (previously, provided that any person accused of any noncapital crime could waive the right to trial by jury).

Amends GS 15A-1201 to allow a defendant accused of any criminal offense for which the State is not seeking a death sentence in superior court to, knowingly and voluntarily, waive the right to trial by jury (previously, allowed a defendant in any noncapital criminal case in superior court to waive the right to trial by jury) in writing or on the record and with the trial judge's consent.

Summary date: Jul 22 2013

AN ACT TO AMEND THE CONSTITUTION TO PROVIDE THAT A PERSON ACCUSED OF ANY CRIMINAL OFFENSE IN SUPERIOR COURT FOR WHICH THE STATE IS NOT SEEKING A SENTENCE OF DEATH MAY WAIVE THE RIGHT TO TRIAL BY JURY AND INSTEAD BE TRIED BY A JUDGE. Enacted July 18, 2013. If the
constitutional amendment proposed in Section 1 is approved by the voters, Section 4 is effective December 1, 2014. The remainder is effective July 18, 2013.

SL 2013-301

PROHIBIT USE OF TAX ZAPPER SOFTWARE.

Bill S 465

Summary date: Mar 27 2013

Enacts new GS 14-118.7 to make it a Class H felony to knowingly sell, purchase, install, transfer, possess, use, or access any automated sales suppression device, zapper, or phantom-ware. An individual violating the prohibition is liable for all taxes, fees, penalties, and interest due as the result of the use of the device and forfeits all profits associated with the sale or use of the device. Effective December 1, 2013, and applies to offenses committed on or after that date.

Summary date: May 13 2013

Senate amendment makes the following changes to the 1st edition.

Amends GS 14-118.7, Possession, transfer, or use of automated sales suppression device, providing that the penalty for any person convicted of a violation of this section is a Class H felony and a fine of up to $10,000 (previously, no fine was included).

Summary date: Jul 22 2013

AN ACT TO MAKE IT A CRIMINAL OFFENSE TO SELL, PURCHASE, INSTALL, POSSESS, TRANSFER, USE, OR ACCESS AN AUTOMATED SALES SUPPRESSION DEVICE. Enacted July 18, 2013. Effective December 1, 2013.

SL 2013-302

MV SAFETY INSPECTOR/MV LICENSING LAW CHANGES.

Bill S 717

Summary date: Apr 5 2013

Amends GS 20-183.8F, as the title indicates. Provides that failure to comply with the notice requirement will result in dismissal of the violation. Effective October 1, 2013.

Summary date: May 15 2013
Senate committee substitute makes the following changes to the 1st edition. Deletes the proposed changes to GS 20-183.8F in the previous edition. Amends GS 20-183.7A (penalties applicable to license holders and suspension or revocation of license for safety violations) to provide that the Division of Motor Vehicles may take the specified actions for violations (was, the Division was required to take the specified actions).

Retains the October 1, 2013, effective date.

Updates the act's short and long titles.

**Summary date:*** Jun 26 2013

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

Makes a conforming change to GS 20-183.7(a), deleting a reference to inspection stickers.

Amends GS 20-183.7A (safety violations) to delete changes from the previous edition and revert to current law, which requires the Division of Motor Vehicles (DMV) to take the specified actions for violations (was, the DMV may take the specified actions). Clarifies the length of the license suspension as 180 days for a first or second Type I violation within three years. Authorizes the DMV to stay a term of suspension for the first Type I violation by a safety inspection station if the station agrees to follow reasonable terms and conditions imposed by the DMV. Also provides that the DMV may, at its discretion, run suspensions for multiple violations in separate safety inspections concurrently.

Amends GS 20-183.7B to modify the list of Type I, II, and III safety inspection violations.

Amends GS 20-183.8B (emissions violations), authorizing the DMV to stay a term of suspension for the first Type I violation by an emissions inspection station if the station agrees to follow reasonable terms and conditions imposed by the DMV. Provides that if two or more violations occur in a single emissions inspection, the DMV is to take action only on the most significant violation. Provides that if there are multiple violations in separate emissions inspections, the DMV is to consider each violation as a separate occurrence and impose a separate penalty for each violation. However, authorizes the DMV, at its discretion, to run suspensions concurrently. Clarifies the duration of the license suspension as 180 days for Type I violations.

Amends GS 20-183.8C to modify the list of Type I, II, and III emissions inspection violations.

Amends GS 20-183.8G(f) (administrative and judicial review) to conform the administrative and judicial review provisions governing safety and emissions inspection violations to reflect the changes made regarding safety and emissions inspections in this act.

Provides that each of the preceding provisions, representing Sections 1-6 of this act, become effective October 1, 2013. The following provisions, constituting Sections 7-12 of this act are effective when the act becomes law.
Amends GS 20-305(30), extending the deadline for certain established manufacturer programs that vary the price charged to its franchised dealers in the state, although the programs would otherwise be unlawful under GS 20-305, to continue in effect until June 30, 2018 (was, June 30, 2014).

Amends GS 20-305 by adding new subsections GS 20-305(44-48), adding to the conduct considered unlawful on the part of any manufacturer, factory branch, distributor, distributor branch, field representative, officer agent, or any other representative as follows:

1. GS 20-305(44), providing it is unlawful, aside from other conditions or agreements, to require, coerce, or attempt to coerce any new motor vehicle dealer to refrain from displaying any sports-related honors, awards, photos, display, or other artifacts related to the dealership, dealer principal, or any owners or other officials of the business.

2. GS 20-305(45), providing it is unlawful, aside from other conditions or agreements, to discriminate against any new motor vehicle dealer for offering service contracts or other products that are not approved, endorsed, or offered by the manufacturer or affiliates. This discrimination includes, but is not limited to, the following: requiring or coercing a dealer to exclusively offer their service contracts or similar products, taking or threatening adverse action against a dealer for offering such unendorsed products, measuring performance of a franchise in any part based on the sale of the endorsed or approved products of the manufacturer, requiring a dealer to promote the sale of the manufacturer's products, or considering the dealer's sale of the approved or endorsed products in determining eligibility to purchase vehicles or parts, the volume of vehicles or parts the dealer can purchase, the price of anything bought from the manufacturer, and the availability of vehicle discounts, credits, special pricing, or rebates. Includes language stating examples of actions by a manufacturer which are not considered discrimination.

3. GS 20-305(46), providing it is unlawful to require, coerce, or attempt to coerce a dealer to purchase goods or services from a vendor specified, selected, identified, or designated by a manufacturer or affiliate when the dealer may obtain goods or services of substantially similar quality and design from a dealer-selected vendor with prior approval. Allows dealers to file a protest with the Commissioner of Motor Vehicles (Commissioner) in certain circumstances.

4. GS 20-305(47), providing it is unlawful to fail to provide to a dealer the right to purchase or lease signs or other franchisor image elements of like kind and quality from a vendor selected by the dealer.

5. GS 20-305(48), providing it is unlawful to unreasonably interfere with a dealer's independence in staffing the dealership by requiring the hiring of specific individuals, for specific positions, or by requiring the approval by the manufacturer or affiliate.

Amends GS 20-305.2 (*Unfair methods of competition*), creating a new subsection GS 20-305.2(e), stating that an unfair method of competition includes any warranty fix, repair, update, or adjustment made or provided directly by a manufacturer or distributor to any vehicle in the state without the direct
participation of a dealer franchised by the manufacturer or distributor and without such dealer receiving reasonable compensation. Adds new subsection (f) to declare that no claim or cause of action may be brought against a dealer in this state arising out of any warranty repair, fix, repair, or update that was provided by the manufacturer or distributor without the direct participation of the dealer. Requires any manufacturer or distributor who violates this provision to fully indemnify and hold harmless any dealer in this state for claims, judgments, damages, attorneys' fees, litigation expenses, and all other costs arising out of the actual or attempted fix, repair, update, or adjustment.

Amends 20-305.7 (Protecting dealership data and consent to access dealership information), making conforming, technical, and clarifying changes. Extends the provisions concerning direct access to a dealer's computer system so that it also applies to a third party approved, referred, endorsed, authorized, certified, granted preferred status, or recommended by a relevant party. Extends the hold harmless provision in (g2) to also include costs related to the disclosure of security breaches and computer system costs.

Amends GS 20-305.1 (Automobile dealer warrant obligations), making clarifying and technical changes. Amends GS 20-305.1(a1), stating any reasonable rate determined at a hearing conducted pursuant to this section will be effective as of 60 days after the date of the dealer's initial submission of the customer-paid service orders to the manufacturer or distributor.

Includes "batteries and light bulbs" in the list included in GS 20-305.1(a2) of work that is excluded when calculating the retail rate customarily charged by the dealer for parts and labor, for purposes of this section.

Provides that terms and provisions of Sections 7-12 of this act are applicable to all current and future franchises and other agreements in existence between any new motor vehicle dealer in this state and a manufacturer or distributor as of the effective date of this act.

Includes a severability clause, providing that if any provision of this act is found to be invalid, the remainder of the act would still be valid to the extent that it may be given effect without the invalid provisions.

Amends the act's short and long titles.

Summary date: Jul 23 2013

AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES DISCRETION IN ASSESSING PENALTIES AND SUSPENSIONS ON SAFETY INSPECTION LICENSE HOLDERS FOR SAFETY INSPECTION LAW VIOLATIONS AND TO CLARIFY THE MOTOR VEHICLE DEALERS AND MANUFACTURERS' LICENSING LAW. Enacted July 18, 2013. Sections 1 through 6 are effective October 1, 2013. The remainder is effective July 18, 2013.
**SL 2013-303**

**CRIMINAL CONTEMPT/BAIL PROCEDURE.**

Bill H 450

**Summary date:** Mar 27 2013

Amends GS 50-13.4, as the title indicates. Requires that support payments be made, after the age of 18, directly to the community college, college, or university for the child's college tuition or expenses.

**Summary date:** May 15 2013

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

Changes the short and long titles.

Deletes all of the provisions of the 1st edition and makes the following proposed changes:

Amends GS 5A-17, changing the section title to *Appeals; bail proceedings*, (was, *Appeals*). Enacts new subsections (b) and (c), providing that in appealing a case where a judicial official has imposed confinement, a bail hearing will be held within a reasonable time period after the imposition of confinement. The judicial official conducting the bail hearing must be (1) a district court judge, if the confinement is imposed by a clerk or magistrate; (2) a superior court judge if the confinement is imposed by a district court judge; or (3) a superior court judge other than the superior court judge that imposed the confinement. Provides that any person that is found in contempt and who has given notice of appeal cannot be retained in custody for more than 24 hours from the time of imposition of confinement without a bail determination being made by a judicial official as designated above. If the designated official has not acted within 24 hours of the imposition of confinement, any judicial official will act under the provisions above and hold a bail hearing.

Effective December 1, 2013, applying to confinement imposed on or after that date.

**Summary date:** Jul 23 2013

**AN ACT TO PROVIDE FOR BAIL PROCEDURE WHEN CONFINEMENT IS IMPOSED AS PUNISHMENT FOR CRIMINAL CONTEMPT.** Enacted July 18, 2013. Effective December 1, 2013.

**SL 2013-304**

**INCREASE FAMILY COURT FEE.**

Bill H 462

**Summary date:** Mar 27 2013
Amends GS 7A-314.1, as title indicates, to increase the fee from $30 to $50. Applies to services provided on or after July 1, 2013.

**Summary date:** Jul 23 2013

AN ACT TO INCREASE THE UNIFORM HOURLY FEE CHARGED TO PERSONS RECEIVING THE SERVICES OF A SUPERVISED VISITATION AND EXCHANGE CENTER THROUGH A FAMILY COURT PROGRAM. Enacted July 18, 2013. Effective July 1, 2013.

**SL 2013-305**

REDEPOSIT GOVT. FUNDS INTO INS. DEPOSIT ACCT.

Bill H 474

**Summary date:** Mar 28 2013

As title indicates. Amends GS 159-30(b1), GS 115D-58.6(a1), and GS 147-69.1(c)(5) making technical changes and providing for the redeposit of idle state and local government funds into federally insured deposit accounts.

**Summary date:** Jul 23 2013


**SL 2013-306**

SAFEGUARD QUALIFIED INDIVIDUALS-MEDICAID PCS.

Bill H 492

**Summary date:** Apr 1 2013

Amends Section 10.9F(c) of SL 2012-142, as amended, as the title indicates. Makes conforming changes to clarify that this act creates two levels of eligibility, Tier I for Medicaid Personal Care Services and Tier II for Enhanced Medicaid Personal Care Services. Amends Section 10.9F(d) of SL 2012-142, as amended, to provide that if a doctor attests to the eligibility criteria required for Tier II services, there must be an assessment of the Medicaid recipient to determine the recipient's eligibility for Tier II enhanced personal care services. Directs the Department of Health and Human Services (DHHS) to implement Tier II-Enhanced Medicaid Personal Care Services within available funds. Effective July 1, 2013.
Directs DHHS to make an interim report on the implementation of this act on or before May 1, 2013 to the House Appropriations Subcommittee on Health and Human Services and to the Senate Appropriations Committee on Health and Human Services. Directs DHHS to report on or before August 1, 2013, and on or before November 1, 2013 to the Joint Legislative Oversight Committee on Health and Human Services on the implementation of this act.

Except as otherwise provided, this act is effective when it becomes law.

Summary date: Apr 24 2013

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

Amends Section 10.9F(c) of SL 2012-142, as amended, to remove the Tier I (Medicaid Personal Care Services) and Tier II (Enhanced Medicaid Personal Care Services) eligibility labels added in the first edition, which created a two-tier eligibility program for personal care services for Medicaid recipients. Deletes specification that Tier II provides an additional 50 hours of personal care services for persons with Alzheimer’s, other forms of dementia, or other specified debilitating diseases. Instead, identifies categories of physical and mental health needs and disabilities, which when present in a Medicaid recipient, make that individual eligible for additional personal care services. Allows Medicaid recipients meeting the qualifications of the current personal care services program who need those additional personal care services and meet the additional qualifications to be eligible for 50 hours of service beyond the 80 hours of personal care services currently allowed, for a total of 130 hours of service. Retains requirement that a Medicaid recipient must have an attestation from a doctor that the recipient meets all of the requirements in subdivisions 3a. through 3d.

Makes additional conforming changes to this act. Amends the short title and the long title.

Summary date: May 2 2013

House amendment to the 2nd edition makes the following changes. Requires the Department of Health and Human Services to make an interim report on or before June 1, 2013 (was, May 1, 2013), on the implementation of the act.

Summary date: May 29 2013

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

Requires the Department of Health and Human Services (DHHS) to reduce the rate for personal care services to fund the additional services hours authorized in the act and to remain within the budgeted amount of funds for personal care services (was, required DHHS to implement the act within available funds).

Requires DHHS, on or before August 15, 2013, to submit a Medicaid State Plan Amendment necessary to implement the act to the Centers for Medicare and Medicaid Services. Requires the Amendment to have
an effective date of July 1, 2013, or as soon after that date as allowed by the Centers for Medicare and Medicaid Services.

Changes the due date for the DHHS interim report to on or before August 1, 2013 (was, on or before June 1, 2013), and adds the Fiscal Research Division to the report recipients. Makes a conforming change by removing the August 1, 2013, report on the implementation of the act.

Provides that Section 1 of the act becomes effective upon approval by the Centers for Medicare and Medicaid Services of the Medicaid State Plan Amendment. Requires DHHS to provide notice of the approval by posting the effective date of the change on its website.

**Summary date:** Jul 2 2013

Senate amendment to the 4th edition makes the following changes. Amends GS Section 10.9F(c) of SL 2012-142 to amend the criteria to be met in order for a Medicaid recipient to be eligible for additional hours of Medicaid Personal Care Services to require that the recipient have a history of (was, exhibit) safety concerns related to inappropriate wandering, ingesting, aggressive behavior, and an increased incidence of falls.

Amends the Department of Health and Human Services reporting requirement to make it due to the Joint Legislative Oversight Committee on Health and Human Services (was, to the House Appropriations Subcommittee on Health and Human Services and to the Senate Appropriations Committee on Health and Human Services).

**Summary date:** Jul 23 2013

AN ACT TO DIRECT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO ADJUST MEDICAID PERSONAL CARE SERVICES TO PROVIDE ADDITIONAL SAFEGUARDS FOR QUALIFIED INDIVIDUALS AND TO REPORT TO THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES, THE SENATE APPROPRIATIONS COMMITTEE ON HEALTH AND HUMAN SERVICES, AND TO THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON HEALTH AND HUMAN SERVICES. Enacted July 18, 2013.

Section 1 is effective upon approval by the Centers for Medicare and Medicaid Services of the Medicaid State Plan Amendment required in Section 3 of this act. The remainder is effective July 18, 2013.

**SL 2013-307**

**HEALTH CURRICULUM/PRETERM BIRTH.**

**Bill S 132**

**Summary date:** Feb 25 2013

Amends the School Health Education Program, GS 115C-81(e1)(1), to add a requirement for information about the preventable causes of preterm birth, including induced abortion as a cause of preterm birth in
subsequent pregnancies. Requires the Department of Health and Human Services, Division of Public Health, to provide the Department of Public Instruction with sample educational materials, as noted above, within 60 days of the effective date of the bill, and annually thereafter. Applies beginning with the 2013-14 school year.

Summary date: May 8 2013

Senate committee substitute to the 1st edition makes the following changes. Deletes proposed changes to GS 115C-81(e1)(1) and instead amends GS 115C-81(e1)(4) to require each local school administrative unit to provide a reproductive health and safety education program commencing in the seventh grade that also includes teaching about the preventable causes of preterm deliveries, including induced abortion as a cause of preterm birth in subsequent pregnancies.

Summary date: May 9 2013

Senate amendment to the 1st edition makes the following changes. Amends proposed GS 115C-81(e)(4) to make clarifying changes and to expand upon the activities that students are taught are preventable causes of preterm birth in subsequent pregnancies to also include smoking, drinking alcohol, using illicit drugs, and inadequate prenatal care. Makes conforming changes to Section 2 of the act.

Summary date: Jun 26 2013

House amendment to the 3rd edition makes the following changes. Amends GS 115C-238.29F, GS 115C-548, GS 115C-556, and GS 115C-565 to require that information be given to charter school students, private church school or religious charter school students, nonpublic school students, and home school students on the preventable causes of preterm birth in subsequent pregnancies, including induced abortion, smoking, alcohol use, illicit drug use, and inadequate prenatal care. Makes conforming changes to the act and the act’s long title.

Summary date: Jun 27 2013

House amendment #5 amends the 3rd edition, as amended.

Amends the act by deleting the phrase "causes of" preterm birth each time it appears throughout the act and replaces it with "risks for" preterm birth.

Summary date: Jul 23 2013

AN ACT TO INCLUDE INSTRUCTION IN THE SCHOOL HEALTH EDUCATION PROGRAM ON THE PREVENTABLE CAUSES OF PRETERM BIRTH, INCLUDING INDUCED ABORTION AS A CAUSE OF PRETERM BIRTH IN SUBSEQUENT PREGNANCIES, AND TO PROVIDE SUCH INFORMATION TO CHARTER, NONPUBLIC, AND HOME SCHOOL STUDENTS. Enacted July 18, 2013. Effective July 18, 2013, and applies beginning with the 2013-14 school year.
IN Voluntary Commitment Custody Orders.

Bill H 635

Summary date: Apr 9 2013

Identical to S 687, filed 4/2/13.

Amends GS 122C-261(d), altering the format of the subsection to be further divided into subsections 1-7.

Amends GS 122C-261(d) to include subsection (5) allowing the clerk or magistrate to issue custody orders by facsimile transmission in specific situations to affiants meeting certain criteria. Upon receipt of custody orders, the physician or eligible psychologist must immediately (i) notify the respondent that the respondent is not under arrest and has not committed a crime but is being taken into custody to receive treatment and for the respondent's own safety and the safety of others, (ii) take the respondent into custody, and (iii) complete and sign the appropriate portion of the custody order and return the order to the clerk or magistrate by facsimile transmission. The original order must be mailed back to the clerk or magistrate no later than 5 days after transmitting it by facsimile. The term "designee" as used in subsection (5) includes the 24-hour facility's on-site police security personnel.

Amends GS 122C-261(e) to include an exception provided in subsection (d).

Effective October 1, 2013.

Summary date: Apr 24 2013

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

Changes the long title.

Makes clarifying and structural changes to GS 122C-261(d)(5). Also provides for the transmission of the custody order by means of facsimile or electronic transmission and makes conforming changes to the subsection accordingly.

Creates new GS 122C-261(d)(5b), providing that the Secretary of the Department of Health and Human Services (Secretary) must collaborate with the Administrative Office of the Courts and the UNC School of Government to develop training protocols and inform clerks and magistrates as to who has completed the training.

Makes a clarifying change to GS 122C-261(e).

Directs the Secretary to review and update its list of facilities that are designated as facilities for the custody and treatment of involuntary clients. The designation must include whether the entire unit or specific areas of the 24-hour facility is designated for such treatment and custody.
AN ACT TO (1) ALLOW A CLERK OR ASSISTANT OR DEPUTY CLERK OF SUPERIOR COURT OR A MAGISTRATE TO ISSUE BY FACSIMILE OR ELECTRONIC MAIL TRANSMISSION AN INVOLUNTARY INPATIENT COMMITMENT CUSTODY ORDER TO A PETITIONING PHYSICIAN, ELIGIBLE PSYCHOLOGIST, OR DESIGNEE AT A TWENTY-FOUR-HOUR FACILITY WHEN THE RESPONDENT IS ALREADY PHYSICALLY PRESENT AT THE TWENTY-FOUR-HOUR FACILITY, (2) ESTABLISH PROTOCOLS FOR THE TRAINING OF PHYSICIANS, ELIGIBLE PSYCHOLOGISTS, OR DESIGNEES, AND (3) DIRECT THE SECRETARY OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO REVIEW AND REVISE THE RULES DESIGNATING FACILITIES FOR THE CUSTODY AND TREATMENT OF INVOLUNTARY CLIENTS. Enacted July 18, 2013. Effective October 1, 2013.

**SL 2013-309**

**COMMONSENSE CONSUMPTION ACT.**

**Bill H 683**

**Summary date:** Apr 10 2013

Adds a new Article 5, the *Commonsense Consumption Act* (CCA), in GS Chapter 99E. Sets limitations on liability of a packer, distributor, manufacturer, carrier, holder, seller, marketer, or advertiser of food as defined in section 201(f) of the federal Food, Drug, and Cosmetic Act, 21 USC § 321(f), or an association of one or more such entities for any claim arising out of weight gain, obesity, a health condition associated with weight gain or obesity, or other generally known conditions allegedly caused by or likely to result from long-term consumption of food. Provides that a health condition arising from a single instance of consumption is not considered to be a result from the long-term consumption of food.

Provides for exceptions to the limit on liability, declaring that the liability limitation in new GS 99E-42 does not preclude liability in a civil action in which the claim arising from conditions arising from the long-term consumption of food meets either of the following: (1) an element of the cause of action is a material violation of an adulteration or misbranding requirement prescribed by a statute or rule of this state or the United States and the proximate cause of the claimed injury is the violation or (2) the claim is based on any other knowing and willful material violation of federal or state law applicable to the manufacturing, marketing, distribution, advertising, labeling, or sale of food, providing that the proximate cause of the claimed injury is the violation.

Provides that nothing in this Article is to be construed to create any new claim, right of action, or civil liability not previously existing under state law. Provides additional guidelines regarding the construction of this Article and its applicability. Makes new Article 5 of GS Chapter 99 effective October 1, 2013, and applies to civil actions filed or pending on or after that date.
Enacts GS 160A-203 (cities) and GS 153A-146 (counties) to prohibit cities and counties from enacting ordinances prohibiting the sale of soft drinks above a particular size. Defines soft drink as having the meaning in GS 105-164.3.

Except as otherwise indicated, effective when this act becomes law.

Summary date: May 15 2013

House committee substitute to the 1st edition makes the following changes. Amends proposed GS 99E-44 to remove the statement that nothing in the act is to be construed to apply to a manufacturer of food. Amends the act's long title.

Summary date: May 15 2013

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

Amends the definition for knowing and willful conduct, found in GS 99E-41, to include conduct committed with reason to know there is a reasonable probability of injury to consumers.

Amends GS 99E-43, changing an exception to the limit on liability, declaring that the liability limitation in GS 99E-42 does not preclude liability in a civil action in which the claim originated from conditions likely to result from the long-term consumption of food and is based on knowing and willful conduct applicable to the manufacturing, marketing, distribution, advertising, labeling, or sale of food and the claimed injury was proximately caused by such violation (previously, it was if the claim was based on knowing and willful material violation of federal or state law applicable to the manufacturing, marketing, distribution, advertising, labeling, or sale of food, providing that the proximate cause of the claimed injury is the violation).

Summary date: Jun 27 2013

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

Amends GS 99E-43, subdivision (2), concerning certain claims arising from the long-term consumption of food, providing that GS 99E-42 does not preclude liability in a civil action when the claim is based on knowing and willful conduct applicable to the manufacturing, marketing, distribution, advertising, labeling, or sale of food, in violation of any federal or state law, and the claimed injury was proximately caused by such violation (previously, language regarding the violation of federal or State law was not included).

Summary date: Jul 23 2013

AN ACT TO BAR CIVIL ACTIONS AGAINST PACKERS, DISTRIBUTORS, MANUFACTURERS, CARRIERS, HOLDERS, SELLERS, MARKETERS, OR ADVERTISERS OF FOOD PRODUCTS THAT COMPLY WITH APPLICABLE STATUTORY AND REGULATORY REQUIREMENTS BASED ON CLAIMS ARISING OUT OF WEIGHT GAIN, OBESITY, A HEALTH CONDITION ASSOCIATED WITH WEIGHT GAIN OR OBESITY, OR OTHER GENERALLY KNOWN CONDITION ALLEGEDLY CAUSED BY OR ALLEGEDLY LIKELY TO RESULT FROM LONG-
TERM CONSUMPTION OF FOOD; AND TO CLARIFY THAT LOCAL GOVERNMENTS MAY NOT REGULATE THE SIZE OF SOFT DRINKS OFFERED FOR SALE. Enacted July 18, 2013. Section 1 is effective October 1, 2013. The remainder is effective July 18, 2013.

**SL 2013-310**

**LEASE PURCHASE OF REAL PROPERTY/COMM. COLL.**

**Bill H 754**

**Summary date:** Apr 11 2013

Amends GS 115D-58.15 to allow the board of trustees of a community college to use lease purchase or installment purchase contracts to purchase or finance the purchase of real property using non-state funds. Makes conforming changes to GS 115D-20. Effective July 1, 2013.

**Summary date:** Apr 30 2013

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

Amends GS 115D-58.15 to clarify that only local funds can be used for lease-purchase or installment-purchase contracts for real property (was, only non-state funds).

**Summary date:** Jun 25 2013

Senate committee amendment to the 2nd edition makes the act effective when it becomes law (was, effective July 1, 2013).

**Summary date:** Jul 23 2013

AN ACT AUTHORIZING COMMUNITY COLLEGES TO ACQUIRE REAL PROPERTY BY LEASE PURCHASE. Enacted July 18, 2013. Effective July 18, 2013.

**SL 2013-311**

**TOBACCO GROWERS ASSESSMENT ACT.**

**Bill H 816**

**Summary date:** Apr 15 2013

Requires the Department of Agriculture and Consumer Services to study the system for promotion of tobacco and assessment of farmers in GS Chapter 106, Article 50C. Requires a report to the Joint Legislative Oversight Committee on Health and Human Services on or before January 1, 2015.
**Summary date:** May 14 2013

House committee substitute to the 1st edition makes the following changes. Deletes the provisions of the 1st edition and replaces them with the following.

Enacts new Article 50D, Tobacco Growers Assessment Act, in GS Chapter 106. Allows the Tobacco Growers Association of North Carolina Inc. (Association) to conduct a referendum among tobacco growers as to whether to levy an assessment on tobacco sold in the state. Caps the amount of the proposed assessment at $0.15 for each hundred pounds of tobacco. Allows the Association to increase the assessment amount, if the Association sets a lower amount than that approved by referendum, by no more than $0.01, without having to conduct a referendum. Prohibits collecting the assessment unless more than two-thirds of the votes cast are in favor of the assessment. Requires a tobacco buyer to collect the assessment when buying by deducting the assessment from the price paid to the producer. Allows the buyer to keep the assessments until the total amount due to the Department of Agriculture and Consumer Services (Department) is at least $25, or until the end of the calendar quarter, whichever comes first. Provides for record keeping. Allows the Association to bring an action to recover any unpaid assessments, plus the reasonable costs incurred in the action.

Requires the Department to remit funds collected to the Association at least once a month. Requires the Association to use the funds to promote the interests of tobacco growers. Allows a tobacco grower to request a refund of the assessment within 30 days from the last date on which the grower paid the assessment; requires the Association to mail a refund within 30 days of receiving a properly documented refund request. Upon a petition by at least 10% of the tobacco growers in the state known to the Association, the Association must conduct a referendum on continuing the referendum. If a majority of the votes are against continuation, or if the referendum is not conducted within six months, the assessment expires at the end of the six-month period. If a majority of the votes cast are in favor of continuing, then no subsequent referendum is to be held for at least three years.

Allows the Association to conduct a referendum at any time after the effective date of the act.

**Summary date:** Jun 25 2013

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

Amends GS 106-568.43, concerning the referendum provision of the Tobacco Growers Assessment Act, providing that the Tobacco Growers Association of North Carolina Inc. (Association) will determine the amount of the proposed assessment and the date by which the referendum ballot must be returned by mail (previously, required the Association to determine the time and place of the referendum, procedures for conducting the referendum and the counting of votes, and other matters pertaining to the referendum). Adds new subsection that provides that the Association will mail a referendum ballot to all known tobacco growers in North Carolina at least three months prior to the due date of the ballot. Requires the Association to, for the greater of three months or 90 days before the date the ballot must be returned, (1) provide a printable referendum ballot on the Association’s official website and (2) make hard copies of the ballot available at all county NC Cooperative Extension Service offices. Ballots are
required to be returned to the Commissioner of Agriculture by the date set by the Association. Requires the Department of Agriculture to count the votes and report the results to the Association.

Amends GS 106-568.44, concerning the payment and collection of the assessment, making a technical change.

Amends GS 106-568.45, changing the title of the section to *Use of Assessments; refunds; annual audit* (was, *Use of Assessments; refunds*). Makes a clarifying change regarding the annual report on the collection and use of assessment funds. Requires the Association to publicly post the annual report on its official website at least 30 days before the Association’s annual meeting. Provides that a tobacco grower can request a refund of the assessment funds collected by submitting a written request to the Association postmarked on or before December 31 of the same year (was, by submitting a written request within 30 days from the last date on which the assessment was collected from the grower). Directs the Association to designate a third party to conduct an annual audit of the implementation of this Article. Provides that the Association will designate the time at which the audit can be conducted each year, requiring that the results of the audit must be available before or in conjunction with the annual report.

**Summary date:** Jul 23 2013

AN ACT TO AUTHORIZE TOBACCO GROWERS TO ASSESS THEMSELVES TO PROMOTE THE INTERESTS OF TOBACCO GROWERS. Enacted July 18, 2013. Effective July 18, 2013.

**SL 2013-312**

UPDATE PHYSICAL THERAPY PRACTICE ACT.

**Bill H 828**

**Summary date:** Apr 15 2013

Amends GS 90-270.25 to authorize the North Carolina Board of Physical Therapy Examiners (Board) to remove one of its board members for specified reasons. Amends GS 90-270.26, which specifies the powers and duties of the Board, to provide that investigation records are not public records but that an investigation record or information from a record may become a public record if it is otherwise used in the hearing process. Grants the board new powers and duties, including the power to issue subpoenas, acquire and hold property, and establish or participate in mental health or substance abuse programs for physical therapists or physical therapist assistants.

Adds new GS 90-270.29.1 requiring all applicants for licensure as a physical therapist or physical therapy assistant to consent to a criminal history record check. Authorizes the Board to deny licensure based on information gathered in the record check. Adds new GS 114-19.33 authorizing the North Carolina Department of Justice to provide information to the Board in response to a request for a record check.
Amends GS 90-270.30, which relates to licensure of foreign-trained physical therapists, to authorize licensure of foreign-trained physical therapist assistants in some circumstances.

Amends GS 90-270.30 to add three new exceptions to the requirement that physical therapists and physical therapist assistants obtain a license: (1) those licensed or credentialed in another state or country and practicing in the state temporarily in connection with athletics or performing arts; (2) those licensed in another state who enter the state to provide therapy during a declared local, state, or national disaster or emergency; and (3) those who are licensed in another state but forced to leave that state because of a disaster or emergency. Individuals in the latter two categories must notify the Board and are allowed to practice without a license for a limited period of time.

Makes technical changes.

**Summary date:** May 1 2013

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

Amends GS 90-270.26 (Powers of the Board), providing that records obtained pursuant to investigations of possible violations of GS Chapter 90, Article 18B, are privileged and not subject to discovery, subpoena, or other means of legal compulsion for release to any person other than the board or its employees or consultants. Provides that decisions rendered by the board, in addition to hearing notices, statement of charges, and any material received and admitted into evidence at a board hearing, will be public records, provided that identifying information concerning services rendered to a patient who has not consented to its public disclosure can be deleted or redacted. Also establishes that the board can issue subpoenas, on signature of the board chair or executive director, to compel attendance of any witness or for the production of any documents related to the board investigations or proceedings. Also provides that upon written request, such subpoenas will be revoked if, upon a hearing, the Board finds (1) that the evidence sought does not relate to a matter in issue, (2) the subpoena does not describe with sufficient particularity the evidence sought, or (3) for any other reason in law that makes the subpoena invalid.

Amends GS 90-270.29.1 (Criminal history record checks of applicants for licensure), deleting a provision in subsection (a) requiring the board to ensure that the state and national criminal history of an applicant is checked. Defines a criminal history record check for the purposes of this section as a request for a report from the board to the NC Department of Justice for a history of conviction of a crime that bears on an applicant’s fitness for licensure to practice physical therapy (previously, was defined as a report resulting from a request by the Board).

Makes technical changes throughout.

**Summary date:** May 29 2013

House amendment makes the following changes to the 2nd edition. Changes the statute number of proposed GS 90-270.29.1 (criminal history record checks of applicants for licensure) to GS 90-270.29A and makes a conforming change.
Summary date: Jun 27 2013

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

Amends GS 90-270.26, Powers of the Board, deleting proposed language in GS 90-270.26, subdivision (9), which allowed the Board to request the Department of Justice to provide criminal history record checks pursuant to GS 90-270.9A in connection with investigative matters.

Amends GS 90-270.29A, Criminal history record checks of applicants for licensure, deleting proposed language in GS 90-270.29A(a) that defined a criminal history record check. Adds proposed language to subsection (b), providing that the Board will collect any fees required by the Department of Justice and remit the fees to the Department for expenses associated with conducting the criminal history record check. Adds proposed language to subsection (c), providing that the Board can disclose information contained in the criminal history record that is relevant to a denial only if the disclosure of the information is permitted by applicable State and federal law (previously, the language permitting disclosure in accordance with applicable law was not included).

Amends the proposed title of GS 114-19.33, changing the title to Criminal history record checks of applicant for licensure as physical therapists or physical therapist assistants. Deletes proposed language which allowed the Department of Justice to provide criminal history records to the NC Board of Physical Therapy Examiners for subjects of investigation. Makes conforming changes.

Amends the enactment date, making the act effective October 1, 2013 (was, effective when the act becomes law).

Summary date: Jul 23 2013


SL 2013-313

ADOPT DUBLIN PEANUT FESTIVAL.

Bill H 917

Summary date: Apr 16 2013

As title indicates.

Summary date: Jun 25 2013

Senate committee substitute to the 1st edition changes the statute number of the proposed section to GS 145-47 (was, GS 145-41).

SL 2013-314

NC AGRICULTURE AND FORESTRY ACT.

Bill H 614

Summary date: Apr 9 2013


Amends GS 106-701 to provide that using methods or practices commonly or reasonably associated with agricultural or forestry production (further defined in the act) or that are in compliance with any state or federally issued permit creates a rebuttable presumption that an agricultural or forestry operation is not a nuisance. Deletes the provision excluding sawmill operations from the activities included in a forestry operation. Provides that in a civil action in which an agricultural or forestry operation is alleged to be a nuisance, the prevailing defendant recovers the costs and expenses determined by the court to have been reasonably incurred in the defense of the action, including attorneys' fees.

Applies to causes of action arising on or after July 1, 2013.

Summary date: May 7 2013

House committee substitute to the 1st edition makes the following changes. Deletes proposed GS 106-701(a1). Instead, amends GS 106-701 to provide that no agricultural or forestry operation or any of its appurtenances is or will become a nuisance when all of the following are met: (1) there has been a changed condition in or about the locality of the operation, (2) the operation has been in operation of more than one year, (3) the operation was not a nuisance at the time the operation began, and (4) there have been no fundamental changes to the operation. Provides that this does not apply whenever a nuisance results from the negligent or improper operation of any agricultural or forestry operation or its appurtenances. Sets out five activities that are not considered exclusions from fundamental changes to the operation. Retains changes to (b1), proposed (f), and the effective date from the previous edition. Makes a conforming change to the act's title.

Summary date: May 15 2013

House committee substitute makes the following changes to the 2nd edition:

Changes the bill title to conform to changes in the bill by deleting reference to provision relating to the award of costs and attorneys' fees to the prevailing defendant.
Amends GS 106-701(a)(1) to clarify that the change in condition in or about a locality means a locality that is outside the agricultural or forestry operation.

Deletes GS 106-701(f) (which provided for recovery of costs and attorneys' fees for prevailing defendants).

Changes the effective date of the act from July 1, 2013, to October 1, 2013.

**Summary date:** Jun 11 2013

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

Makes organizational changes to GS 106-701, incorporating subdivisions (1), (2), and (3) of subsection (a) into that subsection. Amends subsection (a1) to specify that the provisions of subsection (a), as amended in this act, do not apply when a plaintiff demonstrates that the agricultural or forestry operation has undergone a fundamental change. Amends GS 106-701(a1)(2) to provide that an interruption of farming for a period of no more than three years also does not constitute a fundamental change (was, provided that a fundamental change did not include a nonpermanent cessation or interruption of farming).

Reinstates subsection (f) to GS 106-701 to provide for the award of costs and attorneys' fees to a prevailing defendant in a civil action in which an agricultural or forestry operation is alleged to be a nuisance (this subsection was in the 1st and 2nd edition of this bill and deleted in the 3rd edition).

Amends the catch line of GS 106-701 to reflect changes in the content of the section. Amends the long title of this act to restore previously deleted language regarding a prevailing defendant's entitlement to attorneys' fees.

**Summary date:** Jul 16 2013

Conference report makes the following changes to the 4th edition.

Amends the long title.

Amends GS 106-701, concerning agricultural and forestry operations, to amend new subsection (f) to provide that in a nuisance action against an agricultural or forestry operation, the court must award costs and expenses, including reasonable attorneys' fees, to (1) the agricultural or forestry operation when the court finds that the operation was not a nuisance and the nuisance action was frivolous or malicious or (2) the plaintiff when the court finds the agricultural or forestry operation was a nuisance and the operation asserted an affirmative defense in the nuisance action that was frivolous and malicious (was, prevailing defendant recovers aggregate amount of costs and expenses reasonably incurred, including attorneys' fees).

Amends GS 7A-38.3(h), concerning mediation of farm nuisance disputes, providing that any applicable statutes of limitations relating to a farm nuisance dispute will be tolled for a specified period of time upon the filing of a request for mediation under GS 7A-38.3 (previously, provided that time periods
relating to the filing of a claim or the taking of other action with respect to a farm nuisance dispute, including applicable statutes of limitations, would be tolled after filing). Further amends section to provide that the filing of a request for prelitigation mediation under GS 7A-38.3(d) does not constitute the commencement of or the bringing of an action involving a farm nuisance dispute.

Provides that this act is effective when it becomes law and applies to actions commenced or brought on or after that date (was, October 1, 2013).

**Summary date:** Jul 23 2013

AN ACT TO PROVIDE THAT AGRICULTURAL AND FORESTRY OPERATIONS ARE NOT NUISANCES UNDER CERTAIN CIRCUMSTANCES AND TO PROVIDE FOR THE AWARD OF COSTS AND ATTORNEYS’ FEES.


**SL 2013-315**

**GRIFTON/DEANNEXATION.**

**Bill H 191**

**Summary date:** Feb 28 2013

As title indicates. Provides that the act does not affect the validity of any liens of the Town of Grifton for ad valorem taxes or special assessments outstanding before the act becomes law, and provides that the liens may be collected or foreclosed upon after the act becomes law as though the property was still within the town's corporate limits.

**Summary date:** Jul 23 2013


**SL 2013-316**

**TAX SIMPLIFICATION AND REDUCTION ACT.**

**Bill H 998**

**Summary date:** Apr 18 2013

Amends Part I (Corporation Income Tax) of GS Chapter 105, Article 4, by creating new section GS 105-153.6 (Adjustments when State decouples from federal accelerated depreciation and expensing), providing a special accelerated depreciation clause, which specifies that placing certain property into
use and taking a special accelerated depreciation requires that taxpayer to add to the taxpayer’s federal taxable income or adjusted gross income 85% of the amount taken for that year.

Taxpayer is allowed to deduct 20% of the add-back in each of the first five taxable years following the year the taxpayer is required to include the add-back in income. Includes a table which indicates applicable periods. Specifies a 2009 Depreciation Exception, relating to property placed in service during the 2009 taxable year and whose taxable income reflects a special accelerated depreciation deduction. Provides that for this subdivision, the definition of section 179 property has the same meaning as section 179 of the Code as of January 2011. A taxpayer placing section 179 property into service during a taxable year will have to add to the taxpayer’s taxable income 85% of the amount by which the taxpayer’s expense deduction under section 179 of the Code exceeds the amount that would have been allowed for that taxable year under section 179 of the Code as of May 1, 2010.

Also amends Part 2 (Individual Income Tax) of GS Chapter 105, Article 4 by creating new section GS 105-134.6A that is identical to the provisions of new section GS 105-153.6 (1) except that it applies to individual income tax instead of corporation income tax, and (2) provides that placing certain property into use and taking a special accelerated depreciation requiring the taxpayer to add to the taxpayer’s federal taxable income or adjusted gross income 85% of the amount taken for that year, necessitates that for taxable years before 2013, the amount must be added to the taxpayer’s federal taxable income. For years after 2013, the amount must be added to the taxpayer’s adjusted gross income.

Amends GS 105-130.5(a) to provide that the amount required to be added under GS 105-130.5B when the state decouples from federal accelerated depreciation and expensing is an addition to be made to federal tax income in determining state net income.

Amends GS 105-130.5(b) to add as a deduction from federal taxable income to determine state net income, the amount allowed as a deduction under GS 105-130.5B as a result of an add-back for federal accelerated depreciation and expensing.

Amends GS 105-134.6(b) to provide for the following deduction in calculating North Carolina taxable income, to the extent each item is included in taxable income: the amount allowed as deduction under GS 105-134.6A as a result of an add-back for federal accelerated depreciation and expensing.

Amends GS 105-134.6(c) to provide that the following additions to taxable income are to be made in calculating North Carolina taxable income, to the extent that each item is not included in taxable income: the amount required to be added under GS 105-134.6A when the state decouples from federal accelerated depreciation and expensing.

Makes conforming changes repealing the following subdivisions to GS 105-130.5(a), additions to federal taxable income to be made in determining state net income: (15), (15a), (15b), (23), and (23a). Also repeals the following subdivisions to GS 105-130.5(b), deductions from federal taxable income to be made in determining state net income: (21), (21a), (21b), (26), and (26a).
Makes conforming changes, deleting GS 105-134.6(b)(17), (17a), (17b), (21), and (21a), subsections concerning allowable deductions in calculating North Carolina taxable income.

Makes conforming changes, deleting GS 105-134.6(c)(8),(8a), (8b), (15), and (15a), subsections concerning required additions to income in calculating North Carolina taxable income.

Summary date: Jun 4 2013

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

Changes the short and long titles.

Part I. General Findings and Intent

Includes four findings in regards to North Carolina's tax structure. Establishes the intent of the legislation, including to initiate comprehensive tax reform and simplify the process of tax preparation and administration. Provides that the NC General Assembly seeks to phase out the state's reliance on income taxes, increase the state's reliance on consumption taxes, and evaluate the changes made by this act and their impact on the state's revenue structure.

Part II. Simple, Flat Tax Rate for Individual Income Tax

Amends GS 105-134.6(b)(22), regarding permissible deductions from taxable income, providing that taxpayers can only deduct an amount not to exceed $25,000 of net business income. In regards to a married couple filing a joint return, where both spouses receive or incur net business income, the maximum deduction applies separately to each spouse's net business income, providing that the couple cannot deduct any amount that exceeds $50,000 of net business income. These changes are effective for taxable years beginning on or after January 1, 2013.

Amends GS 105-134.2, Individual income tax imposed, abolishing the tiered individual income taxes imposed on NC taxable income in lieu of a flat 5.9% tax on the NC taxable income of every individual payable each year. Makes conforming changes.

Amends GS 105-134.6, Modifications to adjusted gross income, repealing GS 105-134.6(a1), dealing with Personal Exemptions, and providing that a taxpayer can deduct either the NC standard deduction; (as amended to $12,000 for married, filing jointly; $9,600 for head of household; $6,000 for single individuals; and $6,000 for married, filing separately) or the itemized deductions allowed for under new subsection GS 105-134.6(a3) for interest paid or accrued with respect to any qualified residence, for property taxes paid on real estate, and for charitable contributions. Provides that in the case of a married couple filing separate returns, a taxpayer may not deduct the standard deduction if the taxpayer or the taxpayer's spouse claims the itemized deductions. Enacts new GS 105-134.6(a3) providing that the allowable itemized deduction is the sum of (1) the amount the taxpayer claims as a deduction for interest paid or accrued during the taxable year with respect to any qualified residence, (2) the amount the taxpayer claimed for charitable contributions deductible for that taxable year, and (3) the amount the taxpayer claimed for state and local property taxes paid on real estate for that
taxable year. Repeals GS 105-134.6(b)(11), regarding the deduction of specified severance wages, and GS 105-134.6(b)(22), regarding net business income deductions.

Amends proposed GS 105-134.6A to require for taxable years before 2012 (was, 2013) that the taxpayer add the required amount (for taking a special accelerated depreciation deduction or for a deduction for a section 179 expense) to the taxpayer's federal taxable income, and for years 2012 (was, 2013) and after, the taxpayer must add the amount to the taxpayer's adjusted gross income. Makes clarifying changes.

Repeals GS 105-134.6(b)(11), regarding the deduction of specified severance wages, and GS 105-134.6(b)(22), regarding net business income deductions.

Repeals GS 105-151.26, Credit for charitable contributions by nonitemizers.

Amends GS 105-151.24(a), providing that taxpayers who are allowed a federal child tax credit under section 24 of the Code will be allowed a credit against state income tax based on the taxpayers adjusted gross income, as amended and set out in table form in the act, in the amount of $125 or $250.

Amends GS 105-160.2 to provide that the income tax is computed on the amount of the taxable income of the estate or trust that is for the benefit of a resident of this state or for the benefit of a nonresident to the extent that the income is (1) from North Carolina sources and attributable to the ownership of any interest in real or tangible personal property in the state or (2) derived from a business, trade, profession, or occupation carried on in the state. Provides that the itemized deductions amount allowed under GS 105-134.6(a3) is not limited when computing income tax on estates, trusts, and beneficiaries.

Unless otherwise provided, the provisions of this Part are effective for taxable years beginning on or after January 1, 2014.

Part III. Reduce Corporate Income and Franchise Tax Rate

Amends GS 105-130.3 (Corporations), reducing the tax imposed on the state net income of a C Corporation doing business in North Carolina over a five year span, beginning in 2014. The rate in 2014 is 6.5%, decreasing the rate over time to 5.4% for years after 2017 (was, set tax rate schedule with a rate of 6.9% in the income year beginning after 1999). Effective for taxable years beginning on or after January 1, 2014.

Amends GS 105-122(d) to set the rate of the franchise or privilege tax required of every corporation taxed under this section at $1.35 per $1,000 (was, $1.50 per $1,000) of the total amount of capital stock, surplus, and undivided profits as provided in this section. Effective for taxable years beginning on or after January 1, 2015 and applies to taxes due in 2015, or a subsequent year.

Makes clarifying changes to proposed GS 105-130.5B.

Changes the title of Article 3E of GS Chapter 105 to Work Force Housing Construction Loan Program (was, Low Income Housing Tax Credits). Amends GS 105-129.42 to define the term development tier as
the classification assigned to an area under GS 143B-437.08. Amends GS 105-129.42(b) to allow a credit to a taxpayer who is allocated a federal low-income housing tax credit under section 42 of the Code to construct or substantially rehabilitate a qualified North Carolina low-income housing development that is located in a development tier one or two area (previously did not require that the development be located in a development tier one or two area). Repeals GS 105-129.45, which sunsets the low income housing tax credits on January 1, 2015. Effective for taxable years beginning on or after January 1, 2014.

Amends GS 115C-546.1 to delete requirement that the Secretary of Revenue (Secretary) quarterly remit a specified fraction of the net collections received in the previous quarter by the Department of Revenue, under GS 105-130.3, to the State Treasurer for credit to the Public School Building Capital Fund. Makes a conforming change, repealing GS 115C-546.2(a), which allowed the State Board of Education to allocate annually $1 million of the monies credited to the Public School Building Capital Fund by the Secretary to the Department of Public Instruction. Effective April 1, 2014, and applies to distributions for collections or quarters beginning on or after that date.

**Part IV. Expand Sales Tax Base to Include Services Commonly Taxed in Other States**

Repeals GS 105-164.13(13c) (exempting nutritional supplements sold at a chiropractic office to patients from the sales and use tax) and GS 105-164.13D (sales and use tax holiday for Energy Star qualified products). Makes conforming changes to GS 105-467(b). Effective July 1, 2013, and applies to sales made on or after that date.

Repeals GS 105-37.1 (privilege tax on live entertainment and ticket resale), GS 105-38.1 (privilege tax on motion picture shows), and GS 105-40 (certain exhibitions, performances, and entertainments exempt from tax).

Amends GS 105-164.4(a), adding a new subdivision specifying that the general rate of tax applies to admission charges for the following activities: (1) a live performance or other live event of any kind; (2) a movie; or (3) a museum, a cultural site, a garden, an exhibit, a show, or a similar attraction or a guided tour at any of these attractions. Clarifies what constitutes an admissions charge and determining the tax on an admission ticket that is resold. Amends GS 105-164.13 by adding a new subdivision (60) to identify exhibitions, performance, entertainments, and other amusements that are exempt from the sales and use tax imposed under GS Chapter 105, Article 5. Moves most of the provisions that were codified in GS 105-40 to new subdivision (60) (excluding provision exempting entertainment or amusements offered or given on the Cherokee Indian reservation and meeting certain specified criteria). Effective October 1, 2013, and applies to admissions purchased on or after that date. Provides that for admissions to a live event, the tax applies to the initial sale or resale of tickets occurring on or after that date; gross receipts received on or after October 1, 2013, for admission to a live event, for which the initial sale of tickets occurred before that date, other than gross receipts received by a ticket reseller, are taxable under GS 105-37.1.

Repeals the following: (1) GS 105-116, franchise or privilege tax on electric power, water, and sewage companies; (2) GS 105-116.1, distribution of gross receipts taxes to cities; (3) GS 105-164.21A, deduction for municipalities that sell electric power; (4) GS 159B-27(b), (c), (d), and (e), regarding certain payments
by municipalities in lieu of an annual franchise or privilege tax. Applies to taxes due in the 2014 tax year or a subsequent year. Also repeals GS 105-164.4(a)(1f) and (a)(4a), tax rates on the sale of electricity; GS 105-164.13(44), exempting piped natural gas from the Article sale and use tax; and Article SE of GS Chapter 105, Piped Natural Gas Tax. Amends GS 105-164.4(a) to provide that the combined general rate applies to the gross receipts derived from sales of electricity and piped natural gas. Effective when the act becomes law, directs the Utilities Commission to diffuse the rate set for the following utilities: (1) electricity, to reflect the repeal of GS 105-116 and the resulting tax liability of electric power companies, and (2) piped natural gas, to reflect the repeal of Article SE of GS Chapter 105, the repeal of the credit under GS 105-422(d1), and tax liability under GS 105-164.4. Enacts new GS 105-164.44K to require that cities receive 44% of the net proceeds of the tax collected on electricity. Provides that each city's share of the amount is its franchise tax share, as calculated under the statute's provisions, plus its ad valorem share, as calculated under the statute's provisions. Provides that the Department’s determination as to a city's franchise tax share is final and not subject to administrative or judicial review. Enacts new GS 105-164.44L requiring that 20% of the net proceeds of the tax on piped natural gas be distributed to the cities. The city's share is its excise tax share, as calculated under the statute's provisions, plus its ad valorem share, as calculated under the statute's provisions. Provides that the Department's determination as to a city's franchise tax share is final and not subject to administrative or judicial review. Amends GS 105-164.3 to add definitions for the following services on tangible personal property and amends GS 105-164.4(a) to provide that the general rate of tax applies to those services: (1) alteration, repair, maintenance, cleaning, and installation services and (2) service contracts. Repeals GS 105-164.13(49), which provides an exemption from the sales and use tax for certain installation charges. Amends GS 105-164.13 to provide exemptions from sales and use tax for (1) items or services used to maintain or repair tangible personal property under a service agreement if the purchaser is not charged for the item or service and (2) service on tangible personal property described in GS 105-164.4(a)(11) and provided for an item exempt from tax under the Article, a newly constructed building or structure, or a right of way or utility easement. Effective July 1, 2014, and applies to sales made on or after that date.

Makes additional organizational changes to the provisions of this act.

Part V. Effective Date

Provides that this act does not affect the rights of the state, a taxpayer, or another person arising under a statute before the effective date of the amendment or repeal as indicated in this act. Also provides
that this act does not affect the right to any refund or credit of a tax that accrued under the amended or repealed statute before the effective date of its amendment or repeal.

Amends GS 105-237.1 to allow the Secretary of Revenue to compromise a taxpayer's liability for a tax when it is in the state's best interest and the taxpayer is a retailer or a person under Article 5 of GS Chapter 105, the assessment is for sales or use tax the retailer did not collect or the person did not pay on an item taxable under GS 105-164.4(a)(9) or (a)(11), and the retailer or person made a good faith effort to comply with the tax laws. Expires for assessments issued after July 1, 2020.

Except as otherwise provided, this act is effective when it becomes law.

Summary date: Jun 6 2013

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

Part II. Simple Flat Tax Rate for Individual Income Tax

Repeals GS 105-134.6(b)(22), which provided for a deduction from taxable income in an amount not to exceed $25,000 of net business income the taxpayer receives during the taxable year. Effective for taxable years beginning on or after January 1, 2013.

Amends GS 105-134.6 to make organizational changes. Makes a technical correction. Clarifies that in determining North Carolina taxable income, a taxpayer may either deduct the standard deduction amount as indicated in this act or the itemized deductions amount. Sets a maximum limit on the itemized deductions amount based on the taxpayer's filing status as follows: (1) married, filing jointly--maximum itemized deductions, $25,000; (2) head of household--maximum itemized deductions, $20,000; (3) single--maximum itemized deductions, $12,500; and (4) married, filing separately--maximum itemized deductions $12,500. Effective for taxable years beginning on or after January 1, 2014.

Part IV. Expand Sales Tax Base to Include Services Commonly Taxed in Other States

Amends new subdivisions (61) and (62) to GS 105-164.13 (providing exemptions from the retail sales and use tax for certain tangible personal property, digital property, and services). Exempts from the retail and sales use tax an item or service to maintain or repair tangible personal property under a service contract, a manufacturer's warranty, or a dealer's warranty if the purchaser of the contract is not charged for the item or the service (was, applied the exemption to an item or service to maintain or repair tangible personal property under a service agreement). Also exempts a service on tangible personal property provided for a transmission, distribution, or other network asset contained on utility-owned land, right-of-way, or easement (was, exempted service on tangible personal property provided for a right-of-way or utility easement). Effective July 1, 2014, and applies to sales made on or after that date.

Part V. Effective Date
Deletes the appropriation of $4.5 million from the General Fund to the Department of Revenue for fiscal year 2013-14 for use in implementing the tax reform provisions of this act. Amends section labels to reflect the deletion.

Provides that except as otherwise provided, this act is effective when it becomes law.

**Summary date:** Jun 17 2013

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

Changes the long title.

Deletes Part I, General Findings and Intent, from the previous edition.

**Part I, Individual Income Tax Changes** *(new)*

Recodifies numerous statutes.

<table>
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<tr>
<th>Current Statute</th>
<th>Recodified Statute</th>
</tr>
</thead>
<tbody>
<tr>
<td>GS 105-133</td>
<td>GS 105-153.1</td>
</tr>
<tr>
<td>GS 105-134</td>
<td>GS 105-153.2</td>
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<td>GS 105-134.1</td>
<td>GS 105-153.3</td>
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<td>GS 105-134.5</td>
<td>GS 105-153.4</td>
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<td>GS 105-151</td>
<td>GS 105-153.9</td>
</tr>
<tr>
<td>GS 105-151.24</td>
<td>GS 105-153.10</td>
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<tr>
<td>GS 105-152</td>
<td>GS 105-153.8</td>
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The following statutes are repealed:

GS 105-134.2, *Individual income tax imposed.*

GS 105-134.3, *Year of assessment.*

GS 105-134.6, *(Effective for taxable years beginning before January 1, 2012) Adjustments to taxable income.*

GS 105-134.7, *Transitional adjustments.*

GS 105-134.8, *Inventory.*

GS 105-151.1 and GS 105-130.22, *Tax credit for construction of dwelling units for handicapped persons.*

GS 105-151.11, *Credit for child care and certain employment-related expenses.*
GS 105-151.12 and GS 105-130.34, *Credit for certain real property donations.*

GS 105-151.13 and GS 105-130.36, *Credit for conservation tillage equipment.*

GS 105-151.14 and GS 105-130.37, *Credit for gleaned crop.*

GS 105-151.18, *Credit for the disabled.*

GS 105-151.20, *Credit or partial refund for tax paid on certain federal retirement benefits.*

GS 105-151.21, *Credit for property taxes paid on farm machinery.*

GS 105-151.25 and GS 105-130.44, *Credit for construction of a poultry composting facility.*

GS 105-151.26, *(Effective for taxable years beginning before January 1, 2012) Credit for charitable contributions by nonitemizers.*

GS 105-151.33, *Education expenses credit.*

Amends GS 105-134.1, recodified by this act at GS 105-153.3 *(Definitions), deleting the term and definition for retirement benefits.*

Amends GS Chapter 105 by creating a new section GS 105-153.5 *(Modifications to adjusted gross income), providing that in calculating NC taxable income, a taxpayer must deduct any of eight items that are included in the taxpayer’s adjusted gross income, including amounts received from retirement annuities or pensions paid under the provisions of the Railroad Retirement Act of 1937 or the amount received during the taxable year from one or more state, local, or federal government retirement plans to the extent the amount is exempt from tax.

Specifies five items that taxpayers must add to their adjusted gross income if not already included, including (1) the amount excluded from gross income under section 199 of the Code; (2) interest on the obligations of other states, political subdivisions of those states, or agencies; (3) the amount required to be added under GS 105-153.6 when the state decouples from federal accelerated depreciation and expensing.

Creates new GS 105-153.7 *(Individual income tax imposed), establishing that a tax is charged for each taxable year on the NC taxable income of an individual. The tax is 5.4% of NC taxable income that exceeds the zero tax brackets for the taxpayer’s filing status. Includes a table demonstrating the zero tax brackets, (pg. 5 of bill), for all filing statuses. Specifies the Secretary of Revenue (Secretary) can provide tables that compute amount of tax due for a taxable year under this section. Tables will not apply to individuals filing a return under section 443(a)(1) of the Code for a period of less than 12 months, due to accounting periods, estates, or trusts.

Provides Section 1.1 will become effective for taxable years beginning on or after January 1, 2014.

Amends GS 105-153.7(a), providing that the individual income tax will be 5.25%, effective for taxable years beginning on or after January 1, 2015.
Amends GS 105-153.8 (Income tax returns) (previously G.S. 105-152), making technical, conforming, and clarifying changes. Provides that anyone whose taxable income exceeds the zero tax brackets must file an income tax return. Clarifies that nonresidents who have received gross income from NC sources, including gambling, are required to file a return for the taxable year under the Code.

Provides that if a taxpayer is deceased or unable to file a return, an authorized agent or guardian must file the return. If the taxpayer has died before making the return, the administrator or executor of the estate must file the return and any tax due is payable by the estate. Replaces "taxable income" with "adjusted gross income" and all instances of "shall" with "must."

Amends GS 105-153.9 (Tax Credits for income taxes paid to other states by individuals) (previously, GS 105-151), making conforming and technical changes. Amends GS 105-153.9(a)(2), to read The fraction of the adjusted gross income as modified in GS 105-153.5 (previously, The fraction of the gross income, as calculated under the Code and adjusted as provided in GS 105-134.6 and GS 105-134.7). Provides that the changes to the above two sections become effective for taxable years beginning on or after January 1, 2014.

Updates statutory references in GS 105-131.2, GS 105-131.5, GS 105-131.7, GS 105-131.8, and GS 105-154. Makes clarifying changes. Amends GS 105-163.1 to update statutory references and remove the amount of severance wages paid to an employee during the taxable year that are exempt from state income tax for that year to those items excluded from the definition of wages. Amends GS 105-163.22 to update statutory references. Amends GS 105-309(d) to delete the requirement that personal property be listed to indicate which property is subject to a tax credit under GS 105-151.21 (Credit for property tax paid on farm machinery). Repeals GS 105-320(a)(16), which removes the requirement that a tax receipt form show the total assessed value of farm machinery, attachments, and repair parts of individual owners and S corporations engaged in farming subject to the income tax credit in GS 105-151.21 and the amount of ad valorem taxes due on farm machinery, attachments, and repair parts subject to that credit. Amends GS 110-130.1(a) to update the definition of the term Code. Provides that the above changes are effective January 1, 2014.

Amends GS 105-277.3(d1) to provide that property that is appraised at its present use value will continue to qualify for appraisal, assessment, and taxation as provided in specified statutes, as long as the property is subject to a conservation easement that meets the property eligibility requirements under GS 113A-232. Amends GS 113-77.9 to remove references to GS 105-151.12 and GS 130.34. Amends GS 113A-231, GS 113A-232, and GS 113A-233 to remove references to the conservation tax credits. Further amends GS 113A-232 to add to the eligibility requirements for the Conservation Grant Fund that the property must be (1) useful for one or more of seven specified purposes including public beach access or use, forestland or farmland conservation, or watershed protections or (2) donated in perpetuity to and accepted by the state or a local government or a body that is organized to receive and administer lands for conservation purposes and qualified to receive charitable contributions (disqualifies land required to be dedicated under local government regulation or ordinance and dedications made to increase building density levels). Repeals GS 113A-256(g), deleting the power of the Clean Water
Management trustees to determine whether land donated for a tax credit under specified statutes may be certified for a tax credit. The above changes are effective January 1, 2014.

Deletes Part II, Simple Flat Tax Rate for Individual Income Tax, included in the previous edition. Also deletes changes made to GS 105-134.2, Individual income tax imposed; GS 105-134.6, Modifications to adjusted gross income; GS 105-151.24(a), concerning child tax credits; and GS 105-160.2, Imposition of tax.

Part II, Phased Elimination of the Corporate Income Tax

Amends GS 105-130.3 (Corporations), reducing the tax imposed on the state net income of a C Corporation doing business in North Carolina over a three year span, beginning in 2014. The rate in 2014 is 6%, decreasing over time to 2% for years after 2016. Effective for taxable years beginning on or after January 1, 2014.

Repeals GS 105, Article 4, Part 1, Corporation Income Tax; GS 105, Article 3C, Tax Incentives for Recycling Facilities; and Article 3K, Tax Incentives for Railroad Intermodal Facilities.

Changes the effective date for changes made to GS 115C-546.1, Creation of Fund; administration, and the repeal of GS 115C-546.2(a) to becoming effective when it becomes law (was, April 1, 2014, for distributions for collections for quarters beginning on or after that date).

Part III, Business Privilege Tax on Corporations, LLCs, and Other Limited Liability Entities (was, Reduce Corporate Income and Franchise Tax Rates)

Establishes a privilege tax on business entities for the privilege of doing business in North Carolina in an organizational form that gives limited liability to one or more owners. Payment of the tax is a condition precedent of doing business in North Carolina. Establishes that each owner of a non-corporate business entity doing business in North Carolina is considered to be doing business in North Carolina. Establishes that the tax imposed will be $400 for Income Year 2015, $600 for 2016, and $750 for any year after 2016. Establishes when taxes and returns are due. Provides for an extension of time to file tax returns. Also states that the president, vice president, treasurer, or chief financial officer must sign the tax return. Provides that the income year of a business entity is the calendar year or fiscal year upon which the basis of the net income is computed for federal income tax purposes. Includes terms and definitions for use in this Article, including business entity, C Corporation, Code, Person, S Corporation, and Secretary. Provides that certain entities are exempt from the privilege tax, including (1) a business entity exempt from federal income tax under section 501 of the Code and (2) an insurance company subject to tax under Article 8B of this Chapter. The above changes are effective for taxable years beginning on or after January 1, 2015, and apply to taxes due in that year or a subsequent year.

Amends GS 105-129.100(b), providing that the tax for a C Corporation will be $5,000, with the tax for all other business entities set at $750 (previously, the tax was $400 in 2014, $600 in 2015, and $750 after 2015). Amends GS 105-129.101, changing the definition for business entity, establishing, among other types, a domestic corporation organized under GS 55 or a foreign corporation with a certificate of
authority, an electric membership corporation organized under GS 117, or any other business whose
form provides limited liability to one or more of its owners is considered a business entity. Provides that
the above changes become effective for taxable years beginning on or after January 1, 2018, and apply
to taxes due in that year or a subsequent year.

Deletes previous changes made to GS 105-130.3, concerning taxes on corporations. Deletes the new
section, GS 105-130.5, adjustments to federal taxable income, and GS 105-130B, concerning
adjustments to taxes when the state decouples (included as a new section in the previous edition). Also
deletes changes made to GS 105-129.42(a), GS 105-129.42(b), and the repeal of GS 105-129.45, all
provided for in Part III of the previous edition.

Part IV, Phased Elimination of the Franchise Tax (was, Expand Sales Tax Base to Include Services
Commonly Taxed in Other States)

Repeals GS 105-114(a), concerning the nature of the tax imposed by that section, and GS 105-122.1,
Credit for additional annual report fees by LLCs. Amends GS 105-125(a), adding S corporations subject to
the privilege license tax to the list of corporations exempt from the franchise tax. Changes above are
effective for taxable years beginning on or after January 1, 2015, and apply to taxes due in that year or a
subsequent year.

Amends GS 105-122, concerning the calculation of the franchise or privilege tax on domestic and foreign
corporations, to set the rate of the franchise or privilege tax required of every corporation taxed under
this section, establishing that the rate set is an amount per $1,000 of the total amount of capital stock,
surplus, and undivided profits. The amount for 2015 is $1.20 per $1,000 for 2015, $0.90 per $1,000 for
2016, and $0.60 per $1,000 for 2017. Sets a minimum tax due for each year. Makes conforming changes
to GS 105-122(d). Effective for taxable years beginning on or after January 1, 2015.

Repeals GS 105, Article 3, Franchise tax, effective January 1, 2018.

Deletes changes made to GS 105-467(b), GS 105-164.13, GS 160A-211 and deletes the previously added
new subsections GS 105-164.4, GS 105-164.3(1c), GS 105-164.4(a)(11), and GS 105-164.13(61) and (62).

Deletes the repeal of GS 105-164.13(13c), GS 105-164.13D, GS 105-37.1, GS 105-38.1, GS 105-40, and GS
105-164.13(49).

Part V, Eliminate Annual Report Filing Fees

Amends GS 55-1-22 (Filing, service, and copying fees), deleting references to an annual paper or
electronic report in lieu of specifying just an annual report with no fee to submit the report (was, $25 for
paper report and $18 for electronic report). Deletes reference to the fee for annual reports being
nonrefundable. Amends GS 55-16-22 (Annual report), reorganizing the majority of language through GS
55-16-22(d), providing clarifying language that simplifies and specifies exactly which types of business
entities must submit annual reports and the information that must be included in each annual report.
Establishes a firm due date for annual reports, the 15th day of the 4th month following the close of the

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entity's fiscal year. Clarifies the requirements and expectations in cases where the Secretary deems an annual report to be incomplete. Deletes GS 55-16-22(e-h). Makes technical and conforming changes.

Amends GS 57C-1-22(a)(25), GS 59-35.2(a)(18), GS 59-1106(a)(22), changing the associated fees for the required annual reports of these sections to "No fee."

Repeals GS 105-122.1 (Credit for additional annual report fees paid by limited liability companies subject to franchise tax).

Amends GS 105-228.90(a), making technical and conforming changes.

Repeals GS 105-256.1 (Secretary and deputies to administer oath).

Amends GS 105-259(a), making technical and conforming changes.

Effective January 1, 2015. Subsection (f) repealing GS 105-122.1 of this section applies to returns due on or after April 15, 2015, for taxable years beginning on or after January 1, 2015. The remaining sections apply to annual reports due on or after January 1, 2015.

Part VI, Eliminate Archaic State and Local Privilege License Taxes

Repeals GS 105, Article 2, Privilege Taxes, effective January 1, 2018, and applies as follows:

(1) For taxes payable under G.S. 105-41, 105-88, or 105-102.3, the section applies to taxes imposed under those statutes for taxable years beginning on or after July 1, 2018.

(2) For taxes payable under G.S. 105-102.6, the section applies to taxes due on or after January 31, 2018.

(3) For taxes payable under G.S. 105-83, the section applies to obligations dealt in, bought, or discounted on or after January 1, 2018.

Amends GS 153A-152, deleting a county's general authority to impose privilege license taxes on certain trades, occupations, professions, businesses, and franchises. Prohibits a county from levying a privilege tax on any of those entities carrying out business in that county unless a statute or an act of the General Assembly authorizes the county to do so. Amends GS 160A-211, deleting a city's general authority to impose privilege license taxes on certain trades, occupations, professions, businesses, and franchises. Prohibits a city from levying a privilege tax on any of those entities carrying out business in that city unless a statute or an act of the General Assembly authorizes the city to do so. Effective January 1, 2018, and applies to taxes imposed for fiscal years beginning on or after that date.

Repeals GS 93-12(12) (requiring the Secretary of Revenue to submit the names of persons who have qualified under this Chapter as certified public accountants and providing that a privilege license issued under GS 105-41 designates whether it was issued to a certified public accountant or an accountant) and GS 105-259(b)(4) (allowing the disclosing to a governmental agency or an officer of an organized association of taxpayers a list of taxpayers who have paid a privilege license tax). Amends GS 53-165 to make clarifying and technical corrections to the definitions. Adds a definition of installment paper dealer.
and amends the definition of loanable assets to mean cash, bank deposits, installment loans, or any combination. Expands the definition of person to also include a group acting as a unit. Amends GS 53-172 to provide that the business of making loans includes acting as an installment paper dealer and collecting a loan made by a government regulated lender. Makes conforming changes. Amends GS 53-191 to make conforming and technical changes. Amends GS 95-47.2 to amend the reasons for denying a license for operating a private personnel service when the employment agency will be operating on the same premises as specified businesses to include, in addition to a collection agency, a business making loans and taking an assignment of wages as security or any other type of security (was, a loan agency as defined in GS 105-88), a check cashing business, and a pawnbroker business. Amends GS 105-130A.6A to remove the reference to the privilege tax. These changes are effective July 1, 2018.

Part VII, Electricity and Piped Natural Gas Tax Changes

Modifies the definition for electric power holding company in GS 105-130.6A to mean a holding company with an affiliate or a subsidiary that is engaged in the business of producing electric power (was, that is subject to the franchise tax on electric power companies levied in GS 105-116).

Amends GS 160A-211 to provide that certain businesses identified as exempt from a city's license, franchise, or privilege tax (1) are subject to a state tax at the combined general rate for which the city receives a share of the tax revenue or (2) are subject to the local sales tax. Authorizes a city to continue to impose and collect the license, franchise, or privilege taxes on an electric power company that the city imposed and collected before January 1, 1947. Prohibits a city from imposing or collecting any greater franchise, privilege, or license taxes that are greater in the aggregate than the taxes imposed or collected on or before January 1, 1947. Effective July 1, 2014, unless otherwise indicated.

Amends GS 105-164.44K, Distribution of part of tax on electricity to cities, defining the franchise tax share as the quarterly franchise tax share of a city is the amount of electricity gross receipts franchise tax distributed to the city under repealed GS 105-115.1 for the same related quarter that was the last quarter in which taxes were imposed on electric power companies under repealed GS 105-116. Deletes language concerned with the recalculation of the franchise tax share of a city every five years.

Amends GS 105-164.44L, providing that the quarterly excise tax share of a city that is not a gas city is the amount of piped natural gas excise tax distributed to the city under repealed GS 105-187.44 for the same related quarter that was the last quarter in which taxes were imposed on piped natural gas. Adds language that the Secretary must determine the excise tax share of a gas city and divide that amount by four to calculate the quarterly distribution amount for a gas city.

Part VIII, Eliminate Sales Tax Special Exemptions

Repeals the following subdivisions of GS 105-164.13 to delete the exemptions for certain property and services: (13c), nutritional supplements sold by a chiropractor to patients as a part of treatment; (27), meals and food products served to students in dining rooms regularly operated by state or private educational institutions or student organizations; (27a), bread, rolls, and buns sold at a bakery thrift store; (28), sales of newspapers by street vendors, door-to-door carriers, and vending machines; and
(50) 50% of the sales price of tangible property, other than tobacco, sold through a coin-operated vending machine. Also repeals GS 105-164.13C (sales and use tax holiday) and GS 105-164.13D (sales and use tax holiday for Energy Star-qualified products). Effective July 1, 2014.

Repeals the following statutes under Article 2 (Privilege Tax) of The Revenue Act (Subchapter I of GS Chapter 105) having to do with admissions, ticket sales, and licensing: GS 105-37.1, 105-38.1, and 105-40. Amends GS 105-164.4 to apply the 4.75% privilege tax on admission charges to the following entertainment activities: a live performance or other live event; a movie; and a museum, cultural site, garden, exhibit, show, or similar attraction or a guided tour at any of these attractions. Provides that an admission charge includes a charge for a single ticket, a multi-occasion ticket, a seasonal pass, an annual pass, and a cover charge, but does not include a charge for amenities. Includes provisions concerning the resale of a ticket. Amends GS 105-164.13 to exempt the admission charges to the following recreational or entertainment activities from sales tax: a school-sponsored event held at an elementary or secondary school; a commercial agricultural fair meeting the requirements of GS 106-520.1; a festival or recreational entertainment activity sponsored by a nonprofit that lasts no more than seven days where the proceeds are used for the entity's nonprofit purposes; and a youth athletic contest sponsored by a nonprofit. Repeals the following statutes: GS 106-507 (exempting county societies from state and local taxes on exhibits, shows, attractions, and amusements), GS 106-516 through GS 106-520 (related to licensing and permits for agricultural fair vendors and exhibitors and carnival permits), GS 140-10.1 (exempting the North Carolina Symphony Society from all privilege license and gross receipts taxes), and GS 105-164.9 (prohibiting a retailer from offering to absorb the sales tax). Amends GS 105-164.10 to remove provisions concerning rate tables for the general rate, preferential rate, and combined state and local rates, requiring instead that the separate table be issued for each rate of tax that may apply to a sale. Effective October 1, 2013, and applies to admissions purchased on or after that date. The tax applies to the initial sale or resale of tickets occurring on or after that date for admissions to a live event; receipts received on or after October 1, 2013, for admission to a live event for which the initial sale of tickets occurred before that date are taxable under GS 105-37.1.

Repeals GS 105-164.14(c) regarding refunds of sales and use tax on specified purchases to certain governmental entities. Amends GS 105-164.14(b) to provide that the aggregate annual refund amount allowed for a nonprofit under the subsection (concerning nonprofits and hospital drugs) for a fiscal year may not exceed $7.5 million beginning July 1, 2014; $5 million beginning July 1, 2015, $1 million beginning on or after July 1, 2016, and $100,000 beginning on or after July 1, 2017. Amends (d) to bar refunds applied for more than one year (was, three years) after the due date. Amends GS 105-467(b) to provide that the state exemptions and exclusions in GS 105-164.13 apply to the local sales and use tax authorized to be levied and imposed under the Article. Adds that the refund provisions in GS 105-164.14 through GS 105-164.14B apply to the local sales tax authorized to be levied and imposed under the Article. Limits the aggregate local refund amount to a nonprofit for a fiscal year to $2.25 million beginning July 1, 2014; $1.5 million beginning July 1, 2015; $300,000 beginning on or after July 1, 2016, and $30,000 beginning on or after July 1, 2017. Also amends the statute to bar refunds applied for more than one year (was, three years) after the due date. Applies to purchases made on or after July 1, 2014.
Amends GS 105-164.4 to apply the 4.75% privilege tax rate on the sales price of manufactured homes sold at retail (was, 2%) and deletes the $300 tax cap as well as the provision making each section of a manufactured home that is transported separately to a site where it is to be erected as a separate article. Also applies the 4.75% privilege tax rate to the sales price of each modular home sold at retail (was, 2%). Repeals GS 105-164.44G requiring distribution of part of the tax on modular homes to the county of residence. Amends GS 105-467 to provide that the sales tax does not apply to manufactured homes or modular homes. Effective October 1, 2014, and applies to sales made on or after that date.

Part IX, Eliminate Sales Tax on Food and Authorize Counties to Levy a Local Sales Tax on Food

Amends GS 105-483 and GS 105-498 to provide that a tax under Article 40 (First One-Half Cent (1/2¢) Local Government Sales and Use Tax) or Article 42 (Second One-Half Cent (1/2¢) Local Government Sales and Use Tax) does not apply to the sales price of food that is exempt from tax under GS 105-164.13B or to the sales price of a bundled transaction taxable under GS 105-467(a)(5a). Effective November 1, 2014, and applies to sales made on or after that date. Amends GS 105-164.13 to exempt food from the tax, but does not exempt dietary supplements, food sold in a vending machine, prepared food, soft drinks, and candy. Repeals GS 105-164.13B, amends GS 105-467(a), and amends GS 105-469(a) to repeal the local sales tax on food. Effective November 1, 2014, and applies to sales made on or after that date.

Enacts new Article 47, Local Government Sales and Use Tax on Food. Allows a county board of commissioners to levy local sales and use taxes on food by resolution, only if a majority of those voting in a referendum vote to approve the levy. Also allows the board, if no election has been held within five years where the tax was defeated, to impose and levy the tax on food, after at least 10 days’ public notice and a public hearing, to the same extent and with the same effect as if the levy had been approved in an election. Sets the rate of the local sales and use tax on food as the sum of the rates of the local sales and use taxes authorized and levied by the county. Requires the Secretary of Revenue to divide and distribute the funds between the county and the cities located in the county. Prohibits a city from receiving funds if it was incorporated with an effective date of on or after January 1, 2000, and is disqualified from receiving funds under GS 136-41.2. Prohibits cities from receiving funds if incorporated on or after January 1, 2000, unless a majority of the mileage of its streets are open to the public. Effective January 1, 2015.

Part X, Sales Tax Preferences for Farmers

Enacts new GS 105-164.13E to exempt specified personal property, digital property, and services from the sales and use tax if they are purchased by a farmer and used for farming. A farmer qualifies if the farmer has an annual gross income of $10,000 or more from farming operations for the preceding calendar year. Defines farmer for the purposes of the statute. Exempted items include fuel and electricity; farm machinery, attachment and repair parts for farm machinery and lubricants applied to farm machinery; and specified tobacco items. Repeals GS 105-164.13(1), (1b), (2a), (4a), and (4d), which are exemptions incorporated into the new GS 105-163.13E. Effective July 1, 2014, and applies to sales made on or after that date.

Part XI, Phased Elimination of Various Sales Tax Exemptions and Refunds
Enacts new GS 105-164.14C to set out a schedule for the refund amount allowed, which is a percentage of sales and use taxes paid during the fiscal year, whereby the percentage is decreased from 75% to 25% from 2014 through 2016. Allows an annual refund of sales and use taxes for farmers who purchase specified items and who qualify for a sales tax exemption under GS 105-164.14E, persons engaged in commercial logging on specified items, wood chippers meeting specified requirements, specified packaging items, telephone companies, radio or television companies, cable service providers, individuals involved in activities related to commercial fishing, commercial laundries and dry cleaners, commercial printers and publishers, railroad companies, and passenger air carriers meeting specified requirements and purchasing specified items. Makes a conforming change by deleting the following existing exemptions and refunds that are now included in new GS 105-164.14C: GS 105-164.13 (1a), (4c), (4f), (4g), (5b), (5c), (5d), (9), (10), (11), (23a), and (39). Amends GS 105-467(b) to provide that the amount of a refund allowed under GS 105-164.14C is the same percentage as allowed for a state refund under the statute. Effective July 1, 2014, and applies to sales and purchases made on or after that date. Repeals these changes and the new statute effective July 1, 2017.

Part XII, Eliminate Estate Tax

Repeals GS Chapter 105, Article 1A (estate taxes), and makes conforming changes to GS 105-241.10 and GS 105-236(a)(5). Effective January 1, 2013, and applies to the estates of decedents dying on or after that date.

Part XIII, Deed Stamp Tax Proceeds Credited to General Fund

Amends GS 105-228.30(b) to require the Department of Revenue to credit the proceeds of the deed stamp tax to the General Fund (was, specified amounts were to go to the Parks and Recreation Trust Fund and the Natural Heritage Trust Fund). Amends GS 113-44.15 to make conforming changes to the Parks and Recreation Trust Fund. Amends GS 114-77.9 to make conforming changes to the Natural Heritage Trust Fund. Effective July 1, 2013, and applies to transfers made on or after that date.

Part XIV, Scrap Tire Disposal Tax Proceeds Credited to General Fund

Amends GS 105-187.19(b) to require that 30% of the scrap tire disposal tax proceeds be credited to the General Fund instead of to the Solid Waste Management Trust Fund, the Scrap Tire Disposal Account, the Inactive Hazardous Sites Cleanup Fund, and to the Bernard Allen Memorial Emergency Drinking Water Fund. Repeals GS 130A-309.63 (Scrap Tire Disposal Account). Enacts new GS 130A-309.64 to allow the Department of Environment and Natural Resources (Department) to make grants to local governments to assist in disposing of scrap tires. Sets out criteria that must be included in selecting among grant applicants. Specifies local government eligibility requirements. Allows the Department to clean up scrap tire collection sites that are determined to be a nuisance. Sets out reporting requirements. Amends GS 130A-309.06(c) and GS 130A-309.09C(g) to make conforming changes. Requires any tax proceeds remaining in the Scrap Tire Disposal Account as of the effective date of the section must continue to be used for the same purpose and in the same manner as the Account, except the funds in the Account cannot be used for grants to encourage the use of processed scrap tire materials. Effective July 1, 2013.
Part XV, Repeal Tobacco Discount

Repeals GS 105-113.21(a1) (distributor discount) and GS 105-113.39(a) (wholesaler or retailer discount), concerning a 2% discount received for filing a timely report and payment under GS 105-113.18. Makes technical changes. Changes effective July 1, 2014 and applies to returns filed for periods beginning on or after that date.

Summary date: Jul 2 2013

Senate committee substitute makes the following changes to the 4th edition.

Amends the short title.

Amends GS 105-153.3, Definitions, making technical changes.

Amends GS 105-153.5, making organizational changes. Provides that in determining North Carolina taxable income, a taxpayer may either deduct the standard deduction amount as indicated in this act or the itemized deductions amount. Provides that in cases when married couples file separate returns, a taxpayer cannot deduct the standard deduction amount if the taxpayer or the taxpayer’s spouse claims the itemized deduction amount. Provides that standard deduction amounts are as follows: (1) married, filing jointly--$15,000; (2) head of household--$12,000; (3) single--$7,500; and (4) married, filing separately--$7,500. Sets a maximum limit on the itemized deductions amount based on the taxpayer's filing status as follows: (1) married, filing jointly--maximum itemized deductions, $15,000; (2) head of household--maximum itemized deductions, $12,000; (3) single--maximum itemized deductions, $7,500; and (4) married, filing separately--maximum itemized deductions, $7,500. In regards to other deductions, provides that a taxpayer can deduct from their AGI any of the specified items (was, must deduct). Provides that taxpayers can deduct benefits received under Title II of the Social Security Act.

Amends GS 105-153.6, concerning adjustments when North Carolina decouples from federal accelerated depreciation, deleting language regarding the placement of property in service to take a special accelerated depreciation. Deletes table detailing specified add-backs and years of deduction. Makes clarifying and conforming changes. Amends Section 179, Expense provisions, providing that taxpayers that place certain property into use and take a special accelerated depreciation are required to add to the taxpayer's federal taxable income or adjusted gross income 85% of the amount by which the taxpayer's expense deduction exceeds dollar and investment limitations, which are, for 2010-2012, dollar limitation of $250,000 and the Investment Limitation, $800,000. For 2013 the dollar limitation is $25,000, and the investment limitation is $125,000.

Amends GS 105-153.7, Individual income tax imposed, providing that the NC taxable income tax is 5.75% (was, 5.4% of the amount that exceeds the previously included zero tax bracket levels). Deletes zero tax bracket tables previously included. Effective January 1, 2014.

Deletes section 1.2 of the previous edition, which provided for a reduction in the NC income tax rate to 5.25% to have been effective on January 1, 2015.
Amends GS 105-153.4, NC taxable income defined, previously GS 105-134.5, replacing references to GS 105-134.6 (now repealed) with GS 105-153.5 and GS 105-153.6. Makes technical changes.

Amends GS 105-153.8, *Income tax returns*, making technical changes.

Amends GS 105-153.9, concerning the conditions on tax credits for taxes paid to other states, to require the state income tax before credit to be multiplied by the fraction of the gross income, modified as provided in GS 105-134.6 and GS 105-134.7 (was, the fraction of the adjusted gross income as modified in GS 105-153.5).

Deletes changes made in the previous edition to the following statutes:

GS 105-131.2, *Adjustment and characterization of income*.

GS 105-131.5, *Part-year resident shareholder*.

GS 105-131.7(c), concerning S Corporations.

GS 105-131.8(a), concerning resident shareholders.

GS 105-154(d), concerning tax payments on behalf of nonresident owners or partners.

GS 105-163.1, concerning definitions for provisions regarding estimated taxes.

GS 105-163.22, *Reciprocity*.

GS 105-309(d), the listing of personal property for taxation.

GS 105-320(a)(16), previously repealed.

GS 110-130.1(a), concerning child support collection and paternity determination.

GS 105-277.3(d1), concerning conservation land easements.

GS 113-77.9(d), concerning acquisition by the Department of Administration.

GS 113A-231, *Program to accomplish conservation purposes*.

GS 113A-232, *Conservation Grant Fund*.

GS 113A-233, *Uses of a grant from the Conservation Grant Fund*.

Amends GA 105-160.3(b), concerning tax credits, deleting all of the included provisions and providing that tax credits allowed under GS 105-153.9 and GS 105-153.10 cannot be claimed by an estate or trust. Effective January 1, 2014.

Amends GS 105-163.2B, *NC State Lottery Commission must withhold taxes*, providing that the NC Lottery Commission must withhold the applicable individual income tax rate as specified in GS 105-153.7
(previously, specified the current tax rate of 7% must be withheld). Effective for taxable years beginning on or after January 1, 2014. Effective January 1, 2014.

Amends GS 105-129.100, Business privilege tax, clarifying that when a non-corporate business entity is doing business in North Carolina, each owner of the entity is doing business in North Carolina. Deletes language stating that the tax is imposed for the income year in which the business entity's taxes are due. Provides that the annual privilege tax will be $400, due when a return is due, which is on or before the 15th day of the 4th month of the business entity's income year. Specifies procedures for seeking an extension and for filing a return. Provides, in regards to the income year for taxes, that the tax imposed is for the income year of the corporation in which the tax becomes due. Further provides that any business entity that ceases its operations in North Carolina before the end of its income year is not entitled to a refund for any tax paid for the months remaining.

Amends GS 105-129.101, making changes to the definition for a business entity. Adds the term and definition for doing business, meaning acts, powers, or privileges exercised or enjoyed in North Carolina as an incident to or by the powers and privileges granted by the laws in North Carolina. Provides that C corporations are exempt from the business privilege tax.

Amends GS 105-129.100(b), providing that the annual privilege tax imposed on a business entity is $500. Effective for taxable years beginning January 1, 2016.

Changes the title of Part III to Lower Franchise Tax Rate (was, Phased Elimination of the Franchise Tax).

Amends GS 105-125(a), concerning exemptions to the franchise tax, providing that S corporations subject to the privilege license tax are exempt from the franchise tax but might be required to establish their claims for exemption in writing upon the request of the Secretary.

Amends GS 105-122, Franchise or privilege tax on domestic and foreign corporations, changing the tax rate per $1,000 of capital stock, surplus, and undivided profits to $1.25 for 2015 (was, $1.20) with a minimum tax of $500 due, $1 for 2016 (was, $0.90) with a minimum tax of $1,000 due (was, $2,000), and $0.75 for 2017 (was, $0.60) with a minimum tax of $1,000 due (was, $3,000).

Amends GS 105-120.2(b), Franchise or privilege tax holding companies, deleting language that required a $1.50 per $1,000 tax in lieu of language that establishes that the franchise or privilege tax will be that rate established in GS 105-120(d2) and that the minimum tax due is as defined in GS 105-120(d2) (was, $35). Deletes language that stated that when the amount of tax produced pursuant to GS 105-120.2(b1) is less than the tax produced pursuant to GS 105-120.2(b2), then the tax will be levied at a rate of $1.50 per $1,000. Deletes the repeal of GS Chapter 105, Article 3. Deletes the effective date of January 1, 2018, for the above changes.

Amends GS Chapter 105, Article 3E, changing the title to Work Force Housing Construction Loan Program (was, Low Income Housing Tax Credits).
Amends GS 105-129.42(a), concerning credit for low-income housing, adding a new definition for development tier, providing that it is considered a classification assigned to an area pursuant to GS 143B-437.08.

Amends GS 105-129.42(b) to allow a credit to a taxpayer who is allocated a federal low-income housing tax credit under section 42 of the Code to construct or substantially rehabilitate a qualified North Carolina low-income housing development that is located in a development tier one or two area. Further provides that the amount of the credit is equal to a percentage of the development's qualified basis as determined to section 42 of the Code and limited as follows: taxable year 2014-- 100%, 2015--75%, 2016--50%, and 2017--25%.

Amends GS 105-129.45, the sunset provision for the low income housing tax credits, changing the repeal effective date to January 1, 2018, (was, January 1, 2015). Effective for developments to which federal credits are allocated on or after January 1, 2018 (was, January 1, 2015).

Amends GS 105-131.7(a), concerning an S Corporation's tax return, providing that the return is due on or before the 15th day of the 4th month following the close of its income year. An income year ending on any day other than the last day of the month is considered to end on the last day of the calendar month ending nearest to the last day of a taxpayer's actual income year. Effective January 1, 2018.

Amends GS 105-164.3, concerning definitions for use in the administration of sales and use tax, expanding the definition of major recycling facility and adding a new term and definition for recycling facility. These changes are effective January 1, 2018.

Amends GS 105-164.13(50), concerning exemptions from the retail sales and use tax, providing that specified percentages of the sales price of tangible personal property sold through a coin-operated vending machine, other than tobacco, are exempt from sales and use tax in the decreasing amounts outlined in the table covering 2013-2016 included in the subsection.

Amends new section GS 105-164.13E, Exemption for farmers, specifying that exempted specified personal property, digital property, and services are only exempt when used in the cultivating, harvesting, or curing of farm crops or in the production of dairy products, eggs, or animals (previously, stated they only had to be used in "farming" to be exempt). Makes technical and conforming changes. Deletes previously specified tobacco items that were exempt in the previous edition.

Amends the effective date for Section 6.4, concerning privilege and sales tax, changing it to July 1, 2014 (was, October 1, 2014).

Amends GS 105-164.3(43), concerning definitions for use in the administration of sales and use tax, providing that the University of North Carolina Health Care System is included in the definition of a state agency.

Amends GS 105-164.14(b) to provide that the aggregate annual refund amount allowed for a nonprofit under the subsection (concerning nonprofits and hospital drugs) for a fiscal year may not exceed $7.5
million beginning July 1, 2014; $5 million beginning July 1, 2015; $3.5 million (was, $1 million) beginning on or after July 1, 2016; and $2 million (was, $100,000) beginning on or after July 1, 2017.

Amends GS 105-467(b), concerning state exemptions and exclusions, changing the aggregate local refund amount to a nonprofit for a fiscal year to $3 million (was, $2.25 million) beginning July 1, 2014; $2 million (was, $1.5 million) beginning July 1, 2015; $1.5 million (was, $300,000) beginning July 1, 2016; and $850,000 (was, $30,000) beginning July 1, 2017.

Amends GS 105-164.14C, Phaseout of sales tax preferences, changing the schedule for the refund amount allowed, which is a percentage of sales and use taxes paid during the fiscal year, whereby the percentage is decreased from 80% to 20% from 2014 through 2017 (was, 75% to 25% from 2014 to 2016). Deletes certain specified types of containers and certain tobacco parts and accessories from the list of items for which farmers can receive an annual refund of sales and use taxes, if the farmer is qualified under GS 105-164.14E for such exemptions, and adds a bulk tobacco banner rack and related items. Provides that cable service providers cannot receive a refund for cable. Deletes a provision which allowed a manufacturer, producer, or retailer a refund on packaging items.

Restores GS 105-164.13(1a) and (23)a, provisions regarding tax exemptions for specified items which were deleted in the previous edition.

Amends the effective date for Section 7.5 (previously, Section 11.2 in the 4th edition), concerning exemptions and refunds, to be July 1, 2018 (was, July 1, 2018).

Amends GS 105-164.14A, Economic incentive refunds, providing that subsection (a)4, concerning refunds for the purchase of aviation fuel, will be repealed for purchases made on or after July 1, 2014 (was, January 1, 2014).

Amends GS 105-164.15A, Effective date of tax changes on services and items taxed at combined general rate, providing that for an item, taxable at the combined rate, and billed on a monthly or periodic basis, the change applies to the first billing period that is at least 30 days after enactment and starts on or after the effective date.

Deletes effective date clause for Section 8.4 (was Section 7.1 in the previous edition).

Amends GS 105-164.4, tax imposed on retailers, providing that admission charges received for a motion picture or film are subject to a tax (was, movie) and deletes language that previously levied taxes on admission charges received for museums, cultural sites, gardens, exhibits, shows, or similar attractions.

Amends GS 105-164.13, Retail sales and use tax, providing that admission charges for a state attraction are also exempted from the tax imposed by this article.

Amends GS 105-164.4(a)(9), providing that effective July 1, 2014, there will be taxes levied on admission charges received for museums, cultural sites, gardens, exhibits, shows, or similar attractions.
Amends GS 105-164.3, concerning definitions for use in the administration of sales and use tax, adding the term and definition for service contract, which means a warranty agreement, a maintenance agreement, a repair contract, or a similar agreement or contract by which the provider agrees to maintain or repair tangible personal property.

Amends GS 105-113.21, Refund, and GS 105-113.39, Refund, making technical changes.

Provides that notwithstanding GS 105-449.80(a), for the period September 1, 2013, through June 30, 2014, the motor fuel excise tax rate may not exceed 37 1/2¢ per gallon.

Directs the Revenue Law Study Committee to study six specified tax issues, including the feasibility of expanding the sales tax base to include additional services and the simplification of the franchise tax base calculation and the elimination of the franchise tax. The report is to be submitted to the 2014 Regular Session of the 2013 General Assembly when it convenes.

Summary date: Jul 2 2013

Senate amendment makes the following changes to the 5th edition.

Makes a technical correction to delete a codification error, recodifying the second occurrence of GS 105-129.101, Exempt business entities, as GS 105-129.102.

Rewrites Section 4.3(b) of this act to amend GS 105-129.27(b) to provide that the statute allows a credit, for investing in a major recycling facility, against the franchise tax levied in Article 3 of GS Chapter 105 (was, allowed a credit against the franchise tax and the income tax levied in Article 4 of GS Chapter 105). Previously, Section 4.3(b) repealed Article 3C and Article 3K of GS Chapter 105.

Rewrites Section 4.3(c) of this act to amend GS 105-129.96(b) to provide that this section allows a credit, for constructing a railroad intermodal facility, against the franchise tax levied in Article 3 of GS Chapter 105 (was, allowed a credit against the franchise tax and the income tax levied in Article 4 of GS Chapter 105). Moves previous 4.3(c) to new (d) and makes conforming changes to other subsections.

Amends GS 105-275(8)d regarding classes of property designated as special classes under Article V, Sec. 2(2), of the state Constitution to include the following classes of property as excluded from tax: real or personal property used or to be used by a major recycling facility as defined in GS 105-164.3 (was, GS 105-129.25).

Makes GS 105-164.3, as amended, and GS 105-275(8)d, as amended, effective January 1, 2018.

Amends GS 57D-1-22(a)(28), as enacted by SL 2013-157 (was, amended GS 57C-1-22(a)(25)), to provide that there is no fee for an annual report delivered to the Secretary of State for filing.

Amends GS 105-467(a), which sets a sales tax rate under Article 39 of GS Chapter 105 at one percent (1%) for specified categories, to remove the sales price of bread, rolls, and buns sold at a bakery thrift store, and exempt from state tax under GS 105-164.13(27a) from the list of items subject to the first 1% local government sales and use tax.
Amends GS 105-164.3(43) to amend the definition for state agency to clarify that the term does not include an affiliate of the University of North Carolina Health Care System that is a separately incorporated entity.

Makes a technical correction, replacing Section 7.3.(d) with Section 7.2.(d) and renumbering the remaining sections in Part VII accordingly.

Amends GS 105-467(b) as amended in this act to modify the maximum limits set on the aggregate local refund amount allowed to a nonprofit entity under GS 105-164.14(b) as follows:

- Fiscal Year (FY) beginning July 1, 2014, $3 million (was, $1.5 million)
- FY beginning July 1, 2015, $2 million (was, $300,000)
- FY beginning on or after July 1, 2016, $1.5 million (was, $30,000)
- FY beginning on or after July 1, 2017, $850,000 (new)

Makes a technical correction to GS 105-164.13, replacing "service" with "service contract."

Amends new subdivision (6) of GS 105-164.13 to provide that the exemption from the sales and use tax in Article 5 of GS Chapter 105 for a service contract on certain tangible personal property applies to a transmission, distribution, or other network cable or asset of an entity providing electric, gas, telecommunications, cable, broadband, or other utility services contained on utility-owned land or other right-of-way or easements authorized for utility and related purposes (was, a transmission, distribution, or other network asset contained on utility-owned land, right-of-way, or easement).

Caps the excise tax on motor fuel at thirty-seven and one-half cents for the period from September 1, 2013, through June 30, 2015 (was, June 30, 2014).

Summary date: Jul 16 2013

The conference report makes the following changes to the 6th edition.

Part I. Individual Income Tax Changes

Amends new GS 105-153.3 (previously codified as GS 105-134.1 and recodified by Part I of this act), to define North Carolina taxable income as defined in new GS 105-153.5 (was, defined in GS 105-134.5). Makes an organizational change, removing the repeal of statutes providing business tax credits from this Part, and instead indicating their repeal under Part II, as amended in this edition, which reflects corporate income tax changes. Makes additional organizational changes, technical corrections, and conforming changes to reflect the repeal of statutes by this act and the recodification of statutes under this act.

Amends GS 105-153.5 to make clarifying changes as to a taxpayer's options in determining the deduction amount a taxpayer may deduct from adjusted gross income. Clarifies that the itemized deduction amount is the amount equal to the sum of the listed items in GS 105-153.5(a)(2). Additionally,
provides that the amounts allowed under subdivision(a)(2) are not subject to the overall limitation on itemized deductions under section 68 of the Internal Revenue Code (Code). Clarifies that the itemized deduction amount is the amount allowed as a deduction (was, the amount claimed by the taxpayer). Prohibits the amount allowed as a deduction for interest that is paid or accrued during the taxable year for any qualified residence, plus the amount claimed as a deduction for property taxes paid or accrued on real estate, from exceeding $20,000 for that taxable year.

Adds a new subsection (d) to GS 105-153.5 to provide that each shareholder’s pro rata share of an S Corporation’s income is subject to the adjustments provided in GS 105-153.5 (Modifications to adjusted gross income) and new GS 105-153.6 (Adjustments when state decouples from federal accelerated depreciation and expensing).

Amends new GS 105-153.7 to set the individual annual income tax imposed on the North Carolina taxable income of every individual at 5.8%, effective for taxable years beginning on or after January 1, 2014. Also amends GS 105-153.7 to set the individual tax rate at 5.75%, effective for taxable years beginning on or after January 1, 2015.

Recodifies GS 105-151.24(a) as GS 105-153.10(a), and amends this section to provide that a taxpayer is allowed a credit against the tax imposed by Part I of this act for each dependent child for whom the taxpayer is allowed a federal child tax credit under section 24 of the Code. Provides a table that calculates the amount of the credit allowed under this section for the taxable year based on the taxpayer’s filing status and adjusted gross income (was, set a fixed amount for the credit of $100, provided that the taxpayer’s adjusted gross income (AGI) was within specified parameters for the taxpayer’s filing status). Provides that the amount of the allowed credit ranges from $0 to $125 depending upon the taxpayer’s filing status and AGI. Effective for taxable years beginning on or after January 1, 2014.

Amends GS 105-153.4 to define North Carolina taxable income to mean the taxpayer’s adjusted gross income as modified in GS 105-153.5 and GS 105-153.6.

Makes conforming changes to GS 105-131.2(a) and GS 105-131.7(c) to correct references to statutes repealed by this act. Makes a conforming change to GS 105-154(d).

**Part II. Corporate Income Tax Changes**

Deletes all of the prior content of this Part which enacted a new Article 31, *Business Privilege Tax*, in GS Chapter 105.

Amend GS 105-130.3 to impose a tax on the state net income of every C Corporation doing business in North Carolina at the rate of 6% (was, imposed a tax on the net income of every C Corporation doing business in this state as a percentage of the taxpayer’s net income computed annually at a rate as specified for each year). Effective for taxable years beginning on or after January 1, 2014. Reduces the rate to 5% effective January 1, 2015.

Repeals GS 105-139.39 and GS 105-130.43, effective January 1, 2014.
Enacts new GS 105-130.3A to provide that a rate deduction in the tax imposed on a C Corporation under GS 105-130.3 is triggered if the amount of net General Fund tax collected in fiscal years 2014-15 or 2015-16 exceeds the anticipated General Fund tax collection for that fiscal year. Details amounts that will trigger such a rate reduction and sets the percentage amount of the reduction. Provides that effective January 1, 2017, the tax rate set in GS 105-130.3 is the rate determined in accordance with this section.

Rewrites the title of Article 3F of GS Chapter 105 as Research and Development (was, Technology Development). Repeals GS 105-129.50(4a) and GS 105-129.56. Amends GS 105-129.51(b) to repeal Article 3F effective for taxable years beginning on or after January 1, 2016 (was, January 1, 2014). Amends GS 105-129.54 to delete the requirement that the Department of Revenue must include in required economic incentive reports information regarding taxpayers taking a credit under GS 105-129.55 and regarding the credit allowed under GS 105-129.56. Effective for taxable years beginning on or after January 1, 2014.

**Part III. Sales Tax Changes**

Deletes all of the prior content of this Part which made changes to lower the franchise tax rate. Instead, includes changes to the sales tax.

Amends GS 105-467(a) to restore the sales price of bread, rolls, and buns, sold at a bakery thrift store and exempt from state tax under GS 105-164.12(27a), to the list of items subject to the first 1% local government sales and use tax. Effective January 1, 2014, and applies to sales made on or after that date.

Restores previously repealed subdivision (30), regarding tax on vending machine sales, of GS 105-164.13 (providing for exemptions from the sales and use tax for listed items and services). Deletes changes to subdivision (50) of this section and deletes provision that repealed subdivision (50). Amends subdivision (26) of this section to clarify that the exemption from the sales and use tax for food sold not-for-profit by a school, applies to a public school or a nonpublic school, including a charter school and a regional school.

Amends GS 105-164.15A to make its provisions apply to the effective date of a tax change (was, applied to services and items taxed at combined general rates) for personal property, digital property, or services that are taxable under this Article. Makes conforming changes, replacing "service" with "taxable item."

Amends new GS 105-164.13E which exempts qualified farmers from sales and use tax for tangible personal property, digital property, and services purchased by the farmer and used in the planting, harvesting, or curing of farm crops or in the production of dairy products, eggs, or animals. Specifies that the exemption for fuel and electricity applies to fuel and electricity that is measured by a separate meter or another separate device and used for purposes other than food preparation, heating dwellings, and other household purposes. Adds an exemption for grain, feed, or soybean storage facility and the parts and accessories attached to the facility. Also adds an exemption for a commercially manufactured facility, commercially manufactured equipment and its parts and accessories, and building materials.
used in construction, repair, or improvement of enclosures for the housing, raising or feeding of animals. The exemption also includes a bulk tobacco barn or rack, parts, and accessories that are attached and any similar apparatus used to cure or dry tobacco or another crop. Makes a conforming change, deleting GS 105-164.13(4c). Effective July 1, 2014 and applies to sales made on or after that date.

Amends GS 105-164.14(b) to provide that the aggregate amount for an annual refund allowed under this subsection, Nonprofit Entities and Hospital Drugs, for a fiscal year may not exceed $31.7 million.

Makes conforming changes to GS 105-467(b) to provide that the exemptions and exclusions that apply to the local sales and use tax are contained in GS 105-164.13 as a result of amendments under this act. Provides that the state refund provisions contained in GS 105-164.14 through GS 105-164.14B apply to the local sales and use tax authorized to be levied and imposed under this Article. Provides that the aggregate local refund amount allowed an entity under GS 105-164.14(b) for a fiscal year may not be more than $13.3 million. Makes a request for a refund due in the same time and manner as provided in GS 105-164.14 (was, within six months after the end of the entity's fiscal year).

This Part amends GS 105-467(a), which sets a sales tax rate under Article 39 of GS Chapter 105 at 1% for specified categories, to remove the sales price of bread, rolls, and buns sold at a bakery thrift store, and exempt from state tax under GS 105-164.13(27a) from the list of items subject to the first 1% local government sales and use tax. Effective July 1, 2014 and applies to purchases made after this date.

Amends GS 105-164.14A(a) to repeal the subdivisions (1), (4) and (5) which allow the following taxpayers an annual refund of sales and use tax: passenger air carrier, motor sports team or sanctioning body, and professional motor sports team, effective for purchases made on or after January 1, 2016 (was, repealed effective for purchases made on or after January 1, 2014).

Part IV. Electricity and Piped Natural Gas Tax Changes

Deletes the changes to GS 105-164.15A regarding the effective date of a rate change for an item taxable at the combined general rate.

Amends new GS 105-164.44K regarding the distribution of part of the tax on electricity to the cities less the cost of administering the distribution. Provides for distributing the franchise share of each city on a pro rata basis if the net proceeds of the tax are insufficient to distribute the franchise share to each city. Clarifies that the quarterly franchise tax share is the total amount of electricity gross receipts franchise distributed to the city and provides that the quarterly franchise tax share of a city includes adjustments made for the hold-harmless amounts under repealed GS 105-116. Provides that if the franchise tax share of a city is less than zero then the amount is zero. Deletes subsection regarding methodology. Effective July 1, 2014.

Amends new GS 105-164.44L regarding the distribution to cities of a share of the net proceeds of the tax collected on piped natural gas less the cost of administering the distribution. Provides that each city's share of the distribution is its excise tax calculated under subsection (b) of this section plus its ad valorem share calculated under subsection (c) of this section. Provides for the proceeds to be distributed
on a pro rata basis if the net proceeds of the tax are insufficient to distribute the excise tax share of each city under subsection (b) of this section. Deletes subsection regarding methodology. Effective July 1, 2014.

Amends Section 3 of SL 1965-347 to declare all property owned by Cape Hatteras Electric Membership Corporation (Corporation) to be exempt from property taxes to the same extent as property owned by a county or municipality of the state as long as the property is owned by the Corporation and is held and used solely for furnishing electricity to consumers on Hatteras Island and Ocracoke Island. Makes the Corporation subject to any other taxes to the same extent as any other electric membership corporations established under GS Chapter 117. Effective July 1, 2014.

Part V. Admission Charges to an Entertainment Activity

Amends new subdivision to GS 105-164.4(a) to provide that admission charges to a museum, a cultural site, a garden, an exhibit, a show, or a similar attraction, or a guided tour at any of these attractions are also subject the general rate of tax of 4.75%.

Deletes the repeal of GS 105-164.9, which makes it unlawful for any retailer to offer to absorb the tax levied in Article 5 of GS Chapter 105, or in any manner directly or indirectly to advertise that the sales and use tax imposed is not considered an element in the price to the purchaser.

Amends the catch line for GS 105-164.10 to read, Retail tax calculation (was, Retail bracket system). Makes additional conforming and technical changes to this Part.

Makes the provisions in this Part, effective January 1, 2014 (was, October 1, 2013), and applies to admissions purchased on or after that date. Provides that gross receipts received on or after January 1, 2014 (was, October 1, 2013) for admission to a live event for which the initial sale of tickets occurred before that date, other than gross receipts received by a ticket reseller, are taxable under GS 105-37.1.

Part VI. Service Contracts

Amends GS 105-164.13 to identify as exempt from the sales and use tax under Article 5 of GS Chapter 105, a service contract for tangible personal property as specified in this section and an item used to maintain or repair tangible personal property under a service contract if the contract purchaser is not charged for the item. Deletes a service contract on tangible personal property that is provided for a newly constructed building or structure from those the list of exemptions. Effective January 1, 2014 (was, July 1, 2014) and applies to sales made on or after that date.

Part VIII. Cap Excise Tax on Motor Fuel

Provides that the motor fuel excise tax rate may not exceed thirty-seven and one-half cents per gallon for the period from October 1, 2013 (was, September 1, 2013) through June 30, 2015.

Part IX. Study and Effective Date
Makes a conforming change to GS 105-237.1(a)(6) to reference the appropriate subdivisions of GS 105-164.4(a) as amended in this act.

Adds the following tax issues to the list of those issues to be studied by the Revenue Laws Study Committee and reported on to the 2014 Regular Session of the 2013 General Assembly upon its convening: (1) the application of the corporate income tax rate reduction trigger formula, (2) the low-income housing credit, and (3) the distribution of the sales tax collected on electricity and piped natural gas to cities.

Deletes all the provisions of Part V. Eliminate Annual Report Filing Fees, Part VII. Sales Tax Refunds, Part XII. Eliminate Earmarks and Credit to General Fund, and Part XIII. Repeal Tobacco Discount.

Except as otherwise indicated, this act is effective when it becomes law.

**Summary date:** Jul 24 2013

**AN ACT TO SIMPLIFY THE NORTH CAROLINA TAX STRUCTURE AND TO REDUCE INDIVIDUAL AND BUSINESS TAX RATES.** Enacted July 23, 2013. Effective July 23, 2013, except as otherwise provided.

**SL 2013-317**

**TOWNS ENFORCE NOISE ORDINANCES/LAKE NORMAN.**

**Bill H 186**

**Summary date:** Feb 28 2013

Identical to S 142, filed 2/27/13.

Allows Cornelius, Davidson, Huntersville, Mooresville, and Troutman to enforce ordinances adopted under (1) GS Chapter 160A, (2) the city's charter, or (3) a local act on the waters of Lake Norman extending 2,500 feet from the 760 waterline on the shore. Effective July 1, 2013.

**Summary date:** Mar 18 2013

House committee substitute makes the following changes to the 1st edition. Allows enforcement of the ordinances, charter, or local act on the waters of Lake Norman extending 2,500 feet from the 760 foot elevation line on the shore within and adjacent to the municipal corporate limits. Prohibits enforcing a municipal ordinance under the act if the ordinance conflicts with the provisions of GS Chapters 75A or 113. Makes clarifying changes.

**Summary date:** May 2 2013

House committee substitute to the 1st edition make the following changes. Provides that if Cornelius, Davidson, Huntersville, Mooresville, or Troutman has adopted a noise ordinance under GS Chapter 160A
(was, those cities may enforce ordinances adopted under GS Chapter 160A, the city's charter, or a local act enacted by the General Assembly), it may enforce the noise ordinance on the waters of Lake Norman extending 2,500 feet from the 760 foot elevation line on the shore within, and adjacent to, the city corporate limits. Makes conforming changes to the act's titles.

**Summary date:** May 6 2013

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

Provides that noise ordinances enforced on the waters of Lake Norman, pursuant to this act, do not apply to boat engine noise.

**Summary date:** Jul 16 2013

Senate committee substitute makes the following changes to the 4th edition.

Allows Cornelius, Davidson, Huntersville, Mooresville, and Troutman, if the town has adopted a noise ordinance, to enforce the ordinance on the waters of Lake Norman (was, on the waters of Lake Norman extending 2,500 feet from the 760-foot elevation line on the shore within, and adjacent to, the municipal corporate limits). Prohibits enforcing the noise ordinance with regard to engine noise emanating from the routine underway operation of any motor vessel engaged in recreational activities on the waters of the lake, except when the noise violates state law. Adds that the same municipalities may enforce state law concerning theft or vandalism of or from vessels located in, or docked in or above, the waters of Lake Norman.

Changes the effective date of the act to August 19, 2013, applicable to offenses occurring on or after that date (was, effective July 1, 2013).

Makes conforming changes to the short and long title.

**Summary date:** Jul 24 2013

Repeals SL 2011-174 (Pitt County School Board election). Subject to the approval of qualified Pitt County voters during the 2013 general election, amends SL 1987-193 to provide that beginning in 2014, the Pitt County Board of Education will consist of nine (was, 12) members. Makes conforming deletions. Specifies how members are to be elected, including election from combined districts, and when members are to be elected. Delineates combined districts.

Includes additional provision setting out the term of the individual elected to fill the vacant seat for District 1. Provides that the act does not affect the terms of office of members elected for six-year terms in 2008.

Subject to the approval of qualified Pitt County voters during the 2013 general election, amends SL 1987-193, Section 4, to provide that beginning in 2014, members of the Pitt County Board of Education will take office at the first regular meeting of the board in July of the year of election (was, at the time set by general state law), and will serve four- (was, six-) year terms.

Summary date: May 1 2013

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

Amends SL 1987-193 to provide that the election of members to the Pitt County Board of Education (Board) is to take place at the time of the general election (was, at the primary election) and to shorten the time between the election of a member and the time the member takes office on the Board. Amends the questions on the ballots regarding reducing the size of the Board and shortening the term length of Board members to add to each ballot the matter of shortening the time between the election of a Board member and the time the member takes office. Provides that this act applies to elections occurring in 2014 and subsequent years.

Summary date: Jul 18 2013

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

Rewrites the provisions of Section 2 through Section 8 of this act as follows. Provides that beginning in December 2014 there will be nine members on the Pitt County Board of Education elected only by voters residing in the county (was, nine members were to be elected from numbered single-member districts and three members from lettered single-member districts by the qualified voters of each district). Clarifies that Sections 2 and 3 of SL 1987-193 are repealed. Provides that elections are to be held in even-numbered years as terms expire, at the same time as the regular election of county officers. Requires that members take office at the time set by general state law and serve for terms of four years (was, six years, and previously called for an initial election of three members from lettered single-member districts in 2014 and six members from numbered single-member districts in 2016). Makes these provisions effective the first Monday in December 2014. Provides that in the 2014 election, the individual elected to fill the vacant seat for District 1, Seat A for the remainder of the term is to serve for two years, and three individuals are to be elected at large to serve a two-year term. Provides that this act does not affect the terms of office of any member elected in 2008 for a six-year term.
Provides that Section 1 of SL 1987-193, as amended by this act, is rewritten to provide that beginning in December 2014, the Pitt County Board of Education consists of nine members elected from single-member districts as described in Section 5 of SL 1987-193, as amended in this act to create nine single-member districts (was, six single-member districts). Only allows voters residing in the district (was, county) to vote for the member from that district. Effective the first Monday in December 2016. Provides that in the 2016 election, all nine members of the board are to be elected, with the five members receiving the lowest total number of votes each serving a term of four years and the four members receiving the highest total number of votes each serving a term of two years. Provides that all members elected in 2020 and thereafter are to serve a term of four years.

Except as otherwise provided, this act is effective when it becomes law.

Makes conforming changes to the act’s title.

**Summary date:** Jul 24 2013


**SL 2013-319**

**BUNCOMBE MPO MEMBERSHIP.**

**Bill H 530**

**Summary date:** Apr 2 2013

As title indicates.

This act becomes effective July 1, 2013, and applies to any appointments made on or after that date.

**Summary date:** Jul 16 2013

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

Adds that the chairman of the Buncombe County Commissioners must not be treated as from any commissioner district.

Changes the effective date of the act from July 1, 2013, to October 1, 2013.

**Summary date:** Jul 24 2013
AN ACT TO REQUIRE ANY APPOINTMENTS BY BUNCOMBE COUNTY TO A METROPOLITAN PLANNING ORGANIZATION TO PROVIDE FOR GEOGRAPHIC REPRESENTATION OF THE COUNTY. Enacted July 23, 2013. Effective October 1, 2013.

SL 2013-320

DUPLIN COUNTY BOARDS OF COMMS. AND EDUC.

Bill H 870

Summary date: Apr 15 2013

Amends GS 143-318.10(e), establishing that in addition to the requirements of GS 143-318.10(f), when a public body meets in closed session, it will keep a general account of the closed session so that a person not in attendance would have a reasonable understanding of what transpired.

Enacts GS 143-318.10(f), providing that all closed sessions held by a public body will be recorded by either recording the audio only or audio and video. Recordings that become eligible for public inspection must be retained for at least two years from the date of the public release of the recording. Provides that the obligation to record a closed session meeting, as described above, does not apply to a closed session or a portion of a session that is closed pursuant to GS 143-318.11(a)(6).

This act becomes effective October 1, 2013. Public bodies using sound or video and sound recording pursuant to GS 143-318.10(e) before October 1, 2013, must use those or similar resources to record closed sessions held on or after October 1, 2013. Public bodies not using sound or video and sound recording pursuant to GS 143-318.10(e) before October 1, 2013, must begin using sound or video and sound recordings for closed sessions no later than July 1, 2014.

Summary date: Apr 25 2013

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

Requires public bodies using sound or video recording before October 1, 2013, to use sound or video recording (previously also allowed use of similar resources) for closed sessions held on or after October 1, 2013.

Makes other clarifying changes to the effective date clause.

Summary date: May 9 2013

House amendment to the 2nd edition makes the following changes. Amends GS 143-318.10 to add that the obligation to record a closed session also does not apply to one that is closed to (1) prevent the disclosure of information that is privileged or confidential under state or federal law; (2) pursuant to GS 143-318.11(a)(3), when closed session is required to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public
body; or (3) pursuant to GS 143-318.11(a)(9), when closed session is required to discuss and take action regarding plans to protect public safety as it relates to existing or potential terrorist activity and to receive briefings on such activities.

Summary date: Jul 17 2013

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

Deletes all provisions of the 3rd edition and replaces it with the following.

Repeals SL 2011-112 (Duplin elections).

Amends Section 1 of SL 1987-966 to reduce the membership of the Duplin County Board of Commissioners and Board of Education from six to five members, elected in partisan elections, effective the first Monday in December of 2014. Amends Sections 5 and 6 of SL 1987-966, specifying from which district commissioners and members are to be elected, and the terms of their office, in 2014, 2016, 2018, and 2020. Amends Section 8 of SL 1987-966 to delete the description of the districts and delineating the five new districts. Specifies that GS 153A-22 (redefining electoral district boundaries) applies to the Duplin County Board of Commissioners and GS 115C-37(i) (requiring local board of education to revise electoral district boundaries from time to time) applies to the Duplin County Board of Education.

Changes the act's titles.

Summary date: Jul 24 2013

AN ACT TO DECREASE THE DUPLIN COUNTY BOARD OF EDUCATION AND THE BOARD OF COMMISSIONERS OF DUPLIN COUNTY TO A FIVE-MEMBER BOARD, TO ESTABLISH REVISED DISTRICTS FOR THOSE BOARDS, AND TO CONFIRM THAT REDISTRICTING REQUIREMENTS FOLLOWING EACH FEDERAL CENSUS APPLY TO THOSE BOARDS. Enacted July 23, 2013. Effective July 23, 2013.

SL 2013-321

BREAST DENSITY NOTIFICATION & AWARENESS.

Bill H 467

Summary date: Mar 27 2013

Enacts new GS 130A-215.5 to require health care facilities performing mammography exams to do the following: (1) include in the lay letter required by federal law to be provided to the patient information identifying the patient's individual breast density level, based on the Breast Imaging Reporting and Data System; also includes language to be included if the patient has heterogeneously or extremely dense breasts and (2) provide all patients receiving diagnostic or screening mammograms with informative material about breast density. Amends GS 130A-211 to make a technical change by no longer providing
immunity to individuals making a report under GS 130A-210 (which has been repealed) to the central cancer registry. Effective October 1, 2013.

**Summary date:** Apr 9 2013

House committee substitute makes the following changes to the 1st edition. Makes a clarifying change to subdivision (1) of new GS 130A-215.5, replacing "lay letter" with the term "summary of the mammography report." Also makes a clarifying change to subdivision (2).

Directs the Medical Care Commission to adopt rules requiring adherence to GS 130A-215.5 as a condition of receiving state certification for all facilities performing mammography procedures.

Makes a conforming change to the title of this act.

**Summary date:** Jun 19 2013

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

Makes organizational changes to GS 130A-215.5, replacing subdivisions (1) and (2) with subsections (a) and (b). Deletes directive that all health care facilities must provide all patients who receive diagnostic or screening mammograms with informative material about breast density; instead, provides that patients who receive diagnostic or screening mammograms may be directed to informative material about breast density. Requires that the mammography report summary include notice to the patient that states, "Your mammogram indicates that you may have dense breast tissue." (was, "Your mammogram indicates that you have dense breast tissue"). Also requires that the notice inform the patient that (1) dense breast tissue is found in more than 40% of women and (2) a report of the patient's results has been sent to the patient's doctor. Deletes requirement that the Medical Care Commission must adopt rules requiring adherence to GS 130A-215.5 as a condition of receiving state certification for all facilities performing mammograms. Changes the effective date of this act to January 1, 2014 (was, October 1, 2013).

**Summary date:** Jul 24 2013

**AN ACT REQUIRING HEALTH CARE FACILITIES THAT PERFORM MAMMOGRAPHY EXAMINATIONS TO COMMUNICATE MAMMOGRAPHIC BREAST DENSITY INFORMATION TO PATIENTS AND TO MAKE A CORRECTION TO A STATUTE INVOLVING THE CANCER REGISTRY.** Enacted July 23, 2013. Effective January 1, 2014.

**SL 2013-322**

**UNC/CHEROKEE LANGUAGE.**

**Bill S 444**

**Summary date:** Mar 26 2013
Amends GS 116-11 as the title indicates. Applies to the 2013-14 academic year and each subsequent year.

Summary date: Jul 24 2013


SL 2013-323

STRENGTHEN LAWS/VEHICLE THEFT.

Bill H 26

Summary date: Jan 30 2013

Amends GS 14-72.7(a) (chop shop activity) to make it a Class G felony (rather than a Class H felony) to engage in any of the listed activities. Removes the requirement that the person knowingly engaged in the illegal activity, and instead makes a person guilty if the person knows or has reasonable grounds to believe there is an illegal component to the activity.

Amends GS 20-62.1(a) to permit a secondary metals recycler or salvage yard to purchase a motor vehicle 20 model years old or older (was, 10 model years old or older) without a certificate of title if certain conditions are met. Makes any violation of GS 20-62.1 (purchasing vehicles for scrap or parts) a Class I felony (currently, a first violation is a Class 1 misdemeanor and a subsequent violation is a Class I felony).

Applies to offenses committed on or after December 1, 2013.

Summary date: May 8 2013

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

Amends GS 20-62.1 as follows. Allows a secondary metals recycler or salvage yard to purchase a motor vehicle without a certificate of title if the vehicle is 12 (was, 20) model years old or older and they comply with specified requirements. Amends those requirements as follows. Requires the record of purchase transactions also include the following: contact information of the secondary metals recycler or salvage yard; the year of the vehicle; a written statement that the motor vehicle will be scrapped or crushed for disposal or dismantled for parts only; the driver's license number of the person from whom the vehicle is purchased; and a written statement signed by the seller certifying that the seller has the lawful right to sell and dispose of the vehicle, the vehicle is at least 12 years old, and the vehicle is not subject to any security interest or lien. Also adds that the requirement that the secondary metals recycler or salvage yard verify with the Division of Motor Vehicles (DMV) whether the vehicle has been...
reported stolen, requires the DMV to develop an online method for making such a verification, and sets out actions to be taken based on whether or not the DMV says that the vehicle has been reported stolen.

Adds new (a1) requiring a secondary metals recycler or salvage yard purchasing a vehicle under the statute to submit, within 72 hours of each day's close of business, information from the records of purchase transactions to the National Motor Vehicle Title Information System along with other required information.

Requires information obtained by the DMV under the statute to be made available to law enforcement agencies only. Provides that the information is confidential is not considered a public record.

Provides that any person who knowingly and willfully violates the statute or who falsifies the required seller's statement is required to pay a minimum fine of $1,000. Adds that a court may order a defendant seller to make restitution to the lien holder as well as to the secondary metals recycler or salvage yard.

Makes clarifying changes to the effective date provisions. Provides that prosecutions for offenses committed before the effective date of the act are not abated or affected by the act and the statutes that would be applicable but for the act remain applicable to those prosecutions.

**Summary date:** May 13 2013

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

Provides that a secondary metals recycler or salvage yard may purchase a motor vehicle without a certificate of title if the motor vehicle is 10 (was 12) model years old or older and the secondary metals recycler or salvage yard complies with specified requirements.

**Summary date:** Jun 17 2013

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

Amends GS 20-62.1, regarding recordkeeping for vehicles purchased for scrap or parts, to permit a secondary metals recycler or salvage yard to purchase a motor vehicle 10 model years or older without a certificate of title providing that the metals recycler or salvage yard, among other requirements, maintains a record on a form, or in a format, as approved by the Division of Motor Vehicles (DMV), of all purchase transactions of motor vehicles. Provides that among the required information to be submitted is a written statement certifying that the motor vehicle is at least 10 model years old (was, 12). Makes a conforming change.

**Summary date:** Jul 10 2013

Senate amendment makes the following change to the 4th edition. Clarifies that with the exception of Sections 1 and 2 of this act, the remainder of this bill is effective when it becomes law.

**Summary date:** Jul 24 2013

SL 2013-324

STATE HEALTH PLAN/STATUTORY CHANGES.-AB

Bill H 232

Summary date: Mar 28 2013

Amends GS 135-48.30(a)(5) to allow the State Treasurer to adopt, implement, and administer population health management programs as well as wellness programs or incentives.


Repeals GS 135-48.40(b)(2), concerning eligibility of permanent hourly employees working at least half of the workdays of each pay period.

Amends GS 135-48.42(e), adding retirees to class of people eligible to change coverage elections. Effective July 1, 2013.

Amends GS 135-48.43(b)(3), concerning coverage effective dates, to amend language to read "retiring employees not enrolled or not adding dependents age 19 and older when first eligible after an employee's retirement may enroll at a later time during annual enrollment, but may be subject to a 12-month waiting period for preexisting conditions..." (was, may enroll later on the first of any following month but will be subject to a 12-month waiting period). Effective July 1, 2013.

Amends GS 135-48.51(9), correcting the title of GS 58-3-265 to Prohibition on managed care provider incentives (was, Payment obligations for covered services).

Amends GS 147-86.23, Interest and penalties, to state that the section does not apply to the North Carolina State Health Plan for past-due account receivables related to premiums and claims payments.

Summary date: Mar 28 2013

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

Amends GS 135-48.40(b)(1) to provide that all full-time employees (was, permanent full-time employees) of an employing unit are eligible for coverage under the State Health Plan (Plan) on a partially contributory basis subject to the provisions of GS 135-48.43. Deletes requirements regarding hours worked per week and months worked per calendar year as factors in determining eligibility for
coverage under the Plan. Instead states that the full-time status of an employee will be determined by the employing unit under Section 4980H of the Internal Revenue Code and the applicable regulations, as amended. Effective July 1, 2013.

Amends GS 135-48.43 regarding the effective dates of coverage. Provides that employees and retirees who satisfy the eligibility requirements of GS 135-48.40, as amended by this act, will be offered coverage with effective dates as specified in this section. Amends the effective date for new employees to provide that new employees are eligible to apply for coverage on the first day of the month following the date that the employee is determined by the employing unit to be a full-time employee as defined in GS 135-48.40(b)(1), as amended in this act, or if later, the first day of any applicable stability periods established by the employing unit under the provisions of Section 4980H of the Internal Revenue Code and the applicable regulations, as amended. Further amends this section to delete age requirements regarding enrollment when first eligible for the employee or the employee's dependents and to delete the requirement for a 12-month waiting period for a preexisting health condition. Effective July 1, 2013.

Summary date: May 15 2013

House committee substitute to the 2nd edition makes the following changes. Deletes proposed changes to GS 135-48.30, which was amended to allow the State Treasurer to adopt, implement, and administer population health management programs as well as wellness programs or incentives. Makes conforming changes.

Summary date: Jun 26 2013

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

Amends the enactment clause, providing that Sections 1 (amending GS 135-48.40) and 4 (amending GS 135-48.43) of the act become effective January 1, 2014, and Section 3 becomes effective July 1, 2013 (previously, Sections 1, 3, and 4 became effective on July 1, 2013).

Summary date: Jul 15 2013

Conference committee makes the following changes to the 4th edition.

Deletes all of the provisions of the previous edition's effective date clause.

Add a new effective date that provides that Section 1 and the amendment to GS 135-48.43(a)(2) made in Section 4 of the act become effective January 1, 2015, applying to plan years beginning on or after that date. Section 3 and Section 4, except for the amendment to GS 135-48.43(a)(2) made in Section 4, become effective January 1, 2014, applying to plan years beginning on or after that date. The remainder of this act is effective when it becomes law.

Summary date: Jul 24 2013

AN ACT TO MAKE TECHNICAL AND OTHER CHANGES TO THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES STATUTES, AS REQUESTED BY THE STATE HEALTH PLAN. Enacted July 23, 2013.
Section 1 and the amendment to GS 135-48.43(a)(2) made in Section 4 are effective January 1, 2015, and apply to plan years beginning on or after that date. Section 3 and 4, except for the amendment to GS 135-48.43(a)(2) made in Section 4, are effective January 1, 2014, and apply to plan years beginning on or after that date. The remainder is effective July 23, 2013.

**SL 2013-325**

UNC TUITION SURCHARGE/ADVANCE NOTICE.

Bill H 255

Summary date: Mar 6 2013

Amends GS 116-143.7, (Tuition surcharge), specifying that courses and credit hours taken at another constituent institution or community college and accepted for transfer credit count towards the credit limit for the tuition surcharge (was, any courses and credit hours accepted for transfer). Excludes courses and credit hours transferred and accepted for credit from an institution of higher learning that is not a constituent institution or a community college from counting towards the tuition surcharge limit.

Mandates that each constituent institution must implement procedures to notify students and parents about the tuition surcharge and to provide advance notice to a student when the student is approaching the credit hour limit for the tuition surcharge.

Charges the UNC Board of Governors (Board) with developing a uniform set of notification principles regarding the tuition surcharge, including a process for each campus to notify students and parents at orientation and through each semester’s tuition statements, as well as advance notification when the student is approaching the credit hour limit for the tuition surcharge. The Board will direct each constituent institution to implement these procedures.

Effective when the act becomes law and applies to the fall 2013 academic semester and each subsequent academic semester.

Summary date: Mar 19 2013

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

Amends GS 116-143.7(a) and (a2) to clarify that courses and credit hours taken at another constituent institution or community college under the jurisdiction of the State Board of Community Colleges and accepted for transfer credit count toward the credit limit for the tuition surcharge.

Provides that courses and credit hours transferred and accepted for credit from an institution of higher learning that is not a constituent institution or a community college that is not under the jurisdiction of the State Board of Community Colleges are excluded from counting toward the tuition surcharge limit.

Summary date: Jun 5 2013
Senate committee substitute to the 2nd edition makes the following changes. Makes clarifying and technical changes to GS 116-143.7.

**Summary date:** Jul 10 2013

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

Deletes proposed changes made to GS 116-143.7(a), *Tuition surcharge*.

Provides that, notwithstanding GS 116-143.7, courses and credit hours transferred from an institution of higher education that is not a constituent institution or a community college established pursuant to GS 115D-4 that are accepted by a constituent institution prior to August 15, 2013, will not count toward the tuition surcharge under GS 116-143.7. Requires the General Administration of The University of North Carolina to report by March 1, 2014, to the Joint Legislative Education Oversight Committee on the number of courses exempted from the tuition surcharge pursuant to this section.

Makes technical and conforming changes to the enactment clause.

**Summary date:** Jul 25 2013

AN ACT TO PROVIDE THAT CERTAIN COURSES AND ACADEMIC CREDIT HOURS TRANSFERRED TO A CONSTITUENT INSTITUTION SHALL NOT BE INCLUDED IN THE CALCULATION OF CREDIT HOURS FOR PURPOSES OF THE TUITION SURCHARGE AND TO REQUIRE THAT UNIFORM PROCEDURES BE IMPLEMENTED IN THE UNIVERSITY OF NORTH CAROLINA SYSTEM TO PROVIDE APPROPRIATE ADVANCE NOTICE TO A STUDENT WHEN THE STUDENT IS APPROACHING THE CREDIT HOUR LIMIT REGARDING THE TUITION SURCHARGE. Enacted July 23, 2013. Effective July 23, 2013. Sections 1 and 2 apply beginning with the 2013 fall semester.

**SL 2013-326**

**FOSTER CARE CHILDREN'S BILL OF RIGHTS.**

**Bill H 510**

**Summary date:** Apr 2 2013

Enacts new GS 131D-10.2A to declare that it is the policy of the state that the core elements of the Foster Care Children's Bill of Rights include 11 specified items, including right of first priority to be placed in a home with siblings, right to remain enrolled, if possible, in the school the child attended before being placed in foster care, and the right to participate in a transition plan for those phasing out of foster care.

**Summary date:** Apr 10 2013

House committee substitute makes the following changes to the 1st edition.
Deletes proposed GS 131D-10.2A, *Foster Care Children's Bill of Rights*, and instead incorporates its provisions as subdivisions (1) through (11) under new subsection (a) of existing GS 131D-10.1. Makes an organizational change to divide existing provisions of this section into subsections (a) and (b). Makes stylistic changes to subdivisions (1) through (11). Declares that the General Assembly promotes the practices and policies in these subdivisions in the provision of foster care. Provides that a violation of any of these subdivisions does not create a cause of action under this section against a person or entity providing foster care under Article 1A of GS Chapter 131D.

**Summary date:** Jun 24 2013

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

Amends GS 131D-10.1, *Foster Care Children's Bill of Rights; purpose*, providing that the General Assembly promotes the following, among other things, as core elements of the Foster Care Children's Bill of Rights, including (1) the establishment and continued access to a bank and savings account in accordance with state and federal laws and regulations (previously, only provided for establishing of a bank or savings account) and (2) participation in family team, treatment team, court, and school meetings as included parts comprising the meaningful participation of a transition plan for those phasing out of foster care. Provides that violations of GS 131D-10.1(a), subdivisions (1) through (11), the core components of the Foster Care Children's Bill of Rights, cannot be construed to create a cause of action against the State or the Department of Health and Human Services as well as a person or entity providing foster care (previously, only prevented cause of actions against persons or entities providing foster care pursuant to this Article).

**Summary date:** Jul 25 2013


**SL 2013-327**

**TRANSITIONAL MORTGAGE LOAN ORIGINATOR.**

**Bill H 616**

**Summary date:** Apr 9 2013

Amends GS 53-244.030, the definitions section of *The Secure and Fair Enforcement Mortgage Licensing Act*, providing that the definition of the term licensee also includes transitional mortgage loan originator. Adds *transitional mortgage loan originator* to the definitions section and defines it.

Amends GS 53-244.040, providing that a licensed transitional mortgage loan originator can act as a mortgage loan originator without a mortgage loan originator license. Establishes that in anticipation of satisfaction of all requirements necessary to obtain a license as a mortgage loan originator, a transitional
mortgage loan originator license can be granted to an individual who has an active license to originate mortgage loans pursuant to the laws of any state or territory of the United States other than North Carolina. This license can also be issued to a registered loan originator for the purpose of satisfying all requirements necessary to obtain a license as a mortgage loan originator under this Article.

Amends GS 53-244.050 (License and registration application; claim of exemption), providing the procedures and requirements for an applicant for licensure as a transitional mortgage loan originator, including but not limited to being at least 18 years old and having an active license to originate mortgage loans pursuant to the laws of any state or territory of the United States other than North Carolina.

Makes conforming changes to GS 53-244.050(c) and (f), GS 53-244.060, GS 53-244.090, GS 53-244.100, GS 53-244.103, GS 53-244.104, GS 53-244.106, GS 53-244.107, GS 53-244.111, GS 53-244.114, GS 53-244.115, GS 53-244.118, GS 53-244.119, and GS 53-244.120, adding the term transitional mortgage loan originator where applicable.

Effective July 1, 2013.

Summary date: May 6 2013

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

Makes technical corrections to GS 53-244.040 to insert an omitted word and to correct a typographical error.

Clarifies that upon the July 1, 2013, effective date of this act, the act will apply to applications for licensure as a transitional mortgage loan originator filed on or after that date.

Summary date: Jul 2 2013

Senate committee substitute to the 2nd edition changes the act’s effective date from July 1, 2013, to September 1, 2013.

Summary date: Jul 25 2013


SL 2013-328

CREEK NAME CHANGE.

Bill H 636

SL 2013-329

OMNIBUS STATE IT GOVERNANCE CHANGES.

Bill H 700

Summary date: Apr 10 2013

Identical to S 442 filed on 3/26/13.

Repeals GS 143-135.9(a)(3), defining information technology.

Amends GS 147-33.72C(e) to provide that the State Chief Information Officer (CIO) may require that contracts between a state agency and a private party for information technology projects require a performance bond, monetary penalties, or other performance assurance measures (was, only penalties) for projects that are not completed or performed (was, completed) within the specified timeframe or that involve costs exceeding contract specifications. Allows the state CIO to use cost savings realized on government-vendor partnerships as performance incentives for an information technology project vendor. Amends GS 147-33.91 to remove the provision that the state CIO may work cooperatively with the NC Agency for Public Telecommunications in furthering the purposes of the statute while exercising general telecommunications coordinating authority. Amends GS 147-33.92 to provide that the state CIO must establish broadband (was, switched broadband) telecommunication services and permit specified organizations and entities to share on a not-for-profit basis. Removes other references in the statute to switched broadband. Amends GS 150B-2 to amend the definition of rule to also exclude standards adopted by the Office of Information Technology Services applied to information technology as defined in GS 147-33.81. Amends GS 147-33.72B(b)(1) to remove from the term "major project" (as it relates to a biennial state information technology plan) a project that costs more than $500,000. Amends GS 147-33.72C (Project approval standards) to also remove existing references to the $500,000 project threshold. Requires that the state CIO require that contracts between a state agency and a private party for information technology projects include a performance bond and may also require that the provisions include monetary penalties or other performance assurance measures. Allows the state CIO to utilize cost savings in government-vendor partnerships as performance incentives. Requires that a state agency developing and implementing an information technology project with a total cost of
ownership in excess of $5 million obtain private counsel with the appropriate expertise. Specifies duties of the counsel. Provides that the requirement also applies to information technology programs that are separated into individual projects if the total cost of ownership for the overall program exceeds $5 million. Amends GS 147-33.72H to require that money be appropriated from the Information Technology Fund to support the operation and administration of the Office of the State Chief Information Officer. Amends GS 147-33.76 to require that the state CIO be appointed by the Governor and confirmed by joint resolution of the General Assembly to serve a five-year term. Also exempts the state CIO from the State Personnel Act and allows the CIO to appoint a chief deputy information officer. Allows the state CIO to appoint employees and provides that they are exempt from the State Personnel Act. Makes a conforming change deleting provisions concerning employees and the Chief Deputy Information Officer from GS 147-33.77. Amends GS 147-33.111 to require the state CIO to also conduct assessments of information system security. Makes conforming changes. Amends GS 147-33.112 to also require assessments of each agency's contracted vendors. Requires that assessments performed on all of the relevant entities include examining security practices, security industry standards, and current expenditures of state funds for information technology security, in addition to existing requirements.

**Summary date:** May 2 2013

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

Deletes the repeal of GS 143-135.9(a)(3), regarding best value procurements. Deletes changes to the following General Statutes: (1) 147-33.72C(e), performance contracting; (2) 147-33.91(a), responsibilities of the state Chief Information Officer (CIO) as general coordinating authority for all telecommunication matter with respect to state agencies; (3) 147-33.92(b), listing organizations and entities to share in broadband telecommunication services on a not-for-profit basis; (4) 150B-2(8a), definitions as used in GS Chapter 150B; (5) 147-33.76, duties, qualification, and appointment of the CIO; (6) 147-33.111, CIO approval of security standards and assessments; and (7) 147-33.112, assessment of agency compliance with security standards.

Amends GS 143-33.72C(e) to reinstate provisions regarding performance contracts that were amended in the 1st edition. Again provides that the CIO may require (changed to must require in 1st edition) that the provisions of performance contracts require a performance bond. Makes a clarifying change. Also amends new subsection (f) to provide that any state agency developing and implementing an information technology project with a total cost of ownership in excess of $5 million may be required by the CIO to engage the services of private counsel (was, required the state agency to engage private counsel) or subject matter experts to review information and provide advice and assistance. Provides that this review and advice requirement may also apply (was, shall apply) to information technology programs separated into individual projects when costs for the overall program is more than $5 million.

Amends GS 147-33.77(a) to reinstate all of the provisions deleted in that subsection in the 1st edition except retains the deletion of the inclusion of these employees under the State Personnel Act. Makes a conforming change to GS 126-5(c1) in the State Personnel Act.

**Summary date:** Jun 18 2013
Senate committee substitute to the 2nd edition makes the following changes. Deletes proposed changes to GS 147-33.77(a) and instead amends the subsection to allow the State Chief Information Officer to appoint one or more Deputy Chief Information Officers (can only appoint one Chief Deputy Information Officer under current law). Deletes proposed changes to GS 126-5(c1).

**Summary date:** Jul 25 2013


**SL 2013-330**

LOCAL WORKFORCE DEV./DISLOCATED WORKERS.

**Bill S 73**

**Summary date:** Feb 7 2013

Amends GS 143B-438.11(a) to provide as title indicates, and requires implementation of the competitive selection process by July 1, 2014.

**Summary date:** Jul 15 2013

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

Adds a transfer of the functions, powers, duties, obligations, resources, and appropriations of the Apprenticeship Program and the Apprenticeship Council to the Department of Commerce as a Type I transfer. Repeals GS 143A-71 (which transferred the Council to the Department of Labor). Makes conforming changes throughout GS Chapter 94, by replacing references to Department of Commerce and Commissioner of Labor with the Department of Commerce and Secretary of Commerce. Effective January 1, 2014.

Makes conforming changes to the act's title.

**Summary date:** Jul 25 2013

AN ACT TO REQUIRE THAT LOCAL WORKFORCE DEVELOPMENT BOARDS USE A COMPETITIVE ELECTION PROCESS TO AWARD ADULT AND DISLOCATED WORKER SERVICES PROVIDER CONTRACTS AUTHORIZED IN THE WORKFORCE INVESTMENT ACT OF 1998 AND TO TRANSFER THE APPRENTICESHIP PROGRAM TO THE DEPARTMENT OF COMMERCE. Enacted July 23, 2013. Section 1 is effective July 23, 2013. Section 2 is effective January 1, 2014.
SL 2013-331

AIRPORTS EXEMPT FROM LOCAL TREE ORDINANCES.

Bill H 646

Summary date: Apr 9 2013


Summary date: Apr 22 2013

House committee substitute to the 1st edition makes the following changes. Deletes proposed content of the 1st edition. Amends GS 153A-123 (concerning counties) and GS 160A-175 (concerning cities) prohibiting enforcement of an ordinance regulating trees on land owned or operated by a public airport authority. Makes conforming changes to the act's title.

Summary date: Jul 25 2013

AN ACT TO PROHIBIT A COUNTY OR CITY FROM ENFORCING ANY ORDINANCE THAT REGULATES THE TRIMMING OR REMOVAL OF TREES ON PROPERTY OWNED OR OPERATED BY A PUBLIC AIRPORT AUTHORITY. Enacted July 23, 2013. Effective July 23, 2013.

SL 2013-332

LIMITED LICENSE/INSTALL BACKFLOW ASSEMBLIES.

Bill H 662

Summary date: Apr 9 2013

As title indicates.

Summary date: Apr 25 2013

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

Amends 89G-9(b), regarding license renewal for irrigation contractors, to require a licensee to complete at least one of the ten continuing education units required annually in the installation and service of backflow prevention assemblies.

Summary date: Jun 6 2013

Senate committee substitute to the 2nd edition makes the following changes. Deletes proposed changes to GS 89G-1 and to GS 89G-9.
Amends GS 87-21 to require the State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors (Board) to issue a limited plumbing contractor license to those who do not have the required Class I or Class II plumbing license but want to engage in the contracting, installation, repair, or replacement of (1) exterior potable water service lines or backflow preventers serving irrigation systems or domestic water service systems of two-inch diameter or smaller; (2) exterior building sewer or water service piping of two-inch diameter or smaller; (3) water purification systems or their components; or (4) components, pumps, or pumping equipment associated with water well systems.

Amends GS 87-25.1 to allow a court to award the Board costs associated with the investigation and prosecution of violations of Article 2 (Plumbing and Heating Contractors) or rules promulgated under the Article. Deletes the provision setting the venue for actions as the superior court of any county in which the acts are alleged to have been committed or in the county where the defendants reside.

Updates the act's titles to reflect the bill's new content.

Summary date: Jul 10 2013

The conference report makes the following changes to the 3rd edition.

Deletes the requirement that the Board issue a limited plumbing contractor license to those who do not have the required Class I or Class II plumbing license but want to engage in the contracting, installation, repair, or replacement of water purification systems or their components, or components, pumps, or pumping equipment associated with water well systems. Makes conforming changes.

Summary date: Jul 25 2013

AN ACT PROVIDING FOR ISSUANCE OF A LIMITED PLUMBING CONTRACTOR LICENSE TO INSTALL AND SERVICE BACKFLOW PREVENTION ASSEMBLIES AND TO ALLOW COURTS TO AWARD THE BOARD OF EXAMINERS OF PLUMBING, HEATING, AND FIRE SPRINKLER CONTRACTORS REASONABLE COSTS OF INVESTIGATION AND PROSECUTION OF VIOLATIONS. Enacted July 23, 2013. Effective July 23, 2013.

SL 2013-333

IT PURCHASING/CONVENIENCE CONTRACTS.

Bill H 701

Summary date: Apr 10 2013

Allows public agency purchasing entities to elect to purchase information technology goods and services through a convenience contract awarded pursuant to a nationally recognized and accepted cooperative purchasing agreement in which other states participate, provided that the agreement was developed using a competitive bidding process and the agreement has been approved by the State Chief Information Officer (CIO). Requires the CIO to review the specifications, terms, and conditions of
information technology convenience contracts before the contracts may be utilized by public agencies. Upon approval by the CIO, a public agency may use the nationally cooperative purchasing agreement without further state CIO approval. Requires public agencies to report to the state CIO periodically on the utilization of convenience contracts.

**Summary date:** Apr 22 2013

House committee substitute entirely rewrites the 1st edition and amends the title.

Adds a new subdivision (7) to GS 147-33.81 to define *cooperative purchasing agreement* as an agreement between a vendor and one or more states or state agencies that provides that the parties may collaboratively or collectively purchase information technology goods and services in order to increase economics of scale and reduce costs.

Amends GS 147-33.95 to require a state agency wishing to enter into a cooperative purchasing agreement to first obtain approval from the state Chief Information Officer (CIO). Specifies factors that the CIO is to consider in reviewing the request and making a decision as to whether to grant approval. Provides that once a state agency obtains approval from the state CIO, the state agency may use the agreement without further approval. Requires state agencies to periodically report to the CIO regarding the use of these agreements. Directs the state CIO to establish procedures for utilizing cooperative purchasing agreements.

**Summary date:** Apr 23 2013

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

Makes organizational changes, recodifying subdivision (1) of GS 147-33.81 as subdivision (1a) of that section, and renumbering new subdivision (7) as subdivision (1) in that section.

**Summary date:** Jul 25 2013


**SL 2013-334**

**LANDLORD/TENANT/SHORTEN EVICTION TIME.**

**Bill H 802**

**Summary date:** Apr 15 2013

Amends GS 7A-222 to require a magistrate to render judgment in a summary ejectment action on the same day as the conclusion of all of the evidence. Amends GS 7A-223 to require the magistrate to
conduct a trial on the date listed on the summons in an action demanding summary ejectment. Provides that the provisions of GS 42-30 apply (Judgment by confession, where plaintiff has proved case, or failure to appear). Prohibits a magistrate from continuing a summary ejectment action unless (1) the plaintiff has consented, or (2) the service of process has not been obtained, in which case the action may not be continued for longer than five days without the plaintiff's consent. Any magistrate who violates these actions must pay the plaintiff $50 per day multiplied by the number of days that the magistrate continued the action beyond the allowed time periods. Amends GS 7A-228 to require notice of appeal in a summary ejectment action to be filed within five days after entry of judgment. Provides that failure to pay the cost of court to appeal within 10 days after entry of judgment in a summary ejectment action results in automatic dismissal. Requires a person appealing a summary ejectment action as an indigent to file an affidavit, within five days of entry of judgment, that the person is unable by reason of poverty to pay the appeal costs. Requires the authorization of a person to appeal as an indigent to be made within 10 days after entry of judgment in a summary ejectment action.

Amends GS 42-25.9 to allow a landlord to dispose of personal property remaining on the premises, five days (was, ten days), after being placed in lawful possession by execution of a writ of possession. Requires notice to the tenant three (was, seven) day before the landlord sells property. Requires surplus proceed to be disbursed to the tenant, upon request, five days (was, ten days) after the sale. Makes conforming changes.

Amends GS 42-28 to require that the clerk of superior court issue a summons within one day of the filing of the complaint, when the lessor files a complaint pursuant to GS 42-26 (Tenant holding over may be dispossessed in certain cases) or GS 42-27 (Local: Refusal to perform contract ground for dispossession) and asks to be put in possession of the leased premises. If the clerk fails to issue the summons or set a court date on the summons that is seven days or less from the issuance of the summons, then the clerk must pay to the lessor $50 per day, multiplied by the number of days that the date of the issuance of the summons or date of the trial exceeds the requirements.

Amends GS 42-36.2 to shorten from ten days to five days the amount of time allowed for the release of property, storage of property, and for the tenant to request release of the property. Makes conforming changes.

Applies to all actions for summary ejectment filed on or after July 1, 2013.

Summary date: May 9 2013

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

Amends GS 7A-222 to clarify that in a small claim action to evict a tenant, the magistrate is required to render judgment on the same day on which the evidence is concluded and submission of legal authorities occurs, except (1) when the parties agree on an extension of additional time for entering the judgment and (2) when the summary ejectment (eviction) case is more complex. Provides examples of more complex summary ejectment cases.
Deletes provision prohibiting a magistrate from continuing any summary ejectment action for more than five days without the express consent of the plaintiff and requiring a magistrate to pay $50 per day to the plaintiff, excluding weekends and legal holidays, for the number of days the magistrate continued the summary ejectment action beyond the time periods specified in this section. Instead, provides that if either party in the action moves for a continuance, the magistrate must render a decision on the motion under Rule 40(b) of the Rules of Civil Procedure. (Rule 40(b) provides that a continuance may be granted only for good cause shown and upon such terms and conditions as justice may require.) Prohibits the magistrate from continuing an action for more than five days without the consent of both parties.

Amends GS 7A-228 to delete requirement that written notice of appeal in a summary ejectment action under Article 3 of GS Chapter 42 must be filed with the clerk of superior court within five days after the judgment is entered and reverts to current law, which provides 10 days for the filing of an appeal in a summary ejectment action. Makes conforming changes. Provides that if the appealing party petitions to qualify as an indigent and the petition is denied, the appealing party has an additional five days to perfect the appeal in the summary ejectment action by paying the court costs. Makes conforming changes, deleting all amendments to subsection (b1) of GS 71-228 from the 1st edition. Amends subsection (c) of this section to identify actions required of the defendant in a summary ejectment case and provides that a plaintiff may file a motion to dismiss if a defendant fails to adhere to the listed requirements.

Amends GS 42-25.9 to allow a landlord to dispose of personal property remaining on the premises seven business days (was, five days), after being placed in lawful possession by execution of a writ of possession. Deletes requirement for notice to the tenant three days before the landlord sells the tenant’s property and reverts to current law, which requires seven days’ notice. Requires surplus proceeds to be disbursed to the tenant, upon request, within seven business days (was, five days) after the sale. Makes conforming changes.

Deletes changes made in the 1st edition to GS 42-28 regarding the issuance of a summons by the clerk. Provides that in counties with a population of at least 300,000, the clerk, after the summons is issued, is to adhere to the wishes of the plaintiff to either (1) return the summons to the plaintiff or (2) forward the summons to the sheriff.

Amends GS 42-49 to provide that in counties with a population of at least 300,000, for the purposes of this section only, the term "officer" as used in subsection (a) of this section means (1) any person, over 21, who is not a party to the action and is employed by the plaintiff to serve the summons and complaint in summary ejectment or (2) the sheriff of the county where the premises are located.

Deletes changes to GS 42-36.2, which shortened from ten days to five days the amount of time allowed for the release of property, storage of property, and for the tenant to request release of the property and reverts to current law, which provides for ten days for those actions. Provides that after a landlord has lawful possession of a tenant's property, if the landlord offers to release the tenant's property and the tenant fails to retrieve that property during the landlord's regular business hours within seven
business days, the landlord may sell, throw away, or otherwise dispose of the property in accordance with the provisions of GS 42-25.9(g).

Directs the Administrative Office of the Courts to develop a form for parties in summary ejectment actions in small claims court to inform them of the process and the timeline in summary ejectment actions.

**Summary date:** May 13 2013

House amendments make the following changes to the 2nd edition.

Amendment #1 amends proposed subsection (b) of GS 7A-223 to prohibit the magistrate in a summary ejectment action from continuing the case for more than five days or until the next session of small claims court, whichever is longer, without the consent of both parties (was, no continuance more than five days without the consent of both parties).

Amendment #2 deletes changes to GS 42-28 regarding the issuance of a summons in a summary ejectment action by the clerk and deletes changes to GS 42-29 regarding the service of summons in a summary ejectment action.

Makes conforming changes to renumber the sections of the act accordingly.

**Summary date:** Jul 1 2013

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

Amends GS 7A-228 to add that when a defendant in a summary ejectment action has given notice of appeal and perfected the appeal, the plaintiff may serve a motion to dismiss the appeal if the defendant (1) failed to raise a defense in the small claims court; (2) failed to file a motion, answer, or counterclaim in district court; or (3) failed to make any payment due under any applicable bond to stay execution of the judgment for possession. Specifies ways in which the defendant may defeat the motion to dismiss and requires a response within 10 days of receiving the motion.

Amends GS 42-25.9(g) by making all of the applicable time periods seven days instead of seven business days concerning the timeframe during which the landlord may dispose of personal property.

Amends GS 42-36.2 to require that the notice telling the tenant that failure to request possession of any property on the premises within 7 (was, five) days of execution may result in the property being thrown away, disposed of, or sold.

Makes the act effective September 1, 2013 (was, July 1, 2013).

**Summary date:** Jul 9 2013

Senate amendment makes the following changes to the 4th edition.
Amends GS 42-36.2(b), regarding the storage of an evicted tenant's personal property. Reduces the maximum duration that a landlord in lawful possession of a tenant's property via execution of a writ of possession must retain that property in anticipation of the tenant seeking to reclaim the property to seven days (was, 10 days); however, these provisions do not apply to manufactured homes and their content. Clarifies that if a landlord offers to release the tenant's property after being placed in lawful possession of the tenant's property and the tenant fails to retrieve his or her property within seven days after the execution of the writ of possession, then the landlord may sell, throw away, or otherwise dispose of the property. Provides that if the tenant does not request release of the property within seven days (was, 10 days), then all the costs of eviction, execution, and storage proceedings are to be charged to the tenant as court costs and are to constitute a lien against the stored property or a claim against any remaining balance of the proceeds of a warehouseman's lien sale.

Summary date: Jul 25 2013


SL 2013-335

EXEMPT CERTAIN COLUMBARIUMS/CEMETERY ACT.

Bill H 796

Summary date: Apr 11 2013

Amends GS 65-47, providing that a columbarium that is built on the grounds of a private or a self-contained retirement community in a county where no commercially available columbarium exists, funded only by the residents of that community and reserved for the residents' use, will be exempt from the provisions of the NC Cemetery Act.

Summary date: Jul 2 2013

Senate committee substitute to the 1st edition adds that the act expires 18 months after it becomes law.

Summary date: Jul 25 2013


SL 2013-336

STUDY SAVINGS FOR ADMINISTRATION OF CLAIMS.
Bill S 43

Summary date: Feb 27 2013

Directs the Office of State Personnel, in conjunction with the Department of Public Instruction and the Office of State Budget and Management, to (1) study the expenses related to the management of state and local government employees' workers' compensation claims and (2) make recommendations on improving efficiency and reducing expenses.

Specifies topics to be addressed in the study and directs the Office of State Personnel to report its findings and recommendations to the General Assembly no later than October 1, 2013.

Summary date: Jul 25 2013


SL 2013-337

FINANCIAL EXPLOITATION OF OLDER ADULTS.

Bill S 140

Summary date: Mar 5 2013

Amends GS 14-112.2 (criminal exploitation of an elder adult or disabled adult) defining elder adult as any person 60 or older and removing requirement that the person lack ability to safeguard his or her rights or resources. Makes it a crime to obtain or use an elder or disabled adult's resources by deception or intimidation. Also removes requirement that perpetrator of financial exploitation knows victim lacks capacity to consent.

Amends GS 53B-4 (Access to financial records) and GS 53B-9 (duty of financial institutions; limitation of liability) to allow access to financial records by a county department of social services director or law enforcement agency investigating a credible report of financial exploitation following specified notice to the financial institution.

Amends GS Chapter 108A (Protection of Abused, Neglected or Exploited Disabled Adults) adding section GS 108A-106.1. Requires financial institutions to provide financial records of a disabled adult customer to county departments of social services following specified notice of investigation of financial exploitation. Provides immunity for financial institutions and law enforcement agencies, and officers and
employees, who provide, seek, or obtain records. Provides that customers shall not be subject to
criminal or civil action based on the information disclosed, but such financial information may be used
against a joint account owner accused of financial exploitation.

Amends GS Chapter 108A adding a new Article 6A (Protection of Older Adults From Financial
Exploitation). States legislative intent to fight financial exploitation. Encourages financial institutions to
maintain a contact list for older adult customers in case of financial exploitation. Requires financial
institutions to report suspected financial exploitation to law enforcement and the person's contact list.
Similar to provisions for new section GS 108A-106.1 above, requires disclosure of financial records upon
proper notice, provides immunity for financial institutions and law enforcement, and provides customer
protections from disclosure.

Amends SL 2011-189 to require the Task Force on Fraud Against Older Adults to report by February 1,
2013 (was, October 1, 2012), and also requires a report on the efficacy of any adopted
recommendations to the Joint Legislative Oversight Committee on Health and Human Services prior to
the 2014 Regular Session. Dissolves the Task Force upon filing its final report on May 1, 2015. Adds to
the Task Force the North Carolina Credit Union League and an association representing non-depository
financial institutions.

Effective six months after the act becomes law, except for Task Force matters that are effective when
the act becomes law.

**Summary date: Mar 21 2013**

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

Makes technical and clarifying changes, changing references to elder/elderly persons to older/older
adults.

Amends GS 108A-106.1(a), deleting depositor (was, adult customer or depositor) from those whose
financial records are to be provided.

Amends GS 108A-106.1(a) and (b), reorganizing GS 108A-106.1(a4) to become GS 108A-106.1(b).

Changes GS 108A-106.1(c), (now GS 108A-106.1(d)) language from "older adult joint account holder" to
"disabled adult joint account holder."

Makes conforming changes.

Amends GS 108A-116(a), deleting depositor (was, adult customer or depositor) from those whose
financial records are to be provided to law enforcement.

Makes technical and conforming changes.

**Summary date: Apr 4 2013**

Senate committee substitute makes the following changes to the 2nd edition.
Makes technical and clarifying changes, changing references to "law enforcement" to "investigating entity," and inserting references to disabled adults as also covered under the provisions of this act. Adds reference to disabled adults to the bill title to better reflect the bill content and adds a definition for disabled person to the act. Adds a definition for investigating entity; defines the term to mean a law enforcement agency investigating the alleged financial exploitation of a disabled adult or an older adult or a county department of social services investigating alleged financial exploitation of a disabled adult.

Deletes proposed GS 108A-106.1, which deals with the production of customers' financial records in cases of suspected financial exploitation. Makes conforming changes deleting references to that provision. Amends GS 108A-14 to add as a duty and responsibility of the director of social services receiving and evaluating reports of financial exploitation of disabled adults, investigating credible reports of financial exploitation under new Article 6A of GS Chapter 108A, and taking appropriate action to protect these adults.

Amends proposed GS 108A-115 to require that any financial institution and its officers and employees have a duty to report a belief that a disabled or older adult is being financially exploited to the appropriate county department of social services. Clarifies that no financial institutions or its officers and employers may (was, shall) be held liable in any action if they acted in good faith.

Enacts new GS 108A-117 to require an investigating entity to provide notice to the older adult or disabled adult within 180 days after the investigating entity gains access to financial records of the older adult or disabled adult. Specifies what the notice must contain and the acceptable method for delivery of the notice. Also provides criteria for delayed notice upon the order of an appropriate court and basis for receiving an extension on any court-ordered delay of notice.

Effective October 1, 2013 (was, these provisions become effective on the first day of a month that is six months after this act becomes law).

**Summary date:** Apr 9 2013

Senate amendment makes the following change to the 3rd edition.

Amends GS 53B-4 (Access to financial records), expanding to whom a written, specified notice for access to financial records can be delivered allowing the delivery of the notice to an agent for service of process listed by the financial institution in any state in which it is domiciled (previously only allowed delivery of the notice to local/in-state individuals).

**Summary date:** Jul 10 2013

House committee substitute makes the following changes to the 4th edition.

Amends GS 53B-4(13), concerning access to financial records by government authority, providing that such access can be granted pursuant to a subpoena delivered to the financial institution pursuant to GS 108A-116 by a (1) county department of social services director who is investigating a credible report of financial exploitation of a disabled adult or (2) a law enforcement agency investigating a credible report.
Amends GS 53B-9, making conforming changes.

Amends the definition for customer found in GS 108A-113, providing a customer is a person who is a present or former holder of an account with a financial institution (was, a person who has transacted business with a financial institution or has used the services offered by a financial institution).

Changes the title for proposed subsection GS 108A-114 to Financial institutions encouraged to offer disabled adult and older adult customers the opportunity to submit a list of trusted persons to be contacted in case of financial exploitation (was, Financial institutions encouraged to maintain list of contacts in case of financial exploitation). Adds language providing that financial institutions or its employees will not be held liable when offering its customers the opportunity to submit and update a list of customer contacts when done in good faith.

Amends GS 108A-115, providing that financial institutions or its employees will not be held liable when acting in good faith in making a report regarding suspected fraud under this section.

Amends GS 108A-116, making conforming changes to its title and provisions, requiring financial institutions to provide financial records after receipt of a subpoena from a law enforcement agency or county department of social services investigating alleged exploitation (previously, required disclosure of records after receiving a specified written notice). Establishes requirements for the subpoena, primarily who can issue the subpoena. Sets out the accepted methods of delivery for the subpoena, including by hand, via certified mail with return receipt requested, or a method authorized by 26 USC §7502(f)(2) and to whom it can be delivered, including vice presidents, office managers, or assistant branch or office managers of the financial institution and specified agents for service of process. Requires prompt delivery of financial records after receipt of a subpoena delivered pursuant to specified requirements. Provides protections against liability when acting in good faith under this section.

Amends GS 108A-117, requiring the investigating entity to immediately provide the customer with written notice of its action by first class mail after the issuance of a subpoena pursuant to GS 108A-116, allowing access to financial records (was, required the investigating entity to provide notice within 180 days after obtaining access to the records pursuant to a specified written notice). Makes conforming changes. Provides that an investigating entity can include in its request for a subpoena a request for an order delaying the customer notice requirements. Allows the judge or magistrate issuing the subpoena to order such delayed notice upon a finding, based on affidavits or sworn oral testimony, that certain specified conditions are met. After making such findings, the judge or magistrate must enter an ex parte order granting the requested delay for a period not to exceed 30 days (was, 180 days). If there is reason to believe that the notice could endanger the life or physical safety of any person, the delay order can be ordered for a period not to exceed 180 days (previously, allowed for indefinite delay). Sets out what the order delaying notice must direct, including that the order be sealed until otherwise ordered by the judge or magistrate. Includes provisions for further extensions of the delay of notice, allowing the judge
or magistrate to order an extension upon a finding of the continued existence of the conditions originally provided for by the delay. Provides that extensions cannot exceed the period of time for which the order delaying notice was originally granted for, with extensions for original periods of delay of up to 30 days only being allowed to be renewed and extended up to 90 days total. Delays ordered because of physical safety and endangerment concerns can continue to be renewed and extended until such risks do not exist.

Directs the Consumer Protection Division of the Department of Justice to add the NC Bar Association to the list of approved associations represented on the Task Force on Fraud Against Older Adults.

Changes the effective date for Sections 2, 3, and 4 of the act to December 1, 2013 (was, October 1, 2013).

**Summary date:** Jul 11 2013

House amendment to the 5th edition makes the following changes. Increases the age of those considered to be an older adult to 65 or older (was, 60 or older).

**Summary date:** Jul 25 2013

AN ACT TO INCREASE THE RECOGNITION, REPORTING, AND PROSECUTION OF THOSE WHO WOULD DEFRAUD OR FINANCIALLY EXPLOIT DISABLED OR OLDER ADULTS, AND TO CONTINUE THE TASK FORCE ON FRAUD AGAINST OLDER ADULTS, AS RECOMMENDED BY THE TASK FORCE ON FRAUD AGAINST OLDER ADULTS. Enacted July 23, 2013. Section 5 is effective July 23, 2013. The remainder is effective December 1, 2013.

**SL 2013-338**

**EXTEND TIME FOR FORENSIC ACCREDITATION.**

**Bill S 200**

**Summary date:** Mar 5 2013

Amends Section 11 of SL 2011-19, as amended, extending the deadline for local forensic science labs and certain forensic scientists to receive accreditation to July 1, 2020 (was, 2013).

Makes conforming changes.

**Summary date:** Mar 19 2013

Senate committee substitute makes the following change to the 1st edition. Amends the long title.

**Summary date:** Mar 21 2013
Senate amendment to the 2nd edition changes the deadline for local forensic science labs and certain forensic scientists to receive accreditation to July 1, 2018 (was, 2020).

**Summary date:** Jun 3 2013

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

Changes the deadline for local forensic science labs and certain forensic scientists to receive accreditation to July 1, 2015 (was, 2018 in the previous edition).

**Summary date:** Jul 10 2013

Conference report makes the following changes to the 4th edition. Changes the deadline for local forensic science labs and certain forensic scientists to receive accreditation to July 1, 2016 (was, July 1, 2015, in the 4th edition).

**Summary date:** Jul 25 2013


**SL 2013-339**

SEVERANCE & RELOCATION FOR AREA DIRECTORS.

**Bill S 223**

**Summary date:** Mar 6 2013

Amends GS 122C-121(a2), giving area boards of area authorities discretion to offer severance benefits and/or relocation expenses to an applicant for the position of area director as an incentive to accept an offer of employment (previously, area boards were not allowed to provide the director with any benefits that were not available to all the permanent employees of the area program).

**Summary date:** Jul 25 2013


**SL 2013-340**

OMNIBUS COUNTY LEGISLATION.
Bill S 372

Summary date: Mar 27 2013

Amends GS 143-215.1 (Control of sources of water pollution; permits required), providing for a notice and an opportunity to comment from the governing board of the county which contains the site proposed to be the recipient of the land application of sludge resulting from operation of wastewater treatment facility and proposed in the permit application. Effective July 1, 2013.

Amends GS 136-28.1(b) (Letting of contracts to bidders after advertisement; exceptions), raising the threshold to $2.5 million (was, $1.2 million) or less for the informal bid process; requires at least three informal bids to be solicited. Effective July 1, 2013.

Establishes the State Payment in Lieu of Taxes Study Commission. Consists of 13 members: three from the House of Representatives, three from the Senate, the Secretary of Revenue or designee, and three from the public appointed by the Speaker of the House, and three from the public appointed by the President Pro Tempore of the Senate upon recommendation of the NC Association of County Commissioners.

The Commission will study issues relating to the development of a state payment in lieu of taxes for state properties, including wildlife and games lands, and other issues as it sees relevant. Commission can make interim report to the 2013 Regular Session of the General Assembly, with its final report due to the 2013 Regular Session of the General Assembly in 2014 prior to convening. Commission terminates upon the earlier of the filing of this report or on January 1, 2015.

Establishes the e911 study Commission, consisting of 13 members: three from the House of Representatives, three from the Senate, the Secretary of Public Safety or designee, three from the public appointed by the Speaker of the House, and three from the public appointed by the President Pro Tempore of the Senate upon recommendation of the NC Association of County Commissioners.

Commission will study issues relating to the e911 fee structure, its use to support local 911 activities, and the structure of statewide e911 oversight as well as other issues as it deems relevant. Commission can make an interim report to the 2013 Regular Session of the General Assembly, with its final report due to the 2013 Regular Session of the General Assembly in 2014 before convening. Commission terminates upon the earlier of the filing of this report or on January 1, 2015.

Summary date: May 1 2013

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

Changes the long title.

Amends GS 143-215.1 (Control of sources of water pollution; permits required), providing that prior to acting on a permit application for the land application of waste resulting from the operation of a wastewater treatment facility, the Environmental Management Commission must provide notice and an
opportunity for comment from the governing board of the county in which the site of the land application of waste is proposed to be located (previously, the 1st edition referred to the land application of sludge and not waste).

Establishes that, in regards to the State Payment in Lieu of Taxes Study Commission (Commission), no action can be taken except by a majority vote at a meeting in which a quorum is present.

Makes organizational changes to the act.

Provides that the Commission can submit an interim report on the results of its study to the members of the Senate and the House of Representative at any time by filing a copy with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representative, and the Legislative Library. The final report of the study will be submitted to the members of the Senate and the House of Representatives prior to the convening of the 2015 General Assembly by filing a copy of the report as specified above. The Commission will terminate upon the convening of the 2015 General Assembly or upon the filing of its final report, whichever occurs first (was, upon the filing of its final report or January 1, 2015).

Deletes provisions found in Sections 4.1, 4.2, 4.3, and 4.4 of the previous edition regarding the establishment and duties of the e911 Study Commission.

**Summary date:** May 7 2013

Senate amendment #1 makes the following change to the 2nd edition. Amends GS 136-28.1(a) to provide that all contracts that are more than $2.5 million (was, over $1.2 million) that may be let by the Department of Transportation (DOT) for construction, maintenance, operations, or repair necessary to carry out the provisions of this Chapter must be let to a responsible bidder after public advertising under rules and regulations made and published by the DOT.

Senate amendment #2 makes the following changes to the 2nd edition. Changes the long title. Amends GS 136-28.4(c) to define *contract* as including, but not limited to, contracts let to bidders under the procedures set out in GS 136-28.1(a) and (b), as amended in this act. Makes organizational changes to accommodate insertion of new subdivision defining *contract*.

**Summary date:** Jun 20 2013

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

Amends GS 143-215.1 to require notice and comment from county governing board before acting on a permit application for the land application of bulk residuals (was, application of waste) from the operation of a wastewater treatment facility. Makes changes to the statute effective August 1, 2013 (was, July 1, 2013). Also makes changes to GS 136-28.1 effective August 1, 2013 (was, July 1, 2013).

**Summary date:** Jul 9 2013

House committee substitute makes the following changes to the 4th edition.
Amends the process for appointing members to the State Payment in Lieu of Taxes Study Commission (Commission) established by this act. Provides that of the three members appointed by the Speaker of the House and the three members appointed by the Senate Pro Tempore of the Senate, each must appoint two members based on the recommendation of the North Carolina Association of County Commissioners (County Commissioners), and each must appoint one member based on the recommendation of the North Carolina League of Municipalities (was, directed each to make three appointments based on the recommendation of the County Commissioners).

**Summary date:** Jul 25 2013

AN ACT TO REQUIRE NOTICE AND AN OPPORTUNITY FOR COMMENT FROM COUNTY BOARDS WHEN PERMITS FOR LAND APPLICATION OF WASTE WITHIN THAT COUNTY ARE ISSUED BY THE ENVIRONMENTAL MANAGEMENT COMMISSION; TO INCREASE THE THRESHOLD FOR DEPARTMENT OF TRANSPORTATION INFORMAL BID PROCEDURES AND CLARIFY THAT THE DEPARTMENT'S POLICY CONCERNING PARTICIPATION BY DISADVANTAGED MINORITY-OWNED AND WOMEN-OWNED BUSINESSES APPLY TO CONTRACTS LET USING THOSE PROCEDURES; AND TO STUDY STATE PAYMENTS IN LIEU OF TAXES OF PUBLIC LANDS. Enacted July 23, 2013. Sections 1 and 2.1 are effective August 1, 2013. The remainder is effective July 23, 2013.

**SL 2013-341**

**ELECTRONIC VEHICLE LIEN/TITLE.**

**Bill S 407**

**Summary date:** Mar 26 2013

Enacts new GS 20-58.4A (*Electronic lien system*), as the title indicates. Requires the Division of Motor Vehicles (DMV) to implement a statewide electronic lien system no later than July 1, 2014. Directs the DMV to contract with a qualified vendor to implement this statewide electronic lien system. Provides minimum standards for the DMV to consider in contracting with a vendor. Mandates participation in the electronic lien system by all individuals and lienholders normally engaged in the business or practice of financing motor vehicles beginning July 1, 2015. Provides that an electronic notice or release is to have the same force and effect as a paper document of notice or release as provided under GS 20-58 through GS 20-58.8. Directs the DMV to adopt rules to implement this section. Authorizes the DMV, the qualified vendor, and up to five lienholders to conduct a pilot program of the electronic lien system for up to a 90-day period prior to the statewide implementation of the system. Requires the DMV to report, no later than October 1, 2013, to the chairs of the Joint Legislative Transportation Oversight Committee on the status of the implementation of the electronic lien system.

**Summary date:** Jun 19 2013

Senate committee substitute makes the following changes to the 1st edition.
Authorizes the Division of Motor Vehicles (DMV) to either (1) contract with a qualified vendor or vendors to implement a statewide electronic lien system to process and maintain security interests and certificate of title data or (2) develop and make available to qualified service providers an interface that enables them to access data and facilitate the creation of a system (was, the only option was to contract with a qualified vendor).

Provides the minimum standards for a vendor-implemented system, requiring the DMV to issue a competitive request for proposal to assess the qualifications of vendors. Provides that the resulting contract cannot include costs payable by the DMV to the vendor or vendors and must reimburse the DMV for reasonable costs of implementation. Allows a qualified vendor or vendors to charge participating lienholders a per-transaction fee that is consistent with market price but does not exceed $3.50 (was, $8.00). Allows lienholders to charge borrowers the per-transaction fee plus an amount not more than $3.00. Also allows qualified vendor(s) to serve as service providers to lienholders if certain conditions are met.

Also provides the minimum standards for a DMV-implemented system. Prohibits the cost for a DMV implemented system from exceeding $250,000. Directs the DMV to establish the qualifications for service providers. Requires approved service providers to pay an equal share of the development costs plus an annual fee of not more than $3,000 for operation and maintenance of the system. Prohibits contracts from including costs payable by the DMV to the service provider. Allows service providers to charge participating lienholders a per-transaction fee consistent with market price. Prohibits service providers from using information on vehicle titles for marketing purposes.

Requires qualified vendors and service providers to have experience in providing electronic solutions to state motor vehicle departments or agencies (was, required a qualified vendor to have experience indirectly providing electronic lien services to lienholders and state motor vehicle departments or agencies).

Provides that participation in the electronic lien system is mandatory for all individuals and lienholders engaged in the business or practice of financing motor vehicles and who conduct at least five transactions annually, beginning July 1, 2015.

Authorizes the DMV to work with one or more qualified vendors (was, a qualified vendor) to conduct a pilot program prior to implementation of the electronic lien system.

Provides that the DMV's report to the chairs of the Joint Legislative Transportation Oversight Committee must specify, at minimum, whether the DMV is proceeding with a vendor-implemented system or a DMV-implemented system and whether the implementation is on schedule and on budget.

**Summary date:** Jul 25 2013

SL 2013-342

BOARD OF AGRICULTURE SWINE APPT.

Bill S 386

Summary date: Mar 20 2013

Identical to H 383, filed 3/20/13.

Amends GS 106-604 to increase the amount of the bond that must accompany a grain dealer license application from $10,000 to $100,000. Amends GS 106-610 to expand the reasons for refusing to grant or renew or for revoking or suspending a grain dealer license to include evidence that (1) the applicant has acted or held him- or herself out as a grain dealer without first having obtained a license or (2) the dealer or applicant has violated any provision of Article 53 (grain dealers) or rules adopted under the Article. Amends GS 106-611 to prohibit a person whose actions lead to the suspension or revocation of a grain dealer's license from working for a grain dealer in any capacity that involves buying or selling grain or handling payments for grain.

Summary date: Apr 3 2013

Senate committee substitute to the 1st edition makes the following changes. Amends GS 106-610 to also allow the Commissioner the power of refusal, suspension, or revocation of a license when the dealer has hired a person who has been convicted of a crime involving fraud, deceit, or misrepresentation in any capacity involving the buying or selling of grain, or the handling of payments for grain. Make clarifying changes. Deletes the amendment to GS 106-611 which prohibited a person whose actions led to suspension or revocation of a grain dealer's license from working from a dealer in a specified capacity. Makes a conforming change to the act's long title. Changes the act's effective date to October 1, 2013.

Summary date: Jul 9 2013

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

Deletes all of the previous content of this bill and instead amends GS 106-2, as amended, to provide that the membership of the Board of Agriculture (Board) must also include a member who is a practicing pork farmer to represent the swine interest of the state. Increases the Board membership to 11 members (was, 10) and modifies a current membership designation for a practicing dairy farmer to represent the "dairy and cattle interest" (was, "dairy and livestock interest"). Effective September 1, 2013, and applies to appointments to the Board made on or after that date.

Makes conforming changes, rewriting the long and short titles to reflect the changes in the content of the bill.

Summary date: Jul 10 2013
House amendment makes the following changes to the 3rd edition.

Amends GS 55C-2 to expand the definition of public corporation to include a corporate municipal instrumentality of one or more states. Makes this provision effective when the act becomes law. Declares that Section 1, regarding appointments to the Board of Agriculture, remains effective September 1, 2013. Amends the bill title to reflect the added content.

Summary date: Jul 25 2013

AN ACT TO PROVIDE REPRESENTATION OF SWINE INTERESTS ON THE BOARD OF AGRICULTURE, AND TO EXPAND THE DEFINITION OF A "PUBLIC CORPORATION" FOR THE PURPOSE OF ESTABLISHING FOREIGN TRADE ZONES. Enacted July 23, 2013. Section 1 is effective September 1, 2013. The remainder is effective July 23, 2013.

SL 2013-343

REPEAL LAWS DENIED SECTION 5 PRECLEARANCE.

Bill S 406

Summary date: Mar 26 2013

Enacts new GS 120-30.9J (Repeal of acts and ordinances which were denied preclearance), providing that any city/county ordinance or resolution, act, policy, or resolution of a county board of elections, or public or local law that was enacted by the General Assembly, for which prior to January 1, 2013, the US Department of Justice interposed an objection to, under the Voting Rights Act (VRA), and did not withdraw its objection is repealed. Only in situations where the US District Court for the District of Columbia issued a declaratory judgment that such ordinance, resolution, act, law, or policy did not violate the VRA is such not repealed.

Summary date: Jul 10 2013

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

Amends proposed GS 120-30.9J as follows. Repeals any ordinance, resolution, act, policy, or law that prior to June 25, 2013 (was, January 1, 2013) the US Department of Justice interposed an objection or the US District Court for the District of Columbia denied a declaratory judgment under Section 5 of the Voting Rights Act of 1965. Provides that the statute does not apply where the US Department of Justice withdrew its objection or after the Department interposed an objection, the US District Court for the District of Columbia issued a declaratory judgment that the ordinance, resolution, act, policy, or law did not violate Section 5.

Summary date: Jul 25 2013

SL 2013-344

REGISTRATION OF PETROLEUM DEVICE TECHNICIANS.—AB

Bill S 454

Summary date: Mar 26 2013

Amends GS 119-33 as the title indicates. Provides that the rules adopted by the Gasoline and Oil Inspection Board may establish (1) qualifications for registration, and (2) grounds for suspending or revoking registration. Sets the annual fee for registration of a petroleum device technician at $20. Makes additional clarifying changes.

Summary date: Jul 25 2013


SL 2013-345

INCREASED PENALTY/SEED LAW VIOLATIONS.—AB

Bill S 455

Summary date: Mar 26 2013

Identical to H 369, filed 3/20/13.

Amends GS 106-277.24 to increase the cap on the fine for a violation of the seed law from $500 to $10,000. Requires that the court consider the retail value of the seed when determining the fine amount and requires the payment of restitution for losses occurred when the case involves the unlawful sale of a protected seed. Allows the court to order the suspension of a violator's seed license for up to three years. Provides that violators have the ordinary right of appeal from judgments of the district and superior courts. Applies to offenses committed on or after December 1, 2013.

Summary date: Apr 9 2013

Senate committee substitute makes the following changes to the 1st edition. Amends GS 106-277.24 to delete provision that violators of the seed law have the ordinary right of appeal from judgments of the district and superior courts as provided by law. Also deletes language providing that the right of appeal to superior court provided by GS 106-277.19 is not available to a violator whose seed license is ordered
suspended by the court. Deletes provision that the court may order the Commissioner of Agriculture (Commissioner) to suspend the violator's seed license as provided in GS 106-277.19 for up to three years.

Amends GS 106-277.19 to provide that the Commissioner is authorized to suspend any seed license for a period of no more than three years in accordance with GS Chapter 150B. Deletes provision requiring the opportunity for a hearing before the Commissioner before a license can be revoked or refused. Also deletes provision permitting any person who is refused a license or whose license is revoked by any order of the Commissioner to appeal to the Superior Court of Wake County or the superior court of the county of residence of that person within 30 days from the issuance of that order.

Summary date: Jul 11 2013

House amendment to the 2nd edition makes the following changes. Amends GS 106-277.24 by adding that the fine for violations of the Article (NC Seed Law) does not apply to a retailer with respect to any transaction where the seed the retailer sold was acquired in a sealed container or package or the retailer did not have reasonable knowledge that the seed sold was in violation of the Article.

Summary date: Jul 25 2013


SL 2013-346

AMEND NURSING HOME ADMINISTRATOR ACT/FEES.

Bill S 488

Summary date: Mar 27 2013

Amends various sections of the Nursing Home Administrator Act (Article 20 of GS Chapter 90) related to qualifications for licensure, fees, Board personnel, reciprocity, criminal history record checks of applicants, and adds a new section establishing confidentiality of investigative records, as follows.

Amends GS 90-278(1) by increasing the educational requirement for licensure under subdivision b. from two years of college level study or a combination of education and experience to a baccalaureate degree from an accredited college or university or an associate's degree in nursing with a minimum of 5 years’ experience as a director of nursing for five of the previous six years prior to licensure application. Also increases the examination requirement under subdivision e. by requiring passage of both national and state examinations within one year of completing the administrator-in-training program.

Amends GS 90-280 by increasing the maximum amount for fees set by the State Board of Examiners for Nursing Home Administrators for application processing (up to $500), license and renewal (up to
$1,000), duplicate license (up to $100), inactive status (up to $200), temporary license (up to $500), Board-administered initial training and continuing education (up to $1,000), certifying an individual continuing education course by another entity (up to $100 per course hour), and certifying a continuing education course provider (up to $4,000).

Amends GS 90-283, clarifying the Board's authority to employ or retain professional personnel, including legal counsel, as well as clerical or other special personnel deemed necessary by the Board.

Amends GS 90-285(3), clarifying that licenses are issued consistent with specified statutory requirements and the Board's rules.

Amends GS 90-287 adding to the reciprocity requirements for licensure in this state that the applicant pass the national and state examinations.

Amends GS 90-288.01 granting the Board discretion in requiring a criminal history record check of an applicant for license renewal (still mandatory for initial and temporary licensure) and deleting the requirement that the Board disclose to an applicant denied initial or renewed licensure information from the criminal record check relevant to the Board's decision.

Adds new GS 90-288.02 making documents related to an investigation, inquiry, or interview conducted by the Board in connection with certification, licensure, or a disciplinary matter not public records under GS Chapter 132. Notices or statements of charges, notices of hearings, and decisions by the board are a matter of public record, as are all other documents of the Board, but the names and other identifying information of residents who have not consented to public disclosure must be redacted.

Effective when the act becomes law.

**Summary date:** May 2 2013

Senate committee substitute to the 1st edition makes the following changes. Amends statutes throughout the act to make the language gender-neutral.

Provides that any person who has met the qualifications for licensure and has been issued a license by the State Board of Examiners for Nursing Home Administrators on or before the effective date of Section 1 of the act is deemed to have complied with the licensure requirements of GS 90-278(1). Makes Section 1 of the act effective January 1, 2015, with the remainder of the act effective when the act becomes law.

**Summary date:** Jul 11 2013

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

Amends GS 90-278(1)b. pertaining to licensure qualifications for serving as nursing home administrators. Deletes provision that increased the educational requirement for licensure under subdivision b. from two years of college level study or a combination of education and experience to a baccalaureate degree from an accredited college or university or an associate's degree in nursing with a minimum of 5 years’ experience as a director of nursing for five of the previous six years prior to licensure application.
Reinstates the previous provision setting the licensure standards to require that a person seeking to qualify as a nursing home administrator has successfully completed the equivalent of two years of college level study (60 semester hours or 96 quarterly hours) from an accredited community college, college, or university prior to application for licensure; or, has completed a combination of education and experience, acceptable under rules generated by the Board, before application for licensure. Provides that two years of supervisory experience in a nursing home be equivalent to one year of college study.

Amends GS 90-285.1 to make a clarifying change that removes alcohol from the list of controlled substances whose use may serve as a basis for the revocation, suspension, or refusal to issue a license, and lists dependency or addiction to alcohol as a separate factor from dependency or addiction to a controlled substance.

Summary date: Jul 15 2013

House amendment makes the following change to the 3rd edition. Makes all provisions of this act effective when it becomes law (was, made Section 1 of this act, which amended GS 90-278, effective January 1, 2015, and the remainder of the act effective when it became law).

Summary date: Jul 25 2013


SL 2013-347

CLARIFY AGRICULTURAL ZONING.

Bill S 505

Summary date: Apr 3 2013

Amends GS 153A-340 (Grant of power), adding the activities relating to, and the production of, grains to the list of bona fide farm purposes qualifying for a zoning exemption, as well as other forms of agriculture, whether they occur on the affected farm property or land owned or leased to or from others by the farm owner, including other tracts of land in the state and land owned or leased in other states.

Amends GS 106-581.1 (Agriculture defined), clarifying that "agriculture," "agricultural," and "farming" also refer to a public or private grain warehouse or warehouse operations where grain is held 10 days or longer and includes, but is not limited to, all buildings, elevators, equipment, and warehouses.

Summary date: Apr 24 2013

Senate committee substitute makes the following changes to the 1st edition.
Deletes proposed language in GS 153A-340(b)(2) that referred to bona fide farm purposes, including specified activities as they occur on the affected farm property or land owned or leased to or from others by the farm owner, including other tracts of land in the state and land owned or leased in other states, and replaces it with language that states, for the purposes of this subdivision, "when performed on the farm," found in GS 106-581.1(6), includes the farm within the jurisdiction of the county and any other farm owned or leased to or from others by the bona fide farm operator, no matter where located.

Summary date: Jul 25 2013


SL 2013-348

MAP 21 CONFORMING REVISIONS.-AB

Bill S 659

Summary date: Apr 3 2013

Amends GS 20-17.8 (Restoration of a license after certain driving while impaired convictions; ignition interlock), providing that the Commissioner of the DMV (Commissioner) will not issue a license to a person subject to this section until proof is presented of the installation of an ignition interlock system in all registered vehicles owned by the person. Provides that a person subject to this can, in order to avoid an undue financial hardship, seek a waiver from the DMV for any vehicle registered to that person, not in the person's possession, and relied upon by another member of that person's family. Such waivers will be decided on a case-by-case basis. Provides that the Commissioner will cancel the driver's license of any person subject to this section for having a registered motor vehicle without an installed ignition interlock system or removing the system, except when changing system providers or for the sale of the vehicle.

Deletes language providing an exemption regarding being charged with driving while license revoked by violating the requirement of having an ignition interlock system installed if the vehicle was not in the person's possession and is relied upon by a family member. Amends GS 20-17.8(l) (Medical Exception to Requirement), making this section and the medical exception to the ignition interlock system only applicable and available to the persons set forth in GS 20-17.8(a)(1) who have had their licensed revoked for having an alcohol concentration of 0.15 or more. Adds clarifying language.

Amends GS 20-179(h), providing that if a defendant is subject to Level Two punishment based on (a) the application of grossly aggravating factors found in GS 20-179(c)(1) or (2), (b) the conviction for a prior offense involving impaired driving occurred within five years before the date of the offense for which the defendant is being sentenced, and (c) the judge suspends all active terms of imprisonment and imposes abstention from alcohol as verified by a continuous alcohol monitory system, then the judge
must also impose, as an additional condition of special probation, that the defendant complete 240 hours of community service.

Amends GS 15A-1371(h) (Community Service Parole), providing that, notwithstanding the provisions of any other subsection, prisoners serving sentences for impaired driving will be eligible for community service parole after serving the minimum sentence required by GS 20-179 (Sentencing hearing after conviction for impaired driving; determination of grossly aggravating and aggravating and mitigating factors; punishments) in the discretion of the Post-Release Supervision and Parole Commission. Provides that community service parole eligibility will be available to a prisoner that has served one-half of his minimum sentence, at least ten days if sentenced to Level One punishment or at least seven days if sentenced to Level Two punishment, whichever is longer. Provides that good time and gain time credit will be earned pursuant to GS 148-13 (Regulations as to custody grades, privileges, gain time credit, etc.), but only after a person has served at least ten days if sentenced to Level One punishment or at least seven days if sentenced to Level Two punishment.

Amends GS 20-138.7(a3), establishing that motor vehicle means, for this section, any vehicle driven or drawn by mechanical power and manufactured primarily for use on public highways and includes mopeds (was, only those types of motor vehicles which North Carolina law requires to be registered, whether the motor vehicle is registered in North Carolina or another jurisdiction).

Effective October 1, 2013, applying to offenses committed on or after that date.

Summary date: Jul 25 2013


SL 2013-349

VINTAGE AUTO INSPECTIONS.

Bill S 344

Summary date: Mar 18 2013

Amends GS 20-53 (Application for specially constructed, reconstructed, or foreign vehicle), to provide that a vehicle is deemed to have satisfied all inspection and verification requirements and title must be issued to the owner within 10 days if an inspection and verification is not conducted by the License and Theft Bureau within the Department of Motor Vehicles within 10 days after receiving a request and there is no probable cause to believe that the ownership documents or public vehicle identification number given do not match the vehicle. Also requires title to be issued to the owner within 10 days if the vehicle passes a timely performed inspection and verification.

Summary date: Apr 18 2013
Senate amendment to the 1st edition makes the following changes. Amends GS 20-53 (*Application for specially constructed, reconstructed, or foreign vehicle*) to provide that a vehicle is deemed to have satisfied all inspection and verification requirements and title must be issued to the owner within 15 (was, 10) days if an inspection and verification is not conducted by the License and Theft Bureau within the Department of Motor Vehicles within 15 (was, 10) days after receiving a request and there is no probable cause to believe that the ownership documents or public vehicle identification number given do not match the vehicle. Also requires title to be issued to the owner within 15 (was, 10) days if the vehicle passes a timely performed inspection and verification. Makes conforming changes to the act's long title.

**Summary date:** Jul 25 2013


**SL 2013-350**

**SCHOOL RESOURCE OFFICERS/LEE COUNTY.**

**Bill H 491**

**Summary date:** Apr 1 2013

As the title indicates, beginning with the 2013-14 school year.

Effective July 1, 2013.

**Summary date:** May 14 2013

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

Amends the act, providing that the amount provided for the 2013-14 school year must equal the amount expended by the Lee County Schools for the 2012-13 fiscal year in state funds for school resource officers (SROs), adjusted by the amount of any increase or decrease for the 2013-14 fiscal year in State or federal funds allotted for SROs or school safety officers (SSOs). In subsequent years, the amount provided must be the amount for the prior fiscal year and must also be adjusted by the amount of any increase or decrease in state or federal funds for SROs or SSOs.

**Summary date:** Jul 23 2013
Senate committee substitute to the 2nd edition makes the following changes. Deletes the provisions of the previous edition and instead provides that the Lee County Sheriff is responsible for providing school resource officers to the Lee County schools and requires the Sheriff and the Lee County Board of Education to enter into a memorandum of understanding for the provision of those services. Requires the Sheriff to use funds appropriated by Lee County to the Sheriff’s Office for school resource officers to provide the officers to the schools.

Amends GS 74E-2 to decertify the Lee County Board of Education as a company police agency and prohibits the Board from employing or contracting with a company police agency certified under GS Chapter 74E.

Changes the act's effective date to August 1, 2013.

Summary date: Jul 25 2013

AN ACT DIRECTING THE LEE COUNTY SHERIFF TO PROVIDE SCHOOL RESOURCE OFFICERS TO THE LEE COUNTY SCHOOLS. Enacted July 25, 2013. Effective August 1, 2013.

SL 2013-351

ROBBINSVILLE/GRAHAM OCCUPANCY TAX.

Bill H 493

Summary date: Apr 1 2013

Authorizing the Robbinsville Town Council to levy a room occupancy tax of up to 3%. Provides that the tax must be levied, administered, collected, and repealed as provided in GS 160A-215 (uniform provisions for room occupancy taxes). Requires the Robbinsville Tourism Development Authority (TDA) to use at least two-thirds of the occupancy tax proceeds to promote travel and tourism in the town and the remainder for tourism-related expenditures. Mandates that at least one-third of the members of the TDA must be affiliated with businesses that collect the tax in the town and at least one-half must be currently active in the town's travel and tourism promotion. Makes conforming changes to GS 106A-215.

Summary date: Jul 16 2013

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

Amends the provisions for the Robbinsville 3% occupancy tax to remove the exception to the tax for accommodations furnished by nonprofit charitable, education, or religious organizations when furnished in furtherance of their nonprofit purpose.

Recodifies and amends SL 1985-969, as amended, within the act, allowing the Graham County Board of Commissioners to levy a room occupancy tax of 3% (provisions do not require 10 days' public notice and do not include exceptions to the tax). Adds definitions. Requires the Graham County Tourism
Development Authority (TDA) to use at least two-thirds of the proceeds of the occupancy tax to promote travel and tourism in Graham County and to use the remainder for tourism-related expenditures. Provides that the tax must be levied, administered, collected, and repealed as provided in GS 153A-155 (uniform provisions for room occupancy taxes). Mandates that at least one-third of the members of the TDA must be affiliated with businesses that collect the tax in the county and at least one-half must be currently active in the county's travel and tourism promotion. Makes conforming changes.

Creates Graham County District G as a taxing district (with its jurisdiction consisting of the part of the county that is located outside of the incorporated area of Robbinsville), with the Graham County Board of Commissioners serving ex officio as the governing body and the officers of the county serving as the officers of the governing body of the district. Allows the governing body of District G to levy a room occupancy tax of up to 3%, to be in addition to any state or local sales tax. Prohibits the levy of the tax unless Graham County also levies a tax of no less than 3%. Provides that the tax must be levied, administered, collected, and repealed as provided in GS 153A-155, as if the district was a county. Requires the TDA to use at least two-thirds of the tax proceeds to promote travel and tourism in District G and use the remainder for tourism-related expenditures; the tax proceeds may be used only for the direct benefit of the jurisdiction of District G. Makes conforming changes.

Updates the act's titles.

Summary date: Jul 23 2013

Conference report makes the following changes to the 2nd edition.

Amends the long title.

Deletes Part II (Graham County Occupancy Tax) and Part III (Graham County District G Occupancy Tax) of the act.

Summary date: Jul 25 2013


SL 2013-352

CORNELIUS/EXTEND USE OF DESIGN-BUILD.

Bill H 195

Summary date: Feb 28 2013

Amends SL 2011-180, which authorized the Town of Cornelius to utilize design-build delivery methods for public projects until July 1, 2013. Extends the authority to July 1, 2016.
Summary date: Jul 25 2013


SL 2013-353

2013 APPOINTMENTS BILL.

Bill H 669

Summary date: Apr 10 2013

Provides that the Speaker of the House of Representatives has appointed Judy K. Grainger to the Centennial Authority, with her term expiring on June 30, 2013.

Effective July 1, 2013.

Summary date: Jul 23 2013

Senate committee substitute to the 1st edition makes the following changes. Adds numerous appointments to various specified boards, commissions, and other entities by the Speaker of the House of Representatives and President Pro Tempore of the Senate. Amends SL 2011-406, Section 2.5, to extend the appointment of Michelle Lowery to the NC Recreation Therapy Licensure Board for an additional year. Makes the act effective when the act becomes law (was, July 1, 2013).

Summary date: Jul 24 2013

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

Makes changes to the appointments, upon the recommendation of the Speaker of the House of Representatives and the President Pro Tempore of the Senate, of persons to various public offices.

Deletes the appointment to the NC Arboretum Board of Directors.

Makes technical changes, correcting the names of appointees whose names are spelled incorrectly and making other corrections to the names of appointees.

Removes and replaces appointees to the Roanoke Island Commission and the North Carolina On-Site Wastewater Contractors and Inspectors Certification Board.

Inserts a new section making an appointment to the North Carolina Cemetery Commission and a new section making an appointment to the Rural Infrastructure Authority.

Reduces the number of named appointees to the North Carolina Crime Victims' Compensation Commission from two to one.
Summary date: Jul 25 2013


SL 2013-354

BESSEMER CITY ANNEXATION.

Bill H 1015

Summary date: Jun 17 2013

As title indicates. Provides the metes and bounds of the property to be annexed to the corporate limits of Bessemer City.

Effective June 30, 2013.

Summary date: Jul 25 2013


SL 2013-355

NC CHARTER SCHOOL ADVISORY BOARD.

Bill S 337

Summary date: Mar 14 2013

Enacts new GS 115C-238.29A1 creating the 11 member North Carolina Public Charter Schools Board (Charter Board), located in the Department of Public Instruction but exercising its powers and duties independently of the State Board of Education and Department of Public Instruction. Includes the State Superintendent of Public Instruction as a secretary and nonvoting member. States the Charter Board's purpose as authorizing and overseeing high-quality public charter schools throughout the state and to exercise authority for approving charter applicants (was, final approval by the State Board of Education). Sets out membership qualifications, terms of office, filling of vacancies, meeting times and provides for officers and removal of members. Sets the Office of Charter Schools as the principal administrative unit under the direction of the Charter Board. Establishes the Charter Board's duties, including overseeing the process for accepting and approving applications for charters and overseeing the process for monitoring the operation of charter schools. Gives the State Board of Education veto power over any
action adopted by vote of the Charter Board if the State Board's veto is taken within 45 days of the date of the Charter Board's vote to adopt the action.

Current law provides that any person, group of persons, or nonprofit corporation may submit an application to a chartering entity, which may be a (1) local board of education, (2) the board of trustees of a constituent institution of the University of North Carolina, or (3) the State Board of Education. Current law also provides that regardless of which chartering entity receives the application, the State Board of Education (SBOE) has final approval of the charter school. This act amends GS 115C-238.29B to (1) make the Charter Board created in this act the only chartering entity; (2) provide that only a nonprofit corporation may seek to establish a charter school; (3) require that the application for a charter school include the names of the initial (was, proposed initial) members of the board of directors of the nonprofit applicant; (4) delete the SBOE final approval authority and (5) authorize the Charter Board to establish and collect reasonable fees for initial and renewal charter application in accordance with GS Chapter 150B, Article 2A. Provides that the funds are to be placed in the "Charter Application Fund" and used by the Charter Board for administration of this Part. Prohibits the refunding of an application fee if the application is rejected or the charter is revoked.

Makes a conforming change, repealing GS 115C-238.29C (Preliminary approval of applications for charter schools). Makes multiple conforming changes in GS Chapter 115C to charter school provisions, replacing the State Board of Education as the final authority on charter schools with the Charter Board created in this act.

Amends GS 115C-238.29D to encourage the Charter Board to give preference in reviewing charter applications to applications that demonstrate the ability to provide comprehensive learning experiences to students identified by the applicants as at risk of academic failure. Deletes provision that under current law permits a local board of education in the administrative unit (LEA) where the charter school is located to be heard by the State Board of Education as to any adverse impact the proposed growth of a charter school would have on the LEA's ability to provide a sound basic education to its students.

Amends GS 115C-238.29E to require that at the request of the charter school, a local board of education in the LEA where the charter school will be located, must lease any available land or building to the charter school for $1.00 per year unless the board demonstrates that such a lease is not economically or practically feasible, or the board has inadequate classroom space to meet its enrollment needs. Provides that if the local board leases the facility to a charter school for $1.00 per year, the charter school is responsible for maintenance and insurance for the school facility.

Amends GS 115C-238.29F regarding the instructional program for a charter school to clarify that the charter school must comply with Article 9 (Education of Children with Disabilities) of GS Chapter 115C and the federal Individuals with Disabilities Education Improvement Act (IDEA), 20 USC § 1400, et. seq., (2004) as amended. Deletes requirements specifying that a certain percentage of teachers at specified grade level ranges hold teacher certificates and that all teachers in core subjects from grades six through 12 be college graduates. Directs each charter school board of directors to adopt a policy on whether and under what circumstances to require a criminal history check for an applicant for employment. Requires
that the policy adopted be employed uniformly by the board of directors. Allows for conditional hiring while a criminal history check is completed. Requires a charter school to comply with the reporting requirements of the State Board and to also provide the reports to the Charter Board. Amends admission requirements to require that within one year after beginning operations, the population of the school shall make efforts to (was, shall) to reasonably reflect specified racial and ethnic compositions. Also removes limitation on priority shown to siblings to birth siblings. Requires that net assets of the charter school purchased with public funds be deemed the property of the state and that assets must be returned to the General Fund upon the dissolution of a charter school or nonrenewal of a charter.

Amends GS 115C-238.29G to allow the Charter Board to terminate, not renew, or seek applications to assume the charter through a competitive bid process established by the Charter Board (was, may terminate or not renew a charter) on any of the six specified grounds. Authorizes the Charter Board to terminate, not renew, or seek applicants to assume the charter through a competitive bid process if a charter school is inadequate and has had a charter for more than five years. Requires the Charter Board to create rules on the assumption of a charter school by a new entity and provides that public assets would transfer to the new entity.

Amends GS 115C-238.29H to require that the per pupil share of the local current expense fund be transferred to the charter school within 30 days of receiving the money into the local current expense fund. Requires the local school administrative until to also provide each charter school to which it is transferring a per pupil share all of the following information: (1) total amount of funds the unit has in each of the specified funds; (2) the student membership used to calculate the per pupil share, and (3) how the per pupil shares were calculated. Requires the court to award attorney's fees and costs, plus interest, to the prevailing party in an action to enforce the transfer of funds. Also require the court to order any delinquent funds, costs, fees and interest to be paid in full within three years. Applies to any final judgment entered after the act becomes effective.

Amends GS 115C-238.29I to require that the report on the effectiveness of charter schools and the effect on public schools to the Joint Legislative Education Oversight Committee be submitted each year by January 1 (was, on January 2, 2002). Deletes the authority to establish a Charter School Advisory Committee.

Repeals GS 115C-238.29J (public and private assistance to charter schools) and GS 115C-238.29K (criminal history checks).

Amends GS 115C-426(c) to remove special programs from the items that funds other than the State Public School Fund, the local current expense fund, and the capital outlay fund. may be used to account for.

Amends GS 115C-448 to prohibit special funds of individual schools from being included as a part of the local current expense fund of a local school administrative unit for determining the per pupil share of the local current expense fund transferred to a charter school.
Amends GS 105-278.4 to provide that buildings and the land they occupy, and additional land necessary for the use of the building are exempted from taxation if the building is wholly and exclusively used for educational purposes by (1) the owner, (2) a nonprofit education institution occupying the building gratuitously, or (3) a charter school even if the school is not the building owner.

Requires that initial appointments to the Charter Board be made by the Governor and the General Assembly by April 1, 2013. Sets out the terms of the initial members.

Summary date: Apr 3 2013

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

Provides that the State Treasurer and the Lieutenant Governor may fill their seats on the 11-member Charter Board with their designees.

Permits the removal of any appointed member of the Charter Board by a vote of at least two-thirds of the board members. Deletes the exception for the Lieutenant Governor and the Superintendent of Public Instruction.

Makes a clarifying change to GS 115C-238.29E to provide that a charter school operates under the written charter signed by the Charter Board and the applicant (was, operates under a written charter signed by the charter school and the entity to which the charter school is accountable).

Amends GS 115C-238.29F to reinstate provision that the State Board of Education (SBE) provides funds to charter schools.

Provides in GS 115C-238.29H(d) that the court is to award reasonable attorneys' fees and costs to the prevailing party in an action to enforce the provisions that require the local administrative unit (LEA) in which the child resides to transfer to the charter school that the child attends an amount equal to the per pupil share of the local current expense fund of that LEA. Deletes provision that directs that the above provision applies to any final judgment entered from and after the effective date of the above provision. Makes organizational changes, re-labeling the subsections. Provides that GS 115C-238.29H(d) applies to proceedings begun on or after the effective date of this act.

Makes conforming changes to GS 135-5.3(b) and GS 135-48.45(b) to incorporate reference to the Charter Schools Board established in this act.

Provides that initial appointments to the Charter Board are to be made by the Governor and General Assembly no later than August 1, 2013 (was, April 1, 2013).

Summary date: May 1 2013

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

Reinstates the requirement that all teachers employed by a charter school who teach core subject areas of math, science, social studies, and language arts in grades six through 12 be college graduates.
Provides that a charter school’s board of directors may discharge teachers and employees who are not licensed (was, noncertificated). Directs the NC Public Charter Schools Board (Charter Board) to adopt rules establishing the circumstances under which a charter school must check the criminal history of a job applicant before making the applicant an unconditional job offer (was, required each charter school board of directors to adopt a policy on whether and under what circumstances to conduct a criminal history check on an applicant for employment). Directs each charter school board of directors to apply the rules uniformly to job applicants.

Clarifies that the appropriation or use of a fund balance or of interest income by a local school administrative unit (LEA) is not to be construed as a local current expense appropriation that is included as a part of the local current expense fund.

Abolishes the North Carolina Charter School Advisory Council, established by the State Board of Education on August 4, 2011.

Deletes changes to GS 105-278.4(a), which conferred tax exempt status on buildings used wholly and exclusively for educational purposes by the owner, a nonprofit educational institution occupying the building, and a charter school even if the charter did not own the building. Instead, amends GS 105-275 to include real property occupied by a charter school and used wholly and exclusively for educational purposes, as defined in GS 105-278.4(f), in the classes of property designated as special classes under Article V. § 2(2) of the NC Constitution and excluded from tax regardless of who owns the property. Effective for taxable years beginning on or after July 1, 2013.

**Summary date:** May 7 2013

Senate amendments make the following change to the 3rd edition.

Amendment #1 makes the following changes.

Deletes proposed GS 115C-238.29A1, *North Carolina Public Charter Schools Board established*, from the previous edition.

Amends GS 115C-238.29A, renaming Chapter to *Purpose of charter schools and establishment of North Carolina Public Charter Schools Board*. Creates the 11-member North Carolina Public Charter Schools Board (Charter Board), located in the Department of Public Instruction but exercising its powers and duties independently of the State Board of Education and Department of Public Instruction. Includes the State Superintendent of Public Instruction as a secretary and nonvoting member. Sets out membership qualifications, terms of office, filling of vacancies, and meeting times and provides for officers and removal of members. Sets the Office of Charter Schools as the principal administrative unit under the direction of the Charter Board. Establishes the Charter Board's duties, including overseeing the process for accepting and approving applications for charters and overseeing the process for monitoring the operation of charter schools. Gives the State Board of Education veto power (with three-fourths vote) over any action adopted by vote of the Charter Board if the State Board's veto is taken within 45 days of the date of the Charter Board's vote to adopt the action. Makes a conforming change.
Senate amendment #2 makes the following changes to the 3rd edition.

Provides that during its first year of operation, a charter school may give enrollment priority to children of the initial members of the charter school's board of directors, so long as (i) these children are limited to no more than 10% of the school's total enrollment or to 20 students, whichever is less, and (ii) the charter school is not a former public school (was, is not a former public or private school).

Senate amendment #3 makes the following changes to the 3rd edition.

Amends GS 115C-238.29E(e), to provide that if a charter school has requested to lease available buildings or land and is unable to reach an agreement with the local board of education, the charter school has the right to appeal to the board of commissioners of the jurisdiction in which the building or land is located. The board will have the final decision-making authority on the leasing of the available building or land (previously, provided that at the request of the charter school, a local board of education in the LEA where the charter school will be located must lease any available land or building to the charter school for $1 per year unless the board demonstrates that such a lease is not economically or practically feasible. Also provided that if the local board leases the facility to a charter school for $1.00 per year, the charter school is responsible for maintenance and insurance for the school facility).

Senate amendment #5 makes the following changes to the 3rd edition.

Amends GS 115C-238.29F(e), Employees, deleting the proposed provisions in subsection (6) and providing that if the local board of education where the charter school is located adopts policies requiring criminal history checks under GS 115C-332, then the board of directors of each charter school in that LEA must adopt a policy mirroring the local board of education's requirement of criminal history checks. Directs each charter school board of directors to apply its mirroring policy uniformly to applicants for employment. Allows conditional employment while checking a person's criminal history and making a decision based on the check.

Summary date: Jun 25 2013

House committee substitute makes the following changes to the 4th edition.

Amends GS 115C-238-29A to replace the North Carolina Public Charter Schools Board (Charter Board) with the North Carolina Charter Schools Advisory Board (Advisory Board). Locates the Advisory Board within the Department of Public Instruction (DPI). Identifies the powers and duties of the Advisory Board as follows: (1) to make recommendations to the State Board of Education (SBE) on the adoption of rules regarding all aspects of charter school operation; (2) to review applications and make recommendations to the SBE for final approval of charter applications; (3) to make recommendations to the SBE on actions regarding a charter school, including renewals, non-renewals, and revocation of charters; and (4) to undertake any other duties and responsibilities assigned by the SBE. Requires that the Advisory Board be treated as a board for purposes of GS Chapter 138A. Deletes provisions regarding powers and duties of the previous Charter Board and makes conforming changes deleting all references to the Charter Board.
and replacing them with Advisory Board. Provides that there be one member appointed to the 11-member Advisory Board by the SBE (was, appointed by the State Treasurer or the Treasurer's designee). Further amends the appointment of members.

Amends GS 115C-238.29B to remove the fee for initial and renewal charter school applications.

Amends GS 115C-238.29D to return authority for granting final approval of a charter school application to the SBE (was, granted authority to the Charter Board). Requires the SBE to act by January 15 (was, March 15) of a calendar year on all applications and appeals it receives prior to a date established by the Office of Charter Schools for receipt of applications in the prior calendar year (was, received prior to February 15 of the previous calendar year).

Amends GS 115C-238.29E to reinstate language that makes all charter schools accountable to the SBE (was, the Charter Board) for ensuring compliance with applicable laws and the provisions of their charters. Requires a charter school to operate under the written charter signed by the SBE and the applicant.

Amends GS 115C-238.29F to require that at minimum, 50% of the teachers employed by a charter school in grades kindergarten through 12 must have teaching certificates (was, 75% for teachers of students in grades kindergarten through five). Requires that all teachers of core subjects in grades kindergarten through 12 be college graduates (requirement was limited to teachers of students in grades six through 12).

Removes authority granted to the Charter Board in the previous edition regarding funding, supervision, and revocation of charters and restores that authority to the SBE.

Directs the board of directors of each charter school to adopt a policy as to whether or under what circumstances a school personnel position job applicant will be required to undergo a criminal history background check. Prohibits a board of directors from requiring an applicant to pay for a criminal history check. Clarifies that the SBE's and board of directors of a charter school's immunity from liability for negligence does not extend to gross negligence, wanton conduct, or intentional wrongdoing.

Requires that within one year or after a charter school begins operations, the school's population should reasonably reflect the racial and ethnic composition of the population that the school intends to serve that is residing within the LEA where the school is located. Permits a charter school to give enrollment priority to: (1) the siblings of currently enrolled students who were admitted to a charter school in a previous year; (2) children of all school employees; (3) the children of the board of directors for a limited three years of operations and limits the number of these children to no more than 10% of the population or 20 students, whichever is less; (4) a student previously enrolled in the charter school who left to participate in an extraordinary educational opportunity or because of a vocational opportunity for the student's parent; and (5) children of the school's principal, teachers, and teachers assistants.

Specifies lottery procedures for siblings seeking admission to a charter school and clarifies the definition of siblings for the purposes of this section.
Provides that upon dissolution of a charter school or the non-renewal of a charter, all of the net assets of the charter school that were purchased with public funds are the property of the LEA in which the charter school is located (was, property of the state and returned to the General Fund).

Amends GS 115C-236.29G to declare that the SBE may terminate or not renew a charter based on a list of specified grounds (was, vested authority to not renew a charter or seek charter applicants in the Charter Board). Deletes additional changes from the previous edition regarding authority to not renew or terminate a charter and replaces the amended provisions with current law.

Amends GS 115C-238.29H, which directs an LEA to transfer the per-pupil share of the local current expense fund to a charter school when a student that would otherwise attend that LEA attends a charter school. Requires the LEA to transfer the funds to the charter school within 30 days of receipt of the funds into the local current expense fund and to make necessary adjustments within 30 days (was, within 30 days of certification of the average daily membership (ADM) by the SBE). Also requires a charter school receiving a greater share of funds than is required under this section to return those funds within 30 days unless the LEA and the charter school have another agreement regarding the overpayment of funds. Provides that interest at the legal rate will accrue from the date of the delinquency on funds not transferred by either the LEA or the charter school as appropriate within the 30-day requirement. Provides that before beginning an action based on a failure to transfer funds as required under this section, that the complaining party give the other party 15 days' written notice of the alleged violation.

Makes a conforming change, deleting amendments to GS 135-5.3(b) and GS 135-48.54(b) to remove references to the Charter Board, dissolved in this act.

Amends GS 143B-426.40A, adding a new subsection (m) to provide that this statute does not apply to assignments to charter schools to obtain funds for facilities, equipment, or operations under GS 115C-238.29H.

Amends the initial appointments to the Advisory Board by the Governor to include the vice-chair and the chair. Initial appointments also include one member appointed by the SBE to serve until June 30, 2015.

Provides that Section 7 of this act, which abolishes the North Carolina Charter School Advisory Council as established by the SBE on August 4, 2011, by Policy TCS-B-006 is effective August 1, 2013.

Amends this act’s long title.

Summary date: Jun 27 2013

House committee substitute to the 5th edition makes the following changes.

Amends GS 115C-238.29A(b) to add the requirement that the NC Charter Schools Advisory Board report to the State Board of Education.
Deletes proposed changes to GS 105-275, which designated real property occupied by a charter school and used for education purposes as a special class excluded from the tax base.

**Summary date:** Jun 27 2013

House amendment makes the following changes to the 6th edition.

Amends GS 115C-238.29H, State and local funds for a charter school, providing that the local school administrative unit and charter school may use mediation, as provided for in GS 115C-238.29G(c), to resolve differences on calculation and transference of the per pupil share of the local current expense fund.

**Summary date:** Jul 8 2013

House amendment #2 makes the following change to the 6th edition. Prohibits construing any provisions of this act to affect pending litigation.

**Summary date:** Jul 16 2013

Conference report makes the following changes to the 7th edition.

Amends GS 115C-238.29A by amending the membership of the NC Charter Schools Advisory Board to remove the vice-chair of the Advisory Board from those members appointed by the Governor. Makes conforming changes. Adds that the Advisory Board must annually elect a vice-chair from among its membership. Adds that any appointed member of the Advisory Board may be removed by a vote of at least two-thirds of the members of the Advisory Board at any meeting for any cause that renders the member incapable or unfit to discharge the duties of the office.

Amends GS 115C-238.29B to add that the State Board of Education (State Board) must establish reasonable fees of no less than $500 and no more than $1,000 for initial and renewal charter applications. Prohibits refunding application fees if the application is rejected or the charter is revoked.

Amends GS 115C-238.29F to require at least 25% of the charter school's teachers to hold teacher licenses (was, at least 50% of the teachers hold teacher certificates). Deletes proposed changes concerning the racial and ethnic composition of the school's population, enrollment priority, and lottery procedures for siblings.

Amends GS 115C-238.29G to allow the State Board, in addition to termination or not renewing a charter, to also seek applicants to assume the charter through a competitive bid process upon six specified grounds. Provides that if a charter school is inadequate and has had a charter for more than five years, the State Board is authorized to terminate, not renew, or seek applicants to assume the charter through a competitive bid process (was, authorized to terminate or not renew the charter). Adds that the State Board must adopt rules on the assumption of a charter that include all aspects of the operation of the school. Provides that public assets would transfer to the new entity and not revert to the local school administrative unit where the charter school is located.
Amends GS 115C-238.29H to delete proposed language concerning interest if a local school administrative unit fails to timely comply with the transfer of required funds for a student attending a charter school and concerning the return by the charter schools of a greater share of funds than what is required.

Adds a provision amending GS 105-275 to exclude from the tax base real property that is occupied by a charter school and wholly and exclusively used for educational purposes, regardless of the ownership of the property. Effective for taxes imposed for taxable years beginning on or after July 1, 2013.

**Summary date:** Jul 23 2013

Withdraws previous conference report #1 and instead submits conference report #2, which makes the following changes to the 7th edition but is otherwise identical to the conference report #1.

Amends GS 115C-238.29F to require at least 50% of the charter school's teachers to hold teacher licenses (was, required at least 75% of the teachers in grades kindergarten through five and 50% of the teachers in grades six through 12 to hold teacher certificates), except requires all teachers in core subject areas of math, science, social studies, and language arts to be college graduates.

Amends subdivision (1) of new GS 115C-238.29F(e1) to require that the board of directors of a charter school that is located in a local school administrative unit (LEA) which has adopted a criminal background check policy under GS 115C-332 to adopt a policy that mirrors that of the LEA and to require employment applicants to undergo a criminal history check as defined in GS 115C-332. Deletes language that specifies that the board of directors of a charter school cannot require a job applicant to pay for the criminal history check.

**Summary date:** Jul 26 2013

AN ACT TO CREATE THE NORTH CAROLINA CHARTER SCHOOLS ADVISORY BOARD AND MAKE OTHER CHANGES TO CHARTER SCHOOL LAWS. Enacted July 25, 2013. Section 3 is effective for taxes imposed for taxable years beginning on or after July 1, 2013. Section 7 is effective August 1, 2013. The remainder is effective July 25, 2013. GS 115C-238.29H(d), as enacted by this act, applies to proceedings commenced on or after the effective date.

**SL 2013-356**

**ALLOW PAVE CERTIFICATION/VETERINARY LICENSE.**

**Bill H 194**

**Summary date:** Feb 28 2013

Amends GS 90-187(c) to also accept proof of graduation from the Program for the Assessment of Veterinary Education Equivalence (PAVE) of the American Association of Veterinary State Boards as
qualifying to meet licensure requirements if an applicant did not graduate from a program accredited by the American Veterinary Medical Association (previously, only accepted proof of graduation from the Educational Commission for Foreign Veterinary Graduates of the American Veterinary Medical Association for those graduating from a nonaccredited college of veterinary medicine outside of the United States).

Summary date: Jul 26 2013


SL 2013-357

SMALL GROUP HEALTH INS. TECHNICAL CHANGES.

Bill H 649

Summary date: Apr 10 2013

Amends GS 58-50-110 (Definitions), deleting the terms Basic health care plan, industry, late enrollee, preexisting conditions provision, and self-employed individual. Provides a new term and definition, Affordable Care Act, meaning the federal Patient Protection and Affordable Care Act. Amends the term small employer to mean any employer who does not meet the definition of an applicable large employer under Section 4980H(c)(2) of the Affordable Care Act.

Deletes GS 58-50-125 (Health care plans; formation; approval; offerings) subsections (a), (a1), (parts of d), and (f), which contained provisions regarding different formations and offerings of health care plans offered by small employer carriers.

Repeals GS 58-50-126(f) (Alternative coverage permitted, discontinuation of basic or standard plans).

Amends GS 58-50-130 (Required health care plan provisions), deleting GS 58-50-130(4b), which established that late enrollees are excluded from preexisting condition coverage for specified time frames. Deletes language in GS 58-50-130(b)(1), relating to the rating of premiums by considering the gender of eligible employees or dependents, and adds a provision for the grandfathering of plans, as defined in the Affordable Care Act. Provides that small employer carriers can develop separate rates for individuals aged 65 or older in regards to situations where Medicare is serving as the primary payor.

Deletes age brackets, found in GS 58-50-130(6), previously used for the determining of rates and premiums. Deletes other language dealing with the establishment of rates based on industry.

Effective January 1, 2014.

Summary date: May 1 2013
House committee substitute makes the following changes to the 1st edition.

Deletes all the provisions of the 1st edition and replaces it with the following.

Section 1

Establishes that no small employer carrier will be required to issue the basic or standard health benefit plan as described in GS 58-50-125(a). Provides that any basic or standard health benefit plans that are described in GS 58-50-125(a) that are not "grandfathered health plans," as that term is used in the Affordable Care Act (ACA), will be terminated on the next anniversary date on or after January 1, 2014. After that the small employer carrier must offer the employer replacement coverage from available small group health benefit plans, in accordance with applicable state and federal laws. Requires a 90-day notice before termination. Sets out other requirements for plans that are issued to self-employed individuals.

Effective when the act becomes law.

Section 2

Repeals the following statutes:


GS 58-50-127, Small employer carrier plan elections.

GS 58-50-135, Elections by carriers.

GS 58-50-155, Standard and basic health care plan coverages.


Amends GS 58-50-110, Definitions, adding and defining grandfathered health plan to the definitions for the section. Amends GS 58-50-110(22), the definition for small employer, providing that, effective January 1, 2014, the definition applies only to grandfathered group health plans subject to this act. Provides that the term small employer includes self-employed individuals for the purposes of this subsection (was, for the purposes of this act). Enacts new GS 58-50-110(22a), defining small employer as it only applies to non-grandfathered group health plans, providing that it refers to "an employer that employed an average of at least one but not more than 50 employees on business days during the preceding calendar year and that employs at least one employee on the first day of the plan year."

Amends GS 58-50-115, Health benefit plans subject to Act, making conforming changes, deleting references to "self-employed individuals" from the section.

Amends GS 58-50-125(d), deleting provisions of the subsection that relate to basic and standard small group plans, in conformance with the ACA.
Repeals sections (a) and (a1) of GS 58-50-125, Health care plans; formation; approval; offerings, effective January 1, 2015.

Amends subsection (b) of GS 58-50-130, Required health care plan provisions, making conforming changes, specifically making this section applicable to small employer health benefit plans that are grandfathered health benefit plans.

Creates new subsection GS 58-50-130(b1), which sets out provisions concerning small employer health benefit plans that are not grandfathered health benefit plans. Establishes that the premium rates are subject to the specified provisions.

Creates new subsection GS 58-50-130(i), providing that a small employer carrier cannot modify the premium rate charged to a small group non-grandfathered health benefit plan or a small employer group member, including changes in rates related to the increasing age of a group, for 12 months starting from the initial issue or renewal date.

Except as otherwise provided, Section 2 becomes effective January 1, 2014, applying to all insurance contracts and policies issued, renewed, or amended on or after that date.

**Section 3**

Amends GS 58-50-110, deleting (22a), the definition for small employer as it applies to non-grandfathered group health plans, and creating GS 58-50-110(22b), to define small employer, in connection with a non-grandfathered group health plan with respect to a calendar year and a plan year, as an employer that employed an average of at least one but not more than 100 employees on business days during the preceding calendar year and that employed at least one employee on the first day of the plan year.

Effective January 1, 2016.

**Section 4**

Directs the Department of Insurance to adopt rules to implement this act.

**Summary date: May 2 2013**

House amendment to the 2nd edition of the act makes the following changes. Adds a new section, the intent of which is to codify the finding in the case of Rockford-Cohen Group, LLC, V. North Carolina Department of Insurance, et al., where the Superior Court’s order preliminarily enjoined the defendants from enforcing SL 2012-183 in part because it found that the session law violated Section 32 and 33 of Article 1 of the NC Constitution. Repeals SL 2012-183 (providing for the pre-licensing and continuing education of bail bondsmen and runners). Effective retroactively to October 1, 2012.

**Summary date: May 16 2013**

House committee substitute makes the following changes to the 3rd edition.
Deletes Section 4.1(a) of the act, which provided for the codification of the findings in the case of Rockford-Cohen Group, LLC, v. North Carolina Department of Insurance, et al., where the Superior Court’s order preliminarily enjoined the defendants from enforcing SL 2012-183 in part because it found that the session law violated Section 32 and 33 of Article 1 of the NC Constitution.

Deletes the previous repeal of SL 2012-183 (providing for the pre-licensing and continuing education of bail bondsmen and runners).

Deletes language which made the above provisions retroactively effective on October 1, 2012.

Makes a conforming change.

**Summary date:** Jun 6 2013

Senate committee substitute makes the following changes to the 4th edition.

Changes the long title.

Amends GS 58-50-1230(a), regarding stop loss health insurance, providing that an insurer will not issue a stop loss health insurance policy to any entity defined as a small employer if they do any of the following:

1. Provide direct coverage of health expenses payable to an individual.

2. Have an annual attachment point for claims incurred per individual that is lower than $20,000.

3. Have an annual aggregate attachment point lower than the greater of 120% of expected claims or $20,000.

Deletes language that prohibited a specified insurance holding company from acting as an administrator or claims paying agent, as opposed to an insurer, on behalf of small groups.

Above provisions are effective October 1, 2013, and apply to all stop loss insurance contracts and policies issued, renewed, or amended on or after that date.

Directs the Department of Insurance to adopt rules providing for the oversight, monitoring of, and reporting by insurers and third party administrators who administer health benefit plans with stop loss coverage pursuant to this act.

**Summary date:** Jun 12 2013

Senate amendment makes the following changes to the 5th edition.

Provides that a small employer carrier, in developing and adjusting premiums for specified small employer group health benefit plans, can make adjustments to premiums for "tobacco use", except that the rate cannot vary by more than one and one-fifteenth to one (was, one and one-half to one).
Amends GS 58-50-130(a), providing that no small employer carrier, insurer, subsidiary of an insurer, or controlled individual of an insurance holding company can provide stop loss, catastrophic, or reinsurance coverage to small employers who employ fewer than 26 eligible employees that does not comply with the underwriting, rating, and other applicable standards in this Act (previously, only referred to small employers, with no number of employees mentioned).

Summary date: Jul 10 2013

Conference report makes the following changes to the 6th edition.

Amends GS 58-50-130(b1)(1), subdivision (a), by clarifying that the language "three to one" means "the ratio of three to one (3:1) as well as providing that in (b1)(1)d that the tobacco use adjustment shall not vary by more than "the ratio of one and two tenths to one (1.2:1)" (was, more than one and one-fifteenth to one).

Amends 58-50-130(a), providing that no small employer carrier, insurer, subsidiary of an insurer, or controlled individual of an insurance holding company can provide stop loss, catastrophic, or reinsurance coverage to small employers that have an annual attachment point for claims incurred per individual that is lower than $20,000 for plan years beginning in 2013. After that, the amount will be indexed according to the Consumer Price Index for Medical Services for All Urban Consumers for the South Region and will be rounded to the nearest whole thousand dollars. Provides that the index factor will be the index as of July of the year preceding the change divided by the index as of July 2012 (previously, did not include the indexing requirement). Also prohibits the provision of the above coverage to small employers that have an annual aggregate attachment point lower than the greater of (1) 120% of expected claims or (2) $20,000 for plan years beginning in 2013 or after that greater than the amount provided by the above noted indexing (previously, did not include the indexing requirement).

Directs the Department of Insurance to make the amount of the attachment points, as provided in Section 3 of the act, available to the public annually.

Summary date: Jul 26 2013

AN ACT TO MAKE TECHNICAL CHANGES TO THE SMALL EMPLOYER GROUP HEALTH COVERAGE REFORM ACT TO MITIGATE THE EFFECTS OF THE FEDERAL AFFORDABLE CARE ACT ON NORTH CAROLINA’S SMALL BUSINESSES AND TO INCREASE STOP LOSS INSURANCE OPTIONS FOR SMALL EMPLOYERS. Enacted July 25, 2013. Section 2 is effective January 1, 2014, except as otherwise provided. Section 3 is effective October 1, 2013. Section 4 is effective January 1, 2016. The remainder is effective June 25, 2013.

SL 2013-358

CHARLOTTE DOUGLAS INT’L AIRPORT COMMISSION.
Bill S 380

Summary date: Mar 20 2013

Identical to H 135, filed 2/20/13.

Enacts new subsection (a2) to GS 130A-294 (concerning solid waste management program) to specify that permits for sanitary landfills and transfer stations will be issued for (1) a design and operation phase of five years or (2) a design and operation phase of ten years subject to a limited review within five years of the permit issuance date. Amends GS 130A-295.8 (concerning permit fees) to add a definition for major permit modification; adds new application fees for ten-year permits and clarifies that existing fees apply to five-year permits. Makes a conforming change. Applies to permit applications submitted on or after July 1, 2013.

Summary date: Apr 30 2013

Senate committee substitute to the 1st edition makes the following changes. Amends GS 130A-295.8 to add the following application fees: (1) $2,500 for a new 10-year tire monofill permit; (2) $2,000 for a 10-year tire monofill amendment; and (3) $625 for a major modification to tire monofill.

Summary date: Jul 25 2013

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

Amends the short and long titles.

Provides that this act is to be known as the Charlotte Douglas International Airport Commission Act.

Repeals SL 2013-272, which created the Charlotte Douglas International Airport Authority.

Amends Charlotte's charter to create an Airport Commission (Commission) as an agency of Charlotte. The Commission will consist of 13 members: seven appointed by the City of Charlotte, with at least two of whom are residents of the west side, and the remaining six members are appointed by the surrounding counties: Mecklenburg, Cabarrus, Gaston, Iredell, Lincoln, and Union. Sets out definitions for use in regards to the Commission.

Provides that the initial members of the Commission will be the members of the Airport Advisory Committee of Charlotte. Such members will serve only until seven members have been appointed by the appointing authorities. Limits the powers of the Airport Advisory Committee serving as the initial members to ministerial acts, having no power to award or enter into employment or management contracts. Requires the appointing authorities to appoint initial members by October 1, 2013. Requires that members, when practical, have experience in aviation, logistics, construction and/or facilities management, law, or accounting and/or finance. Provides for staggered terms for members, as indicated. Specifies that initial four-year terms expire December 31, 2017, and all initial two-year terms expire December 31, 2015. Sets out additional rules and regulations for Commission members. Provides that any member can be suspended or removed from office by a majority vote of the other members for
cause affecting that member’s duties and responsibilities or other specified instances of misconduct. Allows members to continue to serve until a successor has been duly appointed and qualified, but not for more than 60 days beyond the end of the term.

Establishes that actions of the Authority will be determined by a majority vote of the members that are present and voting in a duly called meeting at which a quorum is present. Requires monthly Commission meetings. Members will receive payment and reimbursement for travel, lodging, and meal expenses in the course of transacting business on behalf of the Commission. Meetings and closed sessions of the Commission must be conducted in accordance with GS Chapter 143, Article 33C.

Sets out administrative procedures for electing the officers of the Commission and bookkeeping. Provides that the Commission will be deemed a "special district" as defined in GS 159-7 and conduct fiscal affairs in accordance with the provisions of the Local Government Budget and Fiscal Control Act.

Provides that the initial budget of the Authority will be the budget established by the City Council of the City of Charlotte for the Airport for the period July 1, 2013, through June 30, 2014, until the initial budget is revised by the Commission. Establishes that the financial affairs of the Authority will be governed by the Local Government Finance Act.

Sets out 18 powers and duties of the Commission, including acquiring, administering, or otherwise regulating airports and/or landing fields for use by airplanes and other aircraft and all facilities incidental to their operation, within the limits of Mecklenburg County.

Clarifies that the Commission cannot exercise the power of eminent domain. Any such acquisition of property for airport purposes must be exercised by the City. Provides the Commission has the same tax exemptions in regards to taxes and license fees as provided for the city by state law. The Commission cannot levy any tax.

Provides that the Commission has control, on behalf of Charlotte, of the airport property, facilities, and all other property held or owned by Charlotte with respect to the Airport, real or personal, tangible or intangible, including cash and cash equivalents as well as other financial instruments. Sets out specific funds and charges the Commission now has control over.

Provides that the Commission acts on behalf of Charlotte in regards to all rights, duties, and obligations of the city in any commercial or development agreements pertaining to or related to airport property. Sets out six requirements of the Commission in regards to these agreements, including honoring and being bound by all pending or executory land or real property purchase contracts by Charlotte with respect to property and lands to be acquired for and in connection with the airport.

Provides that the Commission can employ an executive director and at the director’s request Charlotte will continue to provide such services to the Commission as it currently provides to the Airport Department. Provides that the employees of Charlotte’s Aviation Department will be employed and paid by the Commission. All benefits currently available to the employees will continue to exist as Commission employees.
Provides that the powers of the Commission created by this act are to be construed liberally in favor of the Commission. Requires the Commission, in its initial decisions, to consider the consultant recommendations made to Charlotte in 2013 concerning governance of the airport.

Creates the Charlotte Douglas International Airport Oversight Committee consisting of five members, one appointed by each of the following: the Governor, President Pro Tempore, Speaker, Mayor of Charlotte, and the City Council of Charlotte. The Committee is tasked with monitoring the actions of the Commission and making regular reports and recommendations to the Mayor and City Council containing information on five points, including whether the airport continues to be one of the best performing lowest cost major hub airports and whether the operations of the Commission comply with the provisions of this act. The Committee will terminate on July 1, 2015.

Includes a severability clause.

Summary date: Jul 26 2013


SL 2013-359

CHARTER SCHOOL ENROLLMENT & CHARTER REVISIONS.

Bill H 250

Summary date: Mar 6 2013

Amends GS 115C-238.29F(g) to permit charter schools to extend enrollment priority to siblings applying for admission to the charter school at the same time and to children of the school’s employees (was, school’s principal, teachers, and teacher assistants). Provides that siblings includes, for purposes of this section, half-siblings and step-siblings. Provides that if a lottery is needed under subdivision (5) of this section, the charter school is to enter one surname into the lottery to represent all of the siblings applying at that time (was, provision applied to multiple birth siblings only). Additionally provides that a charter school may offer enrollment priority to a student who was enrolled in the charter school within the previous two school years but left the school to participate in extraordinary educational opportunities or because of vocational opportunities available to the student’s parent. Applies beginning with the 2013-14 school year.

Summary date: Mar 19 2013

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

Amends GS 115C-238.29F(g) to permit charter schools to extend enrollment priority to siblings of currently enrolled students who were admitted to the charter school in a previous school year; to
children of the school’s principal, teachers, and teacher assistants; or children of all school employees. Deletes requirement that charter schools extend enrollment priority to siblings applying for admission to the charter school at the same time. Provides that if a lottery is needed for enrollment, the charter school may (was, shall) enter one surname into the lottery to represent all of the siblings applying at the same time. Provides that the charter school may give enrollment priority to the children of the initial members of the charter school’s board of directors only for its first three years (was, one year) of operation.

Reinstates provision applying to multiple birth siblings in the event that an enrollment lottery is necessary. Requires a charter school to enter one surname into the lottery to represent all of the multiple birth siblings applying at the same time. Provides that if that surname is selected in the lottery, then all of the multiple birth siblings are to be admitted. Identifies a study abroad program and a competitive admission residential program as examples of extraordinary educational opportunities which may cause a student enrolled within the previous two years in a charter school to leave that charter school but nonetheless be considered for priority enrollment when the student returns seeking re-enrollment in the charter school.

**Summary date:** Mar 20 2013

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

Amends GS 115C-238.29F(g), providing that a charter school may give enrollment priority to siblings, defined to include, for this subdivision, half siblings, step siblings, and children residing in a family foster home (previously, didn’t include foster children as siblings).

**Summary date:** Mar 26 2013

House amendment #2 makes the following change to the 2nd edition. Amends GS 115C-29F(g) to provide that for its first three years of operation, the charter school may give enrollment priority to children of the initial members of the charter schools’ board of directors, so long as those children are limited to more than 10% of the school’s total enrollment or to 20 students, whichever is greater (removes the requirement that the charter school is not a former public or private school).

**Summary date:** Jun 26 2013

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

Amends the short and long title.

Amends GS 115C-238.29F(g), reorganizing the admission requirements for charter schools. Requires the charter school’s population to reasonably reflect the local school administrative unit or the racial and ethnic composition of the special population the school seeks to serve within one year after beginning operation. Provides that limited priority can be given to children of the school’s full-time employees (was, to the children of the principal, teachers, and teacher assistants as well as to the children of all school employees). Also provides that limited priority can be given to the children of the initial members
of the board of directors for the first year of operation (was, first three years of operation), as long as the charter school is not a former public or private school. Also provides that priority can be given to a student that was enrolled at the charter school within the two previous school years but left to (1) participate in an academic study abroad program or a competitive admission residential program (previously, left to participate in an extraordinary educational opportunity such as a study abroad program or a competitive admission residential program) or (2) because of the vocational opportunities of the student's parents.

Provides that priority can be given to the younger siblings of charter school students if the older sibling attends the charter school for at least 4 grade levels and attends the highest grade of the school.

Amends GS 115C-238.29D, final approval of applications for charter schools, reorganizing provisions regarding the revision of charter applications. Provides that expanding to offer grades four and five if previously authorized to offer grades K through third grade; expanding to offer grades seven and eight if the charter school is authorized to offer grade six; and expanding to offer grades ten, eleven, and twelve if the charter school is authorized to offer grade nine is not considered a material revision of a charter application.

**Summary date:** Jul 2 2013

Senate amendments to the 4th edition make the following changes.

Amendment #1 amends GS 115C-238.29D(f) to provide that it is not considered a material charter application revision, and does not require prior approval, for a charter school to expand to offer one grade higher than the charter school currently offers (was, expand to offer grades four and five if the school has previously been authorized to offer kindergarten through third grade).

Amendment #2 amends the admission requirements in GS 115C-238.29F(g) to require the charter school, within one year after beginning operation, to make efforts for the school's population to reasonably reflect (was, within one year after the charter school begins operation, the school's population must reasonably reflect) the racial and ethnic composition of the general population residing in the local school administrative unit or that of the special population that the school seeks to serve residing within the local school administrative unit where the school is located.

Amendment #3 amends GS 115C-238.29F(g) to create a limit of no more than 15% (was, no more than 10%) of the school's total enrollment consisting of children of the school's full time employees, and, for its first year of operation, children of the initial members of the school's board of directors so long as the school is not a former public or private school. Adds the possibility of a waiver from this requirement by the State Board of Education.

**Summary date:** Jul 15 2013

The conference report makes the following changes to the 5th edition.
Amends GS 115C-238.29F(g)(5a) to provide that a charter school may give enrollment priority to the children of initial members of the charter school's board of directors for its first year of operation. Deletes requirement that the enrollment priority is only applicable if the charter school is not a former public or private school. Also amends subdivision (5b), providing that all siblings making simultaneous application to a charter school and whose surname is selected in a charter school lottery are to be admitted to that charter school to the extent that space is available and enrollment does not exceed grade level capacity.

Amends GS 115C-238.29D(f)(3) to provide that it is not a material revision of a charter application and does not require prior approval from the State Board of Education for a charter school to expand to offer one grade higher than the charter school currently offers, providing that the charter school (1) has operated for at least three years and (2) has not been identified as having inadequate performance as provided in GS 115C-239.29G(a1).

Summary date: Jul 29 2013

AN ACT TO PROVIDE FOR ENROLLMENT PRIORITY AND PROCEDURES FOR CERTAIN STUDENTS APPLYING TO CHARTER SCHOOLS AND TO MAKE CHANGES AS TO WHAT QUALIFIES AS A MATERIAL REVISION TO A CHARTER APPLICATION. Enacted July 26, 2013. Effective July 26, 2013, and applies beginning with the 2013-14 school year.

SL 2013-360

APPROPRIATIONS ACT OF 2013.

Bill S 402

Summary date: Mar 25 2013

Blank bill.

Summary date: May 23 2013

Senate committee substitute, as amended, makes various changes to the 1st edition. We will not be including a summary of the Appropriations Act. Further information on the budget, including the committee report, can be found on the "News" section of the General Assembly's website at: http://www.ncleg.net/gascripts/News/NewsArchive.pl.

Summary date: May 23 2013

The following amendments are to the 2nd edition of the Appropriations Act of 2013.

Section 38.6 Effective Date

Senate amendment #6 makes a technical correction to the act's effective date.
Section 34.14.(j) Assess Certain Real Properties

Senate amendment #8 removes four parcels of property from the noncorridor real property to be assessed by any state-owned railroad company with tracks in more than two counties. Enacts new Section 34.14.(j1) to provide that any state-owned railroad company with tracks in more than two counties must issue a dividend that consists of any of the company's noncorridor real property that is among the following parcels: (1) 4th Street Lot (Carteret), (2) Station & Former Industrial Lot (Carteret), (3) Waterfront & Riparian Rights (Carteret), and (4) N. Craven St. Lot (Craven). Requires that the dividend be issued no later than June 30, 2014, and that it be in the form of a transfer of the property to the Department of Administration (Department). Senate amendment #10 amends amendment #8 to provide an exception that the dividend required under this subsection must be issued no later than August 1, 2013, with regards to the N. Craven St. Lot.

Adds new Section 34.14.(j2) to direct the Department, in collaboration with the Department of Transportation (DOT) and the North Carolina State Ports Authority (NCSPA), to evaluate the value of the parcels listed in subsection (j1) that are located in Carteret County. Specifies factors to be compared in the evaluation and requires the Department and the DOT to report the results of the evaluation and make recommendations to the Joint Legislative Transportation Oversight Committee by April 1, 2014. Prohibits the Department from selling the Carteret County parcels described in this subsection until authorized to do so by an act of the General Assembly. However, directs the Department to sell parcels listed in subsection (j1) that are located in Craven County, regardless of Articles 2 and 7 of GS Chapter 146, GS 124-5.1, and GS 136-16.6. Directs the Department to deposit the proceeds from the sales into the Freight Rail and Rail Crossing Safety Improvement Fund of the Highway Fund. Permits the Department to deduct the costs of selling the property from the proceeds of the sales.

Section 12H.2.(c) Clarify State Plan Amendment Procedures; Repeal Unauthorized State Plan Amendment

Senate amendment #13 rewrites subsection (c) of this section to direct the Department of Health and Human Services to take action to amend the Medicaid State Plan regarding supplemental payments that increase reimbursement to the average commercial rate for certain eligible medical professional providers. Limits the definition of eligible medical professional providers to apply only to doctors employed as academic faculty by the East Carolina School of Medicine or the University of North Carolina at Chapel Hill School of Medicine. Restricts supplemental payments to being made only for services provided at these schools of medicine. Makes a conforming change to the title of this section, deleting the phrase "repeal unauthorized state plan amendment" and replacing it with "amend state plan."

Summary date: May 23 2013

Senate amendment #14 makes the following changes to the 2nd edition, as amended.

Amends the following Sections: Section 14.3(o) (concerning creation of water and land conservation fund/grant program, repeal of CWMTF and NHTF), Section 14.21(o) (concerning new Division of Water
Infrastructure, Water Infrastructure Authority, and transfer of water infrastructure fund), Section 15.22(q) (concerning energy policy and life-cycle cost analysis), Section 15.26(b) (repealing statutory references to the Rural Center), and Section 15.28(g) (concerning the Regional Economic Development Commissions), concerning the Revisor of Statutes and Codifier of Statutes, deleting all the language found within and replacing it with the following uniform language:

The Revisor of Statutes may conform names and titles changed by this section, and may correct statutory references as required by this section, throughout the General Statutes. In making the changes authorized by this section, the Revisor may also adjust subject and verb agreement and the placement of conjunctions.

Summary date: Jun 12 2013

House amendments make the following changes to the 4th edition.

Amendment #1 amends Adjustments to Availability, changing the amounts for the Tobacco Master Settlement Agreement (MSA) Funds as follows: for 2013-14, $46,889,357 (was, $115,639,357) and for 2014-15, $22,250,000 (was, $91,000,000). Adds the following amounts for the Diversion of Golden L.E.A.F.: $68,750,000 for 2013-14 and the same amount for 2014-15.

Amendment #1 also makes the following additional changes.

Adds new subsection (g) to Section 2.2, providing that of the annual installment payments to the North Carolina Specific Account that would have been transferred to the Golden L.E.A.F., Inc. under Section 2(b) of SL 1999-2 for fiscal years 2013-14 and 2014-14, the sum of $68,750,000 for fiscal year 2013-14 and the sum of $68,750,000 for fiscal year 2014-15 is transferred to the General Fund. Directs that annual installment payments in excess of the amounts specified in this section are to be transferred to the Settlement reserve Fund (GS 143C-9-2).

Adds new subsection (h) to Section 2.2, to require that the Attorney General take all necessary actions to provide notice to the court in the action entitled State of North Carolina v. Phillip Morris Incorporated, et. al., 98 CVS 14377 and to the State Specific Account established under the Master Settlement Agreement of the General Assembly’s action regarding the redirection of payments set forth in this section.

Retains the changes to GS 116-29.1(b) to delete the transfer of $8 million from Budget Code 69430 to the University Cancer Research Fund (Cancer Fund) and to also delete the provision that provided for an appropriation from the General Fund to the Cancer Fund in an amount to equal the difference between $50 million and the amounts transferred under Budget Code 69430 and from the tax on tobacco products other than cigarettes. Deletes the approval of the creation of a nonprofit according to the Consent Decree and Final Judgment and related provisions, the repeal of SL 1999-2, and the changes to GS 143C-9-3(a).

Specifies that totals are to be adjusted accordingly to reflect these changes.
Amendment #2 inserts new Section 6.8, *North Carolina Education Lottery*, which amends GS 18C-151(a) to require that a contract entered into by the NC State Lottery Commission (Commission) for the purchase of services, apparatus, supplies, materials, or equipment requiring an estimated aggregate expenditure of $300,000 (was, $90,000) or more may be awarded by the Commission only after the requirements as specified in GS 18C-151 have been met.

Amendment #3 inserts new Section 18A.4, *Private Assigned Counsel*, directing the Office of Indigent Defense Services (IDS) to issue a request for proposals from private law firms or not-for-profit legal representation organizations to provide all legal services for indigent clients in all judicial districts. Requires IDS to report, by October 1, 2013, to the Joint Legislative Commission on Governmental Operations on the issuance of the request for proposals. Provides guidelines for IDS to apply in entering into contracts to provide representation services, if more efficient than current costs and representation will meet constitutional and statutory standards, and directs IDS to use private assigned counsel funds to enter into these contracts.

Amendment #4 amends Section 11.6(a), *UNC Board of Governors Report on Overhead receipts*, to delete the requirement that the Board of Governor’s annual report contain line item reports for facilities and administrative fees, overhead receipts, and expenditures by grant or program.

Amendment #8 amends Section 12H.13.(g) to direct the Department of Health and Human Services (DHHS), Division of Medical Assistance, to implement changes after consultation with the Joint Legislative Oversight Committee on Health and Human Services, (was, to implement changes to the reimbursement rates and methodologies for prescribed drugs) in order to achieve the savings required by this act. Requires that the options selected by DHHS be implemented to be effective January 1, 2014 (was, provided that the rates and methodologies required by this section are effective January 1, 2014). Prohibits DHHS from considering (1) supplemental rebates for mental health and HIV drugs or (2) payments based on invoice costs in implementing drug reimbursement rates and methodologies under Section 12H.13(g). Makes conforming changes deleting provisions for achieving savings that include changing, creating, or eliminating supplemental rebates for mental health and HIV drugs, and payments based on invoice costs to pharmacists.


Amendment #10 makes changes to new GS 115C-83.4A (Section 8.27.(b)) to provide that schools may identify students for potential enrollment in advanced courses based on criteria established by schools to increase access to advanced courses for their students other than student diagnostic tests.

Amendment #12 makes changes to the organization of counties into superior court districts, district court districts, and prosecutorial districts. Authorizes an additional district court judge for district court district 27B, increasing the number of judgeships to six (was, five). Provides that the additional judgeship is to be filled by election of a district court judge in the 2014 general election for a four-year term beginning January 1, 2015. Reduces the number of judgeships for district court district 20A to two (was, 20A to two (was,
three). Decreases the number of full-time assistant district attorneys for prosecutorial district six to 10 (was, 11). Establishes prosecutorial district 16C. Provides that the district attorney position established for district 16C is to be filled by election in the 2014 general election for a four-year term beginning January 1, 2015. Makes additional conforming changes and organizational changes.

Amendment #13 inserts new Section 16B.7 to provide that there is no requirement that the following Alcohol Law Enforcement (ALE) positions be eliminated, notwithstanding any other provisions of this act: ALE Assistant Director, Assistant Special Agent in Charge, and Accreditation Manager. Reducing the operating budget for the ALE Section by $456,058 during the 2013-14 fiscal year, and by $456,058 during the 2014-15 fiscal year. Authorizes the Department to eliminate positions to meet the reduction required under this section. Makes conforming change that totals be adjusted accordingly.

Amendment #16 amends Section 12B.1(f) that the Division of Child Development and Early Education’s NC Pre-K pilot program’s report on the status of the program must include the student attendance records, parent satisfaction levels, teacher retention, and provider satisfaction levels for classrooms in the pilot program, (was, attendance information on students in the pilot program) as compared to classrooms having a traditional funding structure.

Amendment #17 adds new Section 15.28C to provide, despite any other provision of this act, $18,000 of the funds appropriated in this act to the Department of Commerce for the Piedmont Triad Partnership for the 2013-14 fiscal year, is instead appropriated, in nonrecurring funds, to Surry County for the 2013-14 fiscal year. Directs that the appropriate totals be adjusted accordingly.

House amendment #20

Amends the Section titled "Small School System Supplemental Funding" found in Part 8, modifying the allotment formula for small school system supplemental funding to each county school administrative unit for the 2013-14 fiscal year for (1) each county school unit with an average daily membership fewer than 3,175 students, and (2) each county school administrative unit with an average daily membership from 3,175 to 4,000 students if the county in which the local school unit is located has a county-adjusted property tax base per student that is below the State-adjusted property tax base per student if the total average daily membership of all local school units in the county is from 3,239 to 4,080.

Provides that the allocation formula must (1) round all fractions of positions to the next whole position, (2) provide 5.5 additional regular classroom teachers in certain counties, (3) provide additional program enhancement teachers adequate to offer the standard course of study, (4) change the duty-free period allocation to 1 teacher assistant per 400 average daily membership, (5) provide a base for the consolidated funds allotment of $693,954, excluding textbooks, for the 2013-14 fiscal year, and 6) allot vocational education funds for grade 6 as well as 7-12.

Provides a nonsupplant requirement, providing that for the 2013-14 fiscal year, a county in which a local school administrative unit receives funds under this section must use the funds to supplement local current expense funds and cannot supplant local current expense funds. Prohibits the State Board of Education from allocating funds under this allotment to a county found to have used these funds to
supplant local per student current expense funds. Requires the State Board of Education to find that a county has used these funds to supplant local current expense funds in the prior year, or the year for which the most recent data are available, if the following apply: (1) the current expense appropriation per student of the county for the current year is less than 95% of the average of the local current expense appropriations per student for the three prior fiscal years and (2) the county cannot show that it has remedied the deficiency in funding; or that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this allotment.

Includes a phase-out provision for those units that become ineligible because of population increase or an increase in the county-adjusted property tax base per student.

Provides definitions for use in this section, including Average daily membership, County-adjusted property tax base per student, Local current expense funds, Sales assessment ratio studies, State-adjusted property tax base per student, Supplant, and Weighted average of the three most recent annual sales assessment ration studies.

Requires the State Board of Education to report to the Fiscal Research Division by May 1, 2014, if it determines counties have supplanted funds.

Encourages local boards to use at least 20% of the funds to improve the academic performance of children performing at Levels I or II on reading or math end-of-grade tests in grades 3-6.

Provides that if the total average daily membership of all local school administrative units in the county is less than 3,200, then the county school administrative unit within that county is eligible for small school system supplemental funding for the 2014-15 fiscal year.

Amends Section 8.4(b), concerning small school system funding, providing that the maximum small school system dollars per student will be $2,094 (was, $2,300). Amends Section 8.4(d), changing the included date for the nonsupplant requirement to the 2014-15 fiscal year (was, 2013-15 fiscal biennium).

Amends the report requirements of Section 8.4(e), providing that for the 2013-14 fiscal year, the State Board of Education must report to the Fiscal research Division prior to May 1, 2015, if it determines counties have supplanted funds.

House amendment #22

Enacts the "Pilot Program to Raise the High School Dropout Age from Sixteen to Eighteen", comprising Sections 8.49(a) through 8.49(f). Provides that the State Board of Education (Board) authorizes the Hickory County Public School and the Newton-Conover City Schools to establish the above noted the dropout pilot program. Appropriates from the General Fund to the Board $10,000 for the 2013-14 fiscal year to allocate funds to the participating school systems in order to implement the pilot program. Authorizes the Board to allocate up to $5,000 to each local school administrative unit (unit) for this purpose. Decreases the funds allocated to the At-Risk Student Service Alternative School Allotment by $10,000 for the 2013-14 fiscal year.
Authorizes units to use any other funds available to employ up to three additional teachers and to fund additional student-related costs for the pilot program. Directs the units to partner with Catawba Valley Community College in regards to the pilot program to the extent possible.

Requires the participating units, in collaboration with the Board, to report to the Joint Legislative Education Oversight Committee, the House Appropriations Subcommittee on Education, and the Senate Appropriations Committee on Education/Higher Education on or before January 1, 2016, with the report required to cover specified information, including but not limited to, an analysis of the graduation rate in each unit and the impact of the pilot program on the graduation rate and the teen crime statistics for Catawba County.

Provides that the Board will not allocate the $10,000 in funds unless a copy of a joint resolution, adopted by the Hickory Public Schools and the Newton-Conover City Schools boards of education, setting a date to begin the pilot program, is received.

House amendment #25.

Amends Section 10.15(c), concerning audits of the community college system, providing that a study of the program audit function under GS 115D-5(m) will be conducted by a committee, which will be located administratively in the Community Colleges System Office and composed of 12 members, including the Community Colleges System Office Chief Financial Officer, three State Board of Community College members, three college presidents, three college board of trustee members, the State Auditor or designee, and the State Chief Information Officer or designee. Specifies who will make the appointments of the above individuals. Sets out the processes and procedures of the committee. Directs the committee to minimize the administrative burden on the institutions being audited and to study how funding can be changed to reduce reliance on contact hours. Requires the committee to seek input from community college staff members who assist with the program audits in order to study the problems associated with the audits and discover potential resolutions for those issues. Directs the committee to report results of the study and recommendations to the Joint Legislative Education Oversight Committee by January 1, 2015.

House amendment #26

Inserts new Section 6.19, providing that, notwithstanding any other provision of law, the funds allocated for H 998 for the 2013-14 fiscal year will be reduced by $145,000 if H 392 becomes law. Provides that from the funds appropriated in this act for pending legislation for the 2013-14 fiscal year, $145,000 is allocated for the purposes of H 392.

Amendment #28

Inserts new Section 19.8A, concerning Arts Council Funding, providing that, notwithstanding any other provision in the act, the funds appropriated to the Department of Revenue will be reduced by $180,000 in recurring funds for each year of the fiscal biennium. Directs the funds appropriated to the
Department of Cultural Resources to be increased by $180,000 in recurring funds each year of the fiscal biennium to fund additional grants within the Grassroots and Basic grants program.

**Summary date:** Jul 22 2013

Conference report to the 5th edition will not be summarized. For more information on the bill, please see the NCGA news page: http://www.ncleg.net/gascripts/News/NewsArchive.pl.

**Summary date:** Jul 29 2013

AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES. Enacted July 26, 2013. Effective July 1, 2013, except as otherwise provided.

**SL 2013-361**

**GUILFORD AND STANLY ELECTION SYSTEMS.**

**Bill S 317**

**Summary date:** Mar 14 2013

As the title indicates. Provides that the names and boundaries of voting tabulation districts as specified in this act are as shown on the 2010 Census Redistricting TIGER/Line Shapefiles (TIGER/Line). Provides that if any voting tabulation district boundary is changed, the change will not alter the boundary of the district which will remain the same as it is depicted in the TIGER/Line boundaries. This act applies only to Guilford County.

**Summary date:** Apr 18 2013

Senate committee substitute to the 1st edition makes the following changes. Amends Section 2 of SL 1991-78 to require that beginning in 2016, one member of the Guilford County Board of Education is to be elected from each of the nine numbered districts and one is to be elected from each of the two lettered districts. Provides that in the 2016 election and biennially thereafter, members for all districts are to be elected to two-year terms. Makes conforming changes, including delineating lettered districts. Effective December 1, 2016, repeals Section 6 of SL 1991-78 (providing for the filling of vacancies). Provides that the act does not affect the terms of office of members elected in 2010 or 2012.

**Summary date:** Jul 22 2013

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

Amends the short and long titles.
Provides that effective the first Monday in December of 2016, the Guilford Board of Education will reduce in size from 11 members to 9 members, by creating eight single-member districts with one at-large seat. In the 2016 general election and every four years after that, those elected in Districts 1, 2, 3, and 7 would be elected to a two-year term with subsequent members being elected to four-year terms. In the 2016 general election, Districts 4, 5, 6, 8 and the at-large member would be elected to four-year terms and every four years after that; members in 1, 2, 3, and 7 would be elected for two-year terms and then to four-year terms is 2018. The districts and boundaries to be used are as provided and described in the act. Amends the makeup of the districts. Makes conforming changes.

Subject to a voter referendum conducted during the May 2014 primary, if favorable, elections concerning the Guilford Board of Education will become partisan beginning with the 2016 election cycle. Effective December 1, 2016, vacancies on the Board would be filled as provided for in Section 6 of Chapter 78 of SL 1991, in accordance with GS 115C-37.1 and based on recommendations by the executive committee of the party of the vacating member.

Amends the makeup of the Stanly County Board of Commissioners and Board of Education, providing that the Board of Commissioners would expand to have seven members (was, five members elected at large for four-year staggered terms). Five members would be elected from single-member residency districts and two members would be elected at large. All members would be elected to serve four-year terms. In 2014 and every four years after that, members from Districts 1, 2, 3, and 4 and one at-large member would be elected. In 2016 and every four years after that, a member from District 5 and one at-large member would be elected. Provides that this act does not alter or change the term of office for any member that expires in 2016. Effective July 1, 2011.

Effective July 1, 2014, the Stanly County Board of Education would be reduced from nine members to seven members. Five members would be elected from single-member residency districts and two members elected at large. All members would serve four-year terms. Starting in 2014, and every four years after that, a member from District 1 and one at-large member would be elected. Beginning in 2016 and every four years after that, one member each from Districts 2, 3, 4, and 5 and one at-large member would be elected. The districts and boundaries to be used in the elections are as provided and described in the act.

Amends the enactment clause, providing that except as provided in the act, the provisions are effective when the act becomes law. Provides that Sections 1 and 2 of the act do not affect the terms of office of members of the Guilford County Board of Education elected in 2010 or 2012.

Summary date: Jul 24 2013

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

Makes technical corrections to the referendum language, clarifying that it refers to the Guilford County Board of Education elections.
Provides that Section 4 of the act becomes effective the first Monday in December 2014 (was, July 1, 2014). In the 2014 elections and thereafter, members will be elected in accordance with this section.

**Summary date:** Jul 26 2013

Conference report makes the following changes to the 4th edition.

Amends the long title.

Provides that the nine members of the Board of Education of the Guilford County School Administrative Unit will be elected on a partisan basis (was, nonpartisan primary basis).

Amends the provisions concerning election for board members, providing that in the 2016 general election, members for Districts 2, 4, 6, and 8 and the at-large member will be elected for two-year terms. In 2018 and every four years after that, members for Districts 2, 4, 6, and 8 and the at-large member will be elected for four-year terms. In 2016 and every four years after that, members for Districts 1, 3, 5, and 7 will be elected for four-year terms (previously, in the 2016 general election and every four years after that, those elected in Districts 1, 2, 3, and 7 would be elected to a two-year term with subsequent members being elected to four-year terms. In the 2016 general election, Districts 4, 5, 6, 8 and the at-large member would be elected to four-year terms and every four years after that; members in 1, 2, 3, and 7 would be elected for two-year terms and then to four-year terms in 2018). Amends the makeup of the districts and makes conforming changes.

Deletes the provisions of section 2(a) of the act, which previously made the Board of Education of the Guilford County School Administrative Unit elections partisan.

Changes the effective dates for the provisions concerning the election for the Guilford County Board of Education to the first Monday in December 2016. Makes technical changes to provisions regarding vacancies on the Guilford County Board of Education.

Changes the effective date for the proposed changes to GS 115C-37.1(d) to the first Monday in December (was, December 1, 2016).

Deletes provisions that provided for a voter referendum conducted during the May 2014 primary and, if favorable, the elections for the Guilford Board of Education would become partisan beginning with the 2016 election cycle.

Changes the effective date for the section concerning election procedures for the County Commissioners of Stanly County to July 1, 2014 (was, effective the first Monday in December 2014).

**Summary date:** Jul 29 2013

AN ACT TO REDUCE THE SIZE OF THE GUILFORD COUNTY BOARD OF EDUCATION FROM ELEVEN TO NINE MEMBERS, TO ESTABLISH REVISED DISTRICTS FOR THE GUILFORD COUNTY BOARD OF EDUCATION, AND TO PROVIDE FOR PARTISAN ELECTIONS FOR THAT BOARD, AND TO DISTRICT THE STANLY COUNTY
SL 2013-362

REQUIRE CERTAIN GENERAL REAPPRAISALS.

Bill S 159

Summary date: Mar 18 2013


Directs boards of county commissioners to either (1) conduct a reappraisal, by no less than one appraiser certified by the Department of Revenue (DOR) for mass valuation per 4,250 parcels, within 18 months, applicable to all tax years from and including the tax year when the last general appraisal was performed, or (2) have a qualified appraisal company conduct a total review of all the values in the county by neighborhood and make recommendations as to the true value of the properties as of January 1 of the year of the last general review, when all of the following conditions are met:

(1) County has independent, corroborating evidence that the majority of commercial neighborhoods in the county have significant issues of inequity in valuations.

(2) County has independent, corroborating evidence that residential neighborhoods have instances of inequity or erroneous data that had significant impact on the valuation of the neighborhood.

(3) County's last general reappraisal was performed for the 2008, 2009, 2010, 2011, 2012 tax year.

(4) The independent, corroborating evidence came from a review performed by a qualified appraisal company selected and retained by the county and registered with the DOR and had a sample size of no less than 375 properties.

Directs boards of commissioners to, after the above review or reappraisal is completed, make any change to property abstracts and tax records needed to ensure that assessed values of incorrectly appraised properties in the county reflect the true values, effective the year of the last general reappraisal, applying the adjusted values for each tax year until the next general reappraisal, unless those values are changed pursuant to GS 105-287.

The changes noted above will be prioritized as follows:

(1) Adjustments to parcels with errors that resulted in significantly overstated value.

(2) Adjustments to parcels with errors that resulted in significantly understated value.

(3) Adjustments to parcels with errors that resulted in overstated value.
(4) Adjustments to parcels with errors that resulted in understated value.

Directs any overpayment of taxes, as a result of overstated valuations, to be refunded, with interest paid on the overpayment pursuant to GS 105-360(e). Also requires additional payment of taxes on properties that were undervalued to be paid in accordance to GS 105-312.

Includes a severability clause.

**Summary date:** Jun 6 2013

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

Makes deletions to the whereas clauses and Section 1, deleting any occurrence of the word *corroborating* as it applies to evidence.

Adds clarifying language to Section 1, providing that boards of county commissioners must undertake the specified measures required by the act, notwithstanding any other provision of GS Chapter 105, Subchapter II, not cited in the act.

Amends one of the conditions, that if met, require a board of commissioners to take specified measures, providing that independent evidence that the majority of commercial neighborhoods in the county possess significant issues of inequity must be reviewed by a qualified appraisal company.

Makes a technical change.

Amends Section 2, clarifying that the same qualified appraisal company that provided or reviewed the evidence of inequity above can also conduct the review of all the values in the county by neighborhoods and make recommendations as to the true value of the property. Provides that the board of county commissioners must make any required specified changes to the abstract and tax records of the property either after the reappraisal is completed or after each neighborhood review required by Section 2 is complete (previously, required that the changes only had to be made after the reappraisal).

Provides that the provisions of GS 105-380 do not apply to the issuance of any refund under the provisions of this act.

Provides that any interest on taxes paid on parcels with errors that resulted in the parcels having an overstated value must be calculated at a rate of 5% per annum [previously, provided that the interest would be calculated as if there was an order of the county board of equalization and review reducing the valuation of the property pursuant to GS 105-360(e)]. Provides that the discovery penalties in GS 105-312(h) do not apply to the additional taxes levied on parcels as a result of errors.

**Summary date:** Jul 30 2013

**AN ACT TO CORRECT GENERAL REAPPRAISALS RESULTING IN PROPERTY VALUES THAT DO NOT COMPLY WITH THE REQUIREMENTS OF NORTH CAROLINA LAW BY SETTING FORTH THE STEPS REQUIRED TO BRING THE GENERAL REAPPRAISAL INTO COMPLIANCE WITH THE APPLICABLE PROPERTY TAX MANDATES.** Enacted July 26, 2013. Effective July 26, 2013.
SL 2013-363

MODIFICATIONS/2013 APPROPRIATIONS ACT.

Bill H 112

Summary date: Feb 14 2013

Identical to S 51, filed 2/5/13.

Amends Section 6A.7A(g) (provisions related to the Enterprise-Level Business Intelligence Initiative) of SL 2012-142 to provide as title indicates. Specifies the agencies that must release information.

Summary date: May 15 2013

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

Revises sub-subdivision (3)b. to confer qualified civil immunity from liability for the North Carolina Rate Bureau when erroneous information is released pursuant to that sub-subdivision. Removes claims, business ratings, and premiums from the specified data requested by GBICC that must be released by the NC Rate Bureau.

Summary date: Jul 30 2013

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

Amends the short and long titles.

Part I

The following changes, unless otherwise noted, are contingent on Senate Bill 402 (Appropriations Act) becoming law:

Repeals Section 6.18(f) of Senate Bill 402, concerning the transfer of funds from the Eugenics Compensation Fund for operation of the Justice for Sterilization Victims Foundation.

Changes the due date for amendments to the Medical Assistance Program and Children's Health Insurance Program found in Section 6.18(e) to September 30, 2013 (was, August 1, 2013).

Amends Section 6.4(c) to provide that the Attorney General must take all necessary actions to implement this section and to notify the court in the action entitled State of North Carolina v. Philip Morris Incorporated regarding certain redirection of payments.

Amends Section 6.1 of the act to provide that, among other things, the funds appropriated to the Contingency and Emergency Fund can be used for expenditures required by the State Treasurer to pay death benefits as authorized under GS Chapter 143, Article 12A, by the Office of Governor for specified crime rewards, by the Industrial Commission for supplemental awards of compensation, or by the Department of Justice for legal fees.
Amends GS 143C-9-3 to provide that funds credited to the Settlement Reserve Fund each fiscal year will be included in General Fund availability as nontax revenue (was, nontax revenue for the next fiscal year).

Part II

The following changes, unless otherwise noted, are contingent on Senate Bill 402 becoming law:

Amends Section 7.17(e) to provide that the Department of Revenue can use up to $11,874,319 for payment of internal costs for the fiscal biennium (previously, did not provide a limit on the amount of funds retained by the Department of Revenue which could be used for internal costs).

Amends Section 7.22, providing that the State's Chief Information Officer's plan for implementation of an electronic portal must contain a provision that requires fees to support the operation of the portal to be authorized by the State Chief Information Officer and reported to the Joint Legislative Oversight Committee on Information Technology.

Amends the title of Section 7.8 to be Information Technology Personal Service/Convenience Contract. Also amends the section to require consultation with the Office of State Budget and Management, among others, when determining that a state employee should be performing a certain function rather than a contractor.

Amends Section 7.10(d), and more specifically the included provision GS 143B-426.38A(f)(1), making a clarifying change. Effective when the section becomes law.

Part III

The following changes, unless otherwise noted, are contingent on Senate Bill 402 becoming law:

If House Bill 269 becomes law, then Section 5 of that act is amended to provide that the funding for the allocations in this section come from funds appropriated to the Reserve for Pending Legislation by Senate Bill 402.

Amends GS 115C-301, concerning the allocation of teachers and class size, setting a maximum class size for kindergarten through 3rd grade, establishing that at no time can a local school administrative unit's average class size exceed the funded allotment ratio to students in kindergarten through 3rd grade. Provides that at the end of the second school month and for the remainder of the school year, the size of an individual class in Kindergarten through third grade cannot exceed the allotment ratio by more than three students. Deletes language referring to the limit on appropriation of funds for higher unit class averages than those provided in the 1984-85 school year. Establishes that in grades four through 12, local school administrative units have the maximum flexibility to use allotted teacher positions to maximize student achievement. Deletes the provisions of GS 115C-301(d), maximum teaching load, and (e), alternative maximum class sizes. Directs the local boards of education to report exceptions to the class size requirements for kindergarten through third grade and to report significant increases in class size at other grade levels and request waivers and adjustments to the allotments accordingly. Provides the State Board of Education has the authority to grant the waivers for the excess class size and must do
so within 45 days of receipt of the request. Deletes language which set out the parameters for which a waiver could be granted. Deletes the provision concerning the assessment of a penalty for noncompliance. Makes conforming changes. Amends GS 115C-47, concerning the powers and duties of local boards of education, making conforming changes reflecting the changes to the provisions regarding allotments and class size above. Makes some language gender neutral. Amends GS 115C-276(k), requiring local boards of education, at the end of the second month of school, to report school organization, employees' duties, and class sizes to the State Board. Makes conforming changes. Provides that notwithstanding GS 115C-301 or any other law, for the 2013-15 fiscal biennium, class size requirements in kindergarten through third grade will remain unchanged.

Amends the appropriations from the General Fund in the Education section, reducing, for fiscal year 2014-15, appropriations to the Related Educational Program by $10 million and increasing the appropriations to Aid to Private Institutions by $10 million.

Amends GS 115C-238.70(a), not contingent on Senate Bill 402 becoming law, to add a new subdivision (4) that requires the State Board of Education to allocate to a regional school, if it has a final total average daily membership of 100 or more students, an amount to fund 12 months of employment for the school principal position.

Amends GS 115C-83.11(b)(7), to change the way school achievement scores are calculated, providing that schools will receive one point for each percent of students that complete Algebra II or Integrated Math III (previously, were required to complete the end-of-course tests for the courses to receive points).

Amends Section 10.4A(a) of Senate Bill 402, to require the State Board of Community Colleges to consult and cooperate with the Office of State Budget and Management when implementing a fourth tier in the Tiered Funding Formula for the allocation of funds to community colleges.

Directs the reduction to the cash balance of the Teaching Fellows Trust Fund for the 2013-14 fiscal year to be taken from Budget Code 63501.

Provides that the developmental screening and kindergarten entry assessment required by GS 115C-83.5 will be administered beginning with the 2014-15 school year in at least 50% of local school administrative units, with statewide implementation to occur no later than the 2015-16 school year.

Amends GS 115C-64.10(a), to provide that the NC Education and Workforce Innovation Commission will be located administratively in the Office of the Governor (was, Department of Public Instruction). Makes conforming changes.

Amends appropriations from the General Fund for the Department of Public Instruction and the Office of the Governor in order to reflect the shift of the NC Education and Workforce Innovation Commission to the Office of the Governor.

Provides that the Department of Public Instruction will not use any funds appropriated to it in the budget act for the 2013-15 fiscal biennium to support the program for competitive grants. Directs the
Office of the Governor to use the sum of $2 million in recurring funds for each fiscal year of the 2013-15 fiscal biennium to support the program for competitive grants.

Amends Section 8.4(a) of SB 402 to clarify that a county with a county-adjusted property tax base per student is below the state-adjusted property tax base per student if the total average daily membership (ADM) of all local school administrative units (LEAs) located within the county is from 3,175 to 4,000 students (was, from 3,239 to 4,804). Provides as one of the required criteria on which the State Board of Education (SBE) may base a finding that a county has used supplemental funds as provided in Section 8.4 of SB 402 (small school systems supplemental funds) to supplant local current expense funds a determination that the current expense appropriation per student of the county for the current year is less than 95% of the average of local current expense appropriations (was, expenditures) per student for the three prior fiscal years.

Provides that Section 11.10 of SB 402, which amends GS 116-198.34(5) regarding UNC’s disposition and acquisition of real property, expires June 30, 2015 (was, repealed subsection (d) of Section 9.10 of SL 2012-142).

Rewrites Section 10.15(c) of SB 402 to modify the membership of the committee, located administratively in the Community Colleges System Office and tasked with studying the community college program audit function. Makes the Community Colleges System Office Chief Financial Officer and the State Chief Information Officer or designee nonvoting members. Provides that the committee is to elect a chair from its members (was, designated the Community Colleges System Office Chief Financial Officer as the chair).

Makes a technical correction to Section 10.16(a).

Requires the Joint Legislative Education Oversight Committee (Committee), in conjunction with the Board of Governors of the University of North Carolina and the State Board of Community Colleges, to study the feasibility of establishing an alternative undergraduate admission program to be known as the North Carolina Guaranteed Admission Program (NC GAP) (was, directed the Board of Governors of the University of North Carolina and the State Board of Community Colleges to jointly study the feasibility of establishing NC GAP). Directs the Committee to report its findings and recommendations regarding NC GAP and any recommended legislation to the 2014 Regular Session of the 2013 General Assembly upon its convening (was, charged the Board of Governors of the University of North Carolina and the State Board of Community Colleges with making a report of findings and recommendations to the Committee by March 1, 2014).

Amends GS 115C-174.18, as amended by Section 8.27(c) of SB 402, to provide every student in eighth through tenth grades who has completed Algebra I or who is in the last month of Algebra I with an opportunity to take a version of either the PSAT/NMSQT or the PLAN precursor test to the ACT (was, the ACT), at the discretion of the LEA, at no expense to the student.

Provides as one of the required criteria on which the State Board of Education (SBE) may base a finding that a county has used supplemental funds as provided in Section 8.3 of SB 402 (low-wealth counties
supplemental funds) to supplant local current expense funds, a determination that the current expense appropriation per student of the county for the current year is less than 95% of the average of local current expense appropriations (was, expenditures) per student for the three prior fiscal years.

Directs the Department of Public Instruction (DPI) to study the nonsupplant requirement for low-wealth counties supplemental funding and the nonsupplant requirement for small county supplemental funding allotments. Requires DPI to report on its findings to the Fiscal Research Division by March 15, 2014.

Provides that if House Bill 269, 2013 Regular Session, becomes law, then Section 7 of that act is amended to provide that despite the definition for eligible students in GS 115C-112.2, a child who meets the requirements of GS 115C-112.2(a) through (e), and who is eligible to enroll in kindergarten or the first grade in a North Carolina public school during the 2013-14 school year, is eligible to receive a scholarship grant for the spring semester of the 2013-14 school year.

Part IV

Provides that if Senate Bill 402 (Appropriations Act of 2013), 2013 Regular Session, becomes law, the following changes will be made.

Amends GS 90-470, deleting provision that the 18 initial members of the North Carolina Institute of Medicine (Institute) be appointed by the Governor. Provides that the North Institute is governed by a Board of Directors who are to select additional members of the Institute (was, required the Board to have approval from the Governor for its membership selections). Deletes language identifying the members appointed under this section as the initial board of directors. Makes a technical correction. Effective January 1, 2014.

Amends Article 31 of GS Chapter 90, adding a new section to provide for the appointment of individuals to the Board of Directors of the North Carolina Institute of Medicine. Provides that terms on the Board are for four years and no individual may serve more than two consecutive terms. Requires the Governor to appoint seven members and that seven members each be appointed on the recommendations of the Speaker of the House of Representatives and the President Pro Tempore of the Senate. Specifies qualifications for members. Effective January 1, 2014.

Additionally, provides that for appointees for terms to begin on January 1, 2014, the appointing authorities are to designate certain appointees to serve initial two-year terms. Provides that members of the board serving as of the effective date of this act may continue to serve until January 1, 2014.

Amends GS 143B-168.4(b), as amended by Section 12B.1(h) of SB 402, to increase the number of members appointed to the Child Care Commission upon recommendation of the President Pro Tempore of the Senate and the Speaker of the House of Representatives from two to three, respectively. Makes a technical correction.

Adds a new subsection to Section 12B.1 of SB 402, authorizing the Department of Health and Human Services (DHHS), Division of Child Development and Early Education (Division), to exempt unlicensed public classrooms currently participating in the NC Pre-K program from licensure requirements. Directs
the Division to review the available capacity of other licensed facilities in the geographic area in making its decision to exempt a public classroom from the licensure requirements. Mandates that all public classrooms participating in the NC Pre-K program be licensed by the Division no later than July 1, 2014.

Amends Section 12H.13(g) to provide an exemption to the prior authorization requirements on medications prescribed to Medicaid and Health Choice recipients for the treatment of mental illness. Directs DHHS not to require prior authorization for medications on the Preferred Drug List (PDL) that are prescribed for the treatment of mental illness.

Amends GS 131E-184(f)(2), as amended by SB 402, Section 12G.3(b), to provide that this subdivision does not apply if a certificate of need was not required at the time the equipment being replaced was initially purchased by the licensed health services facility.

Amends Section 12B.7 to clarify that the Division of Child Development and Early Education (Division) is to submit the progress report on the amount allocated and the use of child care subsidy funds under Section 12B.7(b) of SB 402, and requires the Division to submit a follow-up report on the amount allocated and the use of those funds. Authorizes the Division to adjust the allocations in the Child Care and Development Fund Block Grant based on final allocations for local departments of social services and funds allocated for fraud detection and investigation initiatives. Directs the Division to submit a report on the final adjustments to the allocations of the 4% administrative costs to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal research Division no later than September 30, 2013.

Amends GS 108A-54 to direct the state to pay 100% of the federal Medicare Part D clawback payments under the Medicare Modernization Act of 2004, PL 108-173, as amended. Declares that the Medicaid Program is to be administered and operated in accordance with Part 6 of Article 2 of GS Chapter 108A and the NC Medicaid State Plan and Waivers, as periodically amended by DHHS in accordance with GS 108A-54.1A and approved by the federal government. Directs DHHS not to take any actions that it determines would jeopardize the state's qualification to receive federal funds through the Medicaid program. Provides that subsection (j) of Section 12A.4 of SB 402, regarding planning and implementing system modifications necessary to enable entities under contract with the Department to perform Medicaid claim adjudication in the replacement MMIS, becomes effective January 1, 2015 (was, July 1, 2014). Uncodifies, but retains, the provisions in Section 12H.8, electronic transaction requirements for providers.

Provides that if House Bill 831, 2013 Regular Session, becomes law, the State Board of Education is to identify, within the funds appropriated to DPI or to State Aid for Public Schools, the sum of $1.6 million for the 2013-14 fiscal year and $3.2 million for the 2014-15 fiscal year to ensure the provision of educational services as provided in this act.

Contingent on House Bill 399 (Amend Laws Pertaining to DHHS) becoming law, the effective date of Section 11 of the act becomes effective April 1, 2014 (was, January 1, 2014).
Contingent on House Bill 399 not becoming law, amends GS 122C-115(a), updating a statutory reference.

Contingent on House Bill 399 not becoming law, the effective date for Section 4(a) of the act is April 1, 2014 (was, January 1, 2014).

Amends Section 12H.13(f), concerning drug reimbursements, providing different rates of reimbursement for specialty drugs (101%) and non-specialty drugs (102.7%) based on the Wholesale Acquisition Cost. Sets the rate for dispensing brands drugs at $2. Provides new language that sets out the rates for dispensing generic drugs, based on the percentages of generic drugs dispensed by the pharmacy.

Amends Section 12H.2(c), limiting the definition of eligible medical professional providers, for the purposes of this section, to eligible medical professional providers that were receiving supplemental payments as of May 22, 2013 (previously, was limited to physicians employed by ECU School of Medicine or the UNC School of Medicine).

Adds new Section 12F.7(c), which provides that the total amount of funds appropriated to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for alcohol and drug abuse treatment centers is reduced by 12%. Provides that DHHS does not have to achieve the reduction by reducing the budget for each existing center as long as DHHS can achieve this reduction in any manner that (1) reduces per bed cost variability across the three alcohol and drug abuse treatment centers and (2) does not result in the closure of any of the three centers.

Amends Section 12H.13(a), providing clarifying language to provisions that state services, co-pays, reimbursement rates, and fees for the State Plan will remain as authorized as of June 30, 2013. Applicable to both the Medicaid Program, and the NC Health Choice program.

Makes the following changes if House Bill 834 (Modern State Human Resources Management/RTR) becomes law. Amends GS 90-413.3A to provide that the requirement that any hospital that has an electronic health record system must connect to the NC HIE and submit specified information is notwithstanding the voluntary nature of the NC HIE. Adds that the NC HIE must give DHHS real time access to data and information in the NC HIE. Amends Section 14.2 of H 834 to provide that GS 90-413.3A, as amended, becomes effective upon satisfaction of both of the following: (1) DHHS and NC HIE execute an agreement concerning the information use and sharing and (2) DHHS and the NC HIE jointly report to the Joint Legislative Oversight Committees on Information Technology and Health and Human Services on the agreement.

Part V

Unless otherwise indicated, all changes become effective if Senate Bill 402 becomes law.

Amends Section 15.14(f) of Senate Bill 402 and Section 14.1(f) of SL 2011-145, as amended, to remove the Division of Community Assistance from entities that must report on the use of the Community Assistance.
Development Block Grant Funds, assigning responsibility for the report to the Department of Commerce.

Adds a section transferring the federal block grants allocated to the infrastructure category in Section 15.14(a) and Section 14.1(a) of SL 2011-145, as amended, from the Department of Commerce to the Department of Environment and Natural Resources, to be administered by the Division of Water Infrastructure. Provides for awarding funds to local governments for infrastructure projects from the funds by the State Water Infrastructure Authority.

Repeals Section 15.5 (Workforce Investment Act Funds/Transfer of Funds to Department of Labor) of Senate Bill 402.

Amends Section 15.28(a) to only repeal GS 158-8.1 through 158-8.8 and GS 158-12.1 instead of repealing the entire Article 2 (Economic Development Commissions). Also repeals Section 15.28(d), amending GS 143-215.42, and 15.28(e), amending GS 15A-398, of the act.

Amends GS 113-44.15(b) to remove retiring debt incurred for purposes of the State Parks System for capital projects, repairs and renovations, and land acquisition from the allowable uses for funds in the Parks and Recreation Trust Fund.

Amends Section 15.10A(c) of the act to require the Attorney General to take all necessary actions to implement the section, including notifying the court in State of North Carolina v. Philip Morris Incorporated, et al., and the administrators of the State Specific Account established under the Master Settlement Agreement of the intent of the General Assembly to direct one or more of the Governor’s appointments to the board of directors of the Golden LEAF Foundation. Makes Section 15.10A (Golden LEAF Foundation Board of Directors/Governor’s Appointments) effective upon the Attorney General taking all necessary actions to implement the section as provided in (c).

Amends Section 15.12 of Senate Bill 402 to require the Labor and Economic Analysis Division to develop a standardized performance metric to evaluate whether economic development nonprofits (was, nonprofits) allocated state funds in the 2013-15 biennium have achieved their goals or performance standards.

Amends GS 159G-70(b), as amended by Senate Bill 402, to amend the membership requirements of the State Water Infrastructure Authority to require specified members have knowledge about and experience related to rural and urban local government wastewaters systems or public water systems (was, be a representative of those issues).

Amends GS 143B-472.127(a), as amended by Senate Bill 402, to require that the Rural Infrastructure Authority, in awarding economic development grants or loans under this subsection, give priority to local government units of the county having one of the 80 highest rankings under GS 143B-437.08. Makes conforming changes to GS 143B-472.128(j)(2).

Makes a technical correction Section 14.21(m).
Amends Section 15.3 of Senate Bill 402 to change the name of the Unemployment Insurance Reserve to the Unemployment Insurance Fund and makes other technical changes. Also appropriates from the Special Employment Security Administration Fund to the Unemployment Insurance Fund $10 million for 2013-14 to be used to make payments on advances made by the federal government to pay unemployment compensation benefits. Adds a section requiring funds appropriated to the Unemployment Insurance Reserve to be used to fund the Unemployment Insurance Reserve for employees of all state agencies, departments, institutions, and UNC, as well as state-funded local public school and community college employees. Requires the Director of the Budget to use funds appropriated for 2013-14 to ensure agencies comply with SL 2013-2 (Ul Fund Solvency & Program Changes).

Amends Section 15.14(a) of Senate Bill 402 and Section 14.1(a) of SL 2011-145 (Appropriations Act of 2011), as amended, to increase the amount of the appropriation from the Community Development Block Grant funds to Economic Development and decrease the appropriation for Infrastructure by specified amounts. Makes conforming changes. Amends eligible activities under the category of Infrastructure to be limited to critical public water and wastewater projects. Provides that eligible activities as defined in the subsection are limited only by applicable HUD regulations and federal law.

Requires the Department of Agriculture and Consumer Services to take all necessary actions to make the Southeastern Agriculture Center fully receipt supported.

**Part VI**

Unless otherwise indicated, all changes become effective if Senate Bill 402 becomes law.

Makes clarifying changes to the title of Section 18B.22.

Deletes the contents of Section 17.8 of the act, plan for transferring Assistant Attorney General positions to the State agencies they serve, and replaces it with the following. Transfers specified positions from the Department of Justice to the specified agencies. Requires any person employed in a position transferred pursuant to the authority of the section to report to the appropriate agency head to which the position is transferred and perform duties as may be assigned by the agency head. Allows the Office of State Personnel to reclassify the positions into a comparable salary classification. Effective October 1, 2013. Effective when the act becomes law, prohibits, before October 1, 2013, a vacant position set forth in the section from being filled and prohibits a person from begin transferred into any position in the section.

Makes Section 18B.21A (concerning limits on the compensation and allowances of court reporters) of Senate Bill 402 effective September 1, 2013, and applicable to payments for transcripts that are requested on after that date.

Makes a technical and clarifying change to GS 143B-707.2(b), as amended.

Provides that the conversion of Johnston Correctional Institution from a medium custody prison to a minimum custody prison results in a net savings of 62 positions.
Makes a technical change to GS 15A-1343(c2), as amended. Amends GS 15A-1368.4(e)(13) to amend the conditions of post-release supervision, violation of which may result in revocation, to amend the electronic monitoring condition to add payment of a $90 fee for the monitor device and a daily fee in an amount reflecting the actual cost of monitor. Allows for an exemption from the fee only for a good cause. Requires the fees to be deposited in the state's General Fund. Requires the daily fee to be given to the Department of Public Safety for costs of monitoring. Makes Section 16C.16 (electronic monitoring fee) effective September 1, 2103 (was, August 1, 2013).

Part VII

Unless otherwise indicated, all changes become effective if Senate Bill 402 becomes law.

Amends Section 30.2 to provide that (a), amendments concerning the distribution of the divorce filing fee, becomes effective 30 days after the act becomes law.

Part VIII

Unless otherwise indicated, all changes become effective if Senate Bill 402 becomes law.

Amends Section 34.29, concerning the highway use tax base, to make the section effective July 1, 2014 (was, January 1, 2014).

Part IX

Unless otherwise indicated, all changes become effective if Senate Bill 402 becomes law.

Amends Section 36.3(b) to provide that it is the General Assembly's intent that funds carried forward be used to supplement the $11,522,000 (was, $13,522,000) appropriated for water resources development projects.

Amends Section 36.4(a) to authorize $700,000 for the Southeastern North Carolina Agricultural Center, Horse Stall Barn.

Part XI

Effective when this act becomes law, amends GS 62-140(a) to add that if the state repeals any state funding mechanism for a reduction in the local telephone rates for low-income residential consumers, the Commission must take appropriate action to eliminate any requirement for the reduced rate funded by the repealed mechanism. Provides a state funding mechanism for a reduction in the local telephone rates includes a tax credit allowed for the public utility to recover the reduction in rates.

Effective July 1, 2014, amends GS 105-164.44K(b), as amended, to provide that the quarterly franchise tax share of a city is the total amount of electricity gross receipts franchise tax distributed to the city under repealed GS 159B-27, in addition to repealed GS 105-116.1 for the same related quarter that was the last quarter in which taxes were imposed on electric power companies under repealed GS 105-116 or GS 159B-27. Makes conforming conditions.
Amends GS 105-129.16D(b) to add that the section (concerning credit for a commercial facility for processing renewable fuel) is repealed effective for facilities placed in service on or after January 1, 2017, in the case of a taxpayer who (1) signs a letter of commitment with the Department of Commerce on or before September 1, 2013, stating the taxpayer's intent to construct and place into service a commercial facility for processing renewable fuel and (2) begins construction of the facility on or before December 31, 2013.

Amends GS 105-164.13E(8)b., to make a technical change.

**Part XII**

Unless otherwise indicated, the act becomes effective July 1, 2013.

**Summary date:** Jul 30 2013

AN ACT TO MAKE TECHNICAL, CLARIFYING, AND OTHER MODIFICATIONS TO THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 2013 AND TO RELATED LEGISLATION. Enacted July 29, 2013. Effective July 1, 2013, except as otherwise provided.

**SL 2013-364**

**CHILDREN W/DISABILITIES SCHOLARSHIP GRANTS.**

**Bill H 269**

**Summary date:** Mar 11 2013

Effective January 1, 2014, (1) repeals GS 105-151.33, which provided an education expenses tax credit for taxpayers with eligible dependent children effective as of January 1, 2016 and (2) makes conforming changes, also repealing Section 2 of SL 2011-395 and GS 105-160.3(11).

Adds a new Part 1H, Special Education Scholarship Grants for Children with Disabilities, to GS Chapter 115C, Article 9. Provides definitions for the following terms as used in this Part: (1) authority, (2) eligible student, (3) nonpublic school, and (4) scholarship grants. Provides specific criteria that qualifies a child, under the age of 22, with a disability, as an eligible student under this Part.

Directs the North Carolina State Education Assistance Authority (Authority), no later than May 1 each year, to make applications available to eligible students for scholarship grants to attend any nonpublic school and to receive special education and related services in a nonpublic school setting. Requires that priority in awarding scholarship grants is to be given to eligible students who received a grant during the previous semester. Provides that except as provided for prior grant recipients, scholarship grants are to be awarded to eligible students in the order in which the applications are received. Limits the grant amount to no more than $3,000 per semester per eligible student and only for the purpose of
reimbursement of tuition, special education and related services, and for services provided to home-schooled students. Provides additional specifics regarding the awarding of scholarship grants.

Authorizes the Authority to establish rules and regulations for the administration and awarding of scholarship grants. Allows the Authority to require verification of eligibility for scholarship grants. Requires the Authority to make an annual report no later than July 1 to the Department of Public Instruction (DPI) on the number of students who (1) received scholarship grants for the previous school year and (2) were enrolled in an LEA for the semester preceding the semester for which a scholarship grant was awarded. Also requires the Authority to make an annual report to the Joint Legislative Oversight Committee no later than March 1 on the dispensation of scholarship grants.

Appropriates $3,670,500 for fiscal year 2013-14 from the General Fund to the Authority and appropriates $4,341,000 for fiscal year 2014-15 from the General Fund to the Authority in recurring funds to implement the requirements of this act. Requires the Authority to use $3 million of the funds appropriated to the Authority in fiscal year 2013-14 and $3 million of the appropriation to the Authority in fiscal year 2014-15 to award scholarship grants to eligible students. Directs that of the remaining funds, up to $670,500 for 2013-14, and up to $1,341,000 for 2014-15, be transferred to DPI to use to conduct reevaluations of eligible students as required by proposed GS 115C-112.3(c), as enacted by this act. Allows the Authority to retain up to 1% of the appropriated funds for scholarship grants to cover administrative costs associated with the scholarship grant program. Effective July 1, 2013.

Effective July 1, 2013, (1) provides that nothing in this act requires the General Assembly to appropriate funds to implement it; (2) repeals Article 32D Of GS Chapter 115C, which established a fund under the administration of the State Board of Education for special education and related services; and (3) directs the State Controller to transfer the fund balance from the Fund for Special Education and Related Services to the appropriate budget code for the 2013-14 fiscal year.

Provides that regardless of the definition for eligible student in GS 115C-112.2, as enacted by this act, an eligible dependent child of a taxpayer who received an education expenses tax credit under GS 105-151.33 for fall semester 2013-14 school year has met the eligibility requirements for a scholarship grant for the spring semester of the 2013-14 school year.

Provides that this act does not affect any rights or liabilities, including any right to a refund or a tax credit arising or accruing under a statute that is amended or repealed by this act before the effective date of its amendment or repeal. Except as otherwise indicated, this act is effective when it becomes law. Regardless of the requirement in proposed GS 115C-112.3(a) that applications for the scholarship grant applications be made available as of May 1, the applications for the 2014 spring semester must be made available no later than October 1, 2013.

Summary date: Apr 17 2013

House committee substitute makes the following changes to the 1st edition.
Amends GS 115C-112.3, *(Scholarship Grants)*, providing that eligible students awarded grants cannot be enrolled in a public school.

Amends GS 115C-112.5 *(Authority reporting requirements)*, providing that the Authority will make an annual report no later than August 1 (was, July 1) to the Department of Public Instruction (DPI) on the number of students who (1) received scholarship grants for the previous school year and (2) were enrolled in an LEA or charter school for the semester preceding the semester for which a scholarship grant was awarded. Also requires the Authority to make an annual report to the Joint Legislative Oversight Committee no later than October 1 (was, March 1) on the dispensation of scholarship grants.

Allows the Authority to retain up to $200,000 of the funds appropriated for fiscal year 2013-2014 for administrative costs associated with the scholarship grant program. For fiscal year 2014-2015 and subsequent years, the Authority can retain up to 2% annually (previously, the Authority was allowed to retain 1% annually).

Sets out the requirement and conditions for being considered a prior scholarship grant recipient for priority in awarding of scholarship grants under GS 115C-112.3(a). Adds the requirement that the Department of Revenue provide the Authority with a list of people claiming the credit for the taxable year beginning on or after January 1, 2013.

**Summary date:** May 8 2013

House committee substitute to the 2nd edition makes the following changes. Provides in Section 7 that a child who is otherwise eligible to receive a scholarship grant for the spring semester of the 2013-14 school year is deemed to have met the requirements of GS 115C-112.2(2)f. if the child is a dependent child for whom a taxpayer is allowed a credit for the fall semester of the 2013-14 school year under GS 105-151.33 and the taxpayer affirms, under oath, that the taxpayer will claim the credit for that semester.

**Summary date:** May 15 2013

House amendments make the following changes to the 3rd edition.

Amendment #1 clarifies that subsections (a) and (b) of Section 5 of this act only become effective if there is an appropriation of funds by the Current Operations and Capital Improvement Act of 2013 from the General Fund to the NC State Education Assistance Authority.

Amendment #2 provides the following eligibility requirements in GS 115C-112.3 for parents to receive reimbursement for tuition and special education and related services: (1) parents must provide documentation that the student was enrolled in a nonpublic school for no less than 75 days of the semester for which the parents seek reimbursement, (2) parents may only receive reimbursement for related services provided to home-schooled students if they provide documentation that the student received related services for no less than 75 days of the semester for which the parents are seeking reimbursement. Also requires parents to submit confirming documentation, including receipts, at the end of each school semester to demonstrate the costs incurred during the semester.
Senate committee substitute makes the following changes to the 4th edition.

Amends GS 115C-112.5, deleting the requirement that the Authority report to the Department of Public Instruction (DPI) on the number of students who received scholarships for the previous school year and were enrolled in a local school administrative unit or charter school for the semester before the semester for which a scholarship grant was awarded. Also deletes the requirement that DPI adjust the allotments of local school administrative units and charter school based on the number of awarded scholarships. Makes clarifying and technical changes regarding the remaining reporting requirements.

**Summary date:** Jun 26 2013

AN ACT TO CREATE SPECIAL EDUCATION SCHOLARSHIP GRANTS FOR CHILDREN WITH DISABILITIES. Enacted July 29, 2013. Sections 1 through 3 are effective for taxable years beginning on or after January 1, 2014. Sections 5 and 6 are effective July 1, 2013. The remainder is effective July 29, 2013, and applies beginning with the spring semester of the 2013-14 school year.

**SL 2013-365**

DOMESTIC ENERGY JOBS ACT.

Bill S 76

**Summary date:** Jul 30 2013

*Issuance of Permits.* Effective March 1, 2015, authorizes the Department of Environment and Natural Resources (DENR) and the Mining and Energy Commission (MEC) to issue permits for oil and gas exploration and development using horizontal drilling and hydraulic fracturing. Effective March 1, 2015, repeals provision in the 2012 Clean Energy and Economic Security Act that prohibited the issuance of such permits until MEC developed a regulatory program. Directs MEC and DENR to study a coordinated program to issue single comprehensive environmental permits to govern multiple activities at a site, and requires MEC to report on such a program by October 1, 2013.

*Mining and Energy Commission.* Removes the State Geologist and the Assistant Secretary of Energy for the Department of Commerce as members on the MEC. Deletes requirement that Governor's appointee from the Environmental Management Commission be knowledgeable in water and air resources management; deletes requirement that Governor's appointee from the Commission for Public Health be knowledgeable in waste management. Specifies that the terms of these two members will terminate immediately if the member's term on the respective Commission should terminate. Amends GS 113-394 to provide that the MEC may limit the total amount of oil produced in NC by fixing an allowable amount (previously required limitation when amount exceeded market demand). Makes conforming changes to...
make permissive (rather than mandatory) the distribution process for allowables. Makes similar changes with respect to gas production.

**Landmen Registry.** Repeals GS 113-425 (landmen registry); applies retroactively to October 1, 2012.

**Severance Taxes.** Effective for energy materials sold on or after March 1, 2015, and conditioned on legislative authorization in the 2013 Appropriations Act, imposes a severance tax on all energy materials severed from the soil or water. Sets out schedules to calculate tax rates for condensates, oil, and gas. Provides for exemptions for severance of energy materials by producers who own land from which the materials are derived. Details additional provisions related to the severance tax, including market value, return and record-keeping requirements, and a prohibition on local governments imposing the tax. Requires permit suspension for failure to pay the tax. Allocates 25%, up to $1 million, annually to DENR to administer the Oil and Gas Conservation Act. Allocates remaining revenue as follows: 50% to the General Fund and 50%, up to $10 million, to the Onshore Energy Management Fund, with excess deposited in the General Fund.

**Mineral Interest Fund Appropriation.** Appropriates $22,900 in 2012-13 from the Mineral Interest Fund to DENR to operate MEC.

**Revenue from Offshore Energy Production.** Enacts new GS 113B-30 to require the deposit of all revenues and royalties from offshore energy activities in the Offshore Energy Management Fund (Fund), up to $50 million. Requires maintenance of Fund balance at $50 million with remaining revenues allocated annually as follows: 30% to the General Fund; 10% to the Highway Trust Fund; 10% to the Community Colleges System Office; 10% to the UNC Board of Governors; 30% to DENR; 8% to the State Ports Authority; and 2% to the Department of Commerce. Effective only if authorized by the General Assembly in the 2013 Appropriations Act.

**Compact.** Encourages the Governor to develop a regional energy compact with South Carolina and Virginia for offshore energy exploration. Sets out requirements for the compact and a reporting timeline for the Governor to share with the General Assembly progress on the compact.

**Energy Policy and Jobs Act.** Renames the title of GS Chapter 113B as the "NC Energy Policy and Jobs Act," and renames Article 1 as "Energy Jobs Council." Modifies legislative findings and purpose of the Energy Jobs Council. Transfers the Council from the Department of Commerce to DENR, and makes conforming changes. Decreases from 16 to 13 and revises the membership and member qualifications of the Council. Requires appointments by July 1, 2013, and specifies that members have three year terms (was, two- or four-year terms). States the goal of the Council, and makes clarifying changes and other modifications to the Council's responsibilities. Allows public utilities to meet requirement of providing a proposed energy crisis plan by submitting the General Load Reduction and System Restoration Plan. Requires the Council to report every two years (rather than annually) to specified parties on energy conditions; makes first report due by January 1, 2014. Clarifies that a Committee on Energy Crisis Management will be created if the Governor declares an energy crisis. Makes conforming changes to various provisions in GS Chapters 113B, 114, and 143. Terminates the terms of all current members on the Council, effective on the earlier of the act's effective date or June 30, 2013.
Medical Care Commission. Directs the Medical Care Commission to authorize licensed facilities to use bi-fuel generators meeting certain requirements, and to adopt a related, permanent rule to replace the Electrical Requirements Rule.

Summary date: Jul 30 2013

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

Mining and Energy Commission. Allows two members on the Commission who were elected officials at the time of appointment to complete their terms and be reappointed even if no longer serving as elected officials.

Subsurface Fluid Injection. Adds new section, amending GS 143-214.2, to clarify that the prohibition against discharge of waste to the subsurface or groundwater does not prohibit injection of fluid (was, hydraulic fracturing fluid) associated with the exploration, production, or development of natural gas resources.

Severance Taxes. Amends proposed Article 5I (severance tax) to clarify provision prohibiting local taxation on the severance of energy minerals produced in the state, and provides that the prohibition does not include property taxes.

Summary date: Jul 30 2013

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

Amends GS 143B-293.2 to provide that membership on the Mining and Energy Commission may be held concurrently with other elective or appointive offices in addition to the maximum number of offices permitted to be held by one person under GS 128-1.1.

Makes a clarifying change directing the Revisor of Statutes to make the conforming statutory changes necessary to reflect the renaming of the Energy Jobs Act and the Energy Jobs Council (was, make the changes necessary to reflect the transfers under the section).

Directs that all the rules required to be adopted by the Mining and Energy Commission, the Environmental Management Commission, and the Commission for Public Health for the management of oil and gas exploration and development activities in the state be adopted no later than October 1, 2014. Specifies that this deadline includes regulatory programs for the use of horizontal drilling and hydraulic fracturing. Provides that although the Mining and Energy Commission (Commission) and the Department of Environment and Natural Resources (DENR) are authorized to issue permits for horizontal drilling and hydraulic fracturing treatments for oil and gas and development activities, neither DENR nor the Commission is required to issue such permits until all the rules required to be adopted under Section 2.(m) of SL 2012-143 have become effective.
Amends GS 143-214.2(b) to provide that the prohibition against the discharge of any wastes to the subsurface or groundwaters of the state through the use of wells does not prohibit injecting water produced from subsurface geologic formations during the extraction of natural gas, condensate, or oil.

Amends GS 105-187.73 to clarify that marketing costs incurred by the producer to get the gas from the mouth of the well to the market includes costs for delivering the gas to the first purchaser (was, purchaser).

Summary date: Jul 30 2013

Senate amends the third edition as follows: Amendment #1 deletes language in Section 9.(v) of the bill permitting the Revisor of Statutes to make any "conforming changes necessitated by this section."

Amendment #2 adds Sections 3.(c)-(e) to clarify that the bond furnished by persons registering to drill for oil or gas must run to the State of North Carolina, to require the Environmental Management Commission to adopt rules establishing criteria for setting the amount of bond required pursuant to GS 113-421(a3), and to set forth a procedure for establishing the bond running to a surface owner that is required under GS 113-421. Makes conforming change to bill title.

Amendment #4 deletes Part VI of the bill, which appropriates $22,900 from the Mineral Interest Fund to the Department of Environment and Natural Resources for operating the Mining and Energy Commission and its implementation of the act. Makes conforming change to bill title.

Amendment #5 changes the composition of the Mining and Energy Commission by changing two required appointments of the Governor. Instead of a member of the Environmental Management Commission there must be an appointee who has expertise in the principles of water and air resources management. Instead of a person from the Commission for Public Health there must be an appointee who has expertise in the principles of waste management. Rewrites Section 2.(b) of the bill to end the terms of members presently serving in these positions upon the effective date of the act and to require the replacement members be appointed within 30 days after the bill becomes law.

Summary date: Jul 30 2013

House committee substitute makes the following changes to the 5th edition.

Changes the long title.

PART I, PERMIT ISSUANCE

Amends Part I title, changing the title to PERMIT ISSUANCE. Makes technical changes. Establishes that permits issued for oil and gas exploration and development activities using horizontal drilling or hydraulic fracturing treatments will not become effective until the General Assembly takes affirmative legislative action, including the repeal of subsection (d) of Section 3 of SL 2012-143, as amended by subsection (b) of Section 1 of this act.
Amends Section 3(d) of SL 2012-143, (repealed in the previous edition), providing that permits issued for oil and gas exploration and development activities using horizontal drilling or hydraulic fracturing treatments pursuant to GS 113-395 will not become effective until the General Assembly takes affirmative legislative action to allow the permits to become effective. Establishes that similar permits from other agencies and entities will also not become effective until the General Assembly takes action.

PART II

Provides new Part II to the bill, titled - REQUIRED REPORTS AND STUDIES: COORDINATED PERMITTING; IMPOSITION OF A SEVERANCE TAX SUFFICIENT IN AMOUNT TO FUND ADMINISTRATION OF A REGULATORY PROGRAM AND SUFFICIENT TO COVER FUNDING FOR ANY EMERGENCY SITUATIONS THAT MAY ARISE FROM OIL AND GAS ACTIVITIES; IMPOSITION OF AN IMPACT FEE, OR DEDICATION OF A PORTION OF ANY SEVERANCE TAX TO BE IMPOSED, THAT WOULD BE SUFFICIENT TO COVER ALL COSTS THAT MAY REASONABLY BE EXPECTED TO ACCRUE TO LOCAL GOVERNMENTS AS A RESULT OF OIL AND GAS ACTIVITIES OCCURRING WITHIN THEIR JURISDICTIONS; AND CREATION OF A RESTITUTION FUND FOR LANDOWNERS HARMED AS A RESULT OF AN ACT OF FRAUD, DECEPTION, MISREPRESENTATION, OR KNOWING OMISSION OF MATERIAL FACTS. Amends Section 2(a), concerning the creation of a coordinated permitting program, previously Section 1(c) in the 5th edition, to remove studying permitting of subsurface injection of fluids used for fracking. Provides that the Mining and Energy Commission (MEC) must only report its finding to the Environmental Review Commission (previously, was directed to also report to the Joint Legislative Commission on Energy Policy) on or before March 1, 2014 (was, October 1, 2013). Provides new Section 2(b), requiring the MEC, DENR and the Departments of Revenue and Commerce, to study an appropriate rate of severance tax that should be imposed in association with oil and gas exploration and development activities using horizontal drilling or hydraulic fracturing treatments. Sets out specified studies and information that the entities are required to consider. Directs the specified entities to formulate recommendations for different levels of funding which should be maintained to address emergency events associated with oil and gas exploration. Sets out the procedures for utilizing those funds. Provides new Section 2(c), which amends Section 2(j) of SL 2012-143, enhancing a study requirement enacted by federal law, adding the Department of Commerce to the list of entities required to study appropriate levels of funding and potential sources for funding to support local governments that are impacted by the gas and oil industry. Requires the specified agencies and entities to issue a recommendation for the imposition of an impact fee, or dedication of a portion of any severance tax imposed on oil and gas activities, that would cover all costs that can reasonably be expected to be incurred by local governments. Findings and recommendation must be reported to the Environmental Review Commission on or before March 1, 2014. Also requires a study on a restitution fund for landowners suffering damage due to fraud or misrepresentation of facts related to oil or gas interests. Requires a report to the Environmental Review Commission by March 1, 2014.

PART III, MINING AND ENERGY COMMISSION APPOINTMENT MODIFICATIONS (previously Part II)

Amends GS 143B-293.2, regarding the composition of the MEC, providing that the MEC will consist of 15 members (was, 13 members). Eliminates one ex officio member of the MEC, the Assistant Secretary of Energy for the Department of Commerce. Adds a member to be appointed by the Governor, who must
own land in the Triassic Basin of NC. Reinstates the State Geologist's designee, ex officio as a member of the MEC (position deleted in the previous edition). Amends the requirements for the appointments found in GS 143B-293.2(a)(5) and (9), providing that one must be an elected official of a municipal government in the Triassic Basin and the other must be a member of a board of commissioners of a county located in the Triassic Region. Modifies the position designated for a member that is knowledgeable in the principles of water and air resources management, providing that they must also be a member of the Environmental Management Commission. Modifies the position designated for the Commission for Public Health, eliminating the specific knowledge requirement concerning the principles of waste management. Deletes language concerning the expiration of the terms of the different members.

PART IV, MISCELLANEOUS MODIFICATIONS TO THE OIL AND GAS CONSERVATION ACT: ALLOWABLES AND REPEAL OF THE LANDMEN REGISTRY (previously Part III)

Changes title to MISCELLANEOUS MODIFICATIONS TO THE OIL AND GAS CONSERVATION ACT: ALLOWABLES AND LANDMEN REGISTRY. Reinstates GS 113-425, Registry of landmen required, previously repealed. Deletes language in GS 113-425(c) which provided for the imposition of a civil penalty on a registrant for specified violations or acts. Enacts new subsections (c1) through (c4), providing that violations are punishable by an administrative penalty not to exceed $5,000 per violation. Provides a criminal penalty for noncompliance with the registry requirements, which results in a Class 1 misdemeanor. Adds language that provides that any agreement for the acquisition or divestiture of oil or gas rights that results from any manner of negotiations with a landman who is acting in violation of the applicable provisions of the registry will be considered null and void as being against public policy of NC. Further provides that DENR can seek, and the Superior Court can grant, injunctive relief to prevent a person from violating the applicable provisions of the registry. Provides required timing for an appeal.

PART V, CLARIFY BONDING REQUIREMENTS (new section to the act)

Amends GS 113-378, clarifying that the "drilling bond", which an operator must provide when registering for drilling exploration for oil or natural gas, runs to the State. Makes a technical change to GS 113-391(a)(13a).

The committee substitute deletes the following parts of the previous edition and all the provisions provided therein, PART IV, AMEND STATUTE GOVERNING SUBSURFACE FLUID INJECTION, and PART V, SEVERANCE TAXES.

PART VI, REVENUE FROM OFFSHORE ENERGY PRODUCTION (previously part VII)

Amends GS 113B-30, regarding allocation of revenues from offshore energy production, making technical and conforming changes. Provides that monies from the Offshore Energy Management Fund will only be used after determining that sufficient funds for corrective action or emergency response cannot be obtained in a timely manner, without significant delay which would increase the threat to life or risk of damage to the environment. Establishes that the State will pursue recovery of all costs or fees
incurred towards recovery action from the responsible party or parties. Deletes GS 113B-30(b) establishing how the Fund monies were to be used.

PART VII, REGIONAL INTERSTATE OFFSHORE ENERGY POLICY COMPACT (previously part VIII)

Amends Part VII, making technical and clarifying changes.

PART VIII, ENERGY POLICY ACT AND ENERGY POLICY COUNCIL AMENDMENTS (previously Part IX)

Amends GS 113B-2, making a technical change. Amends GS 113B-3, concerning the composition of the Energy Jobs Council (Council), changing the member previously designated for a representative of an investor-owned natural gas utility to being designated for a representative of a rural electric membership corporation formed in accordance with GS 117-8. Makes a technical change. Amends GS 113B-4, concerning the chairman of the council, providing that the Governor will appoint a chair of the Council (was, the Council will elect one of its members to serve as chair). Amends GS 113B-6, concerning general duties of the Council, deleting language which allowed the Council to delegate its duties where appropriate to the Division of Energy, Mineral, and Land Resources (Division), with the Council providing oversight and approval to the duties delegated to the Division. Amends GS 113B-11, concerning powers and authority of the Council, clarifying that the Division will provide the staffing capability to the Council and provides that the Utilities Commission alone is authorized to makes its staff available to the Council to assist in the development of the State energy policy (previously, the Department of Commerce was also authorized to make their staff available). Amends GS 113B-12, concerning required annual reports, providing that no later than January 1 of every even numbered year, the Council must transmit a comprehensive report of the energy conditions in the State to specified parties (previously, was required to transmit the report every two years). Amends GS 113B-21(a), making a technical change. Deletes the changes made to GS 114-4.2D. Deletes previously new GS 143B-281.1, concerning the transfer of the Energy Jobs Council. Makes a clarifying change to Section 8(s).

PART IX, MODIFY ELECTRICAL REQUIREMENTS RULE TO ALLOW HOSPITALS TO USE COMPRESSED NATURAL GAS AS EMERGENCY FUEL (previously, Part X)

Makes conforming and technical changes throughout the Part.

PART X, EFFECTIVE DATE (previously, Part XI)

Amends the effective dates of the act, providing that subsection (b) of Section 1 of this act becomes effective March 1, 22 2015. Subsection (b) of Section 4 of this act is effective when it becomes law, except that (i) GS 113-425(c2), as enacted by subsection (b) of Section 4 of this act, becomes effective December 1, 2013, and applies to offenses committed on or after that date and (ii) GS 113-425(c3), as enacted by subsection (b) of Section 4 of this act, applies to leases or contracts entered into on or after that date. GS 113B-30, enacted by Section 6 of this act, becomes effective only if authorized by the General Assembly in the Current Operations and Capital Improvements Appropriations Act of 2013. The first report due pursuant to GS 113B-12, as amended by subsection (m) of Section 8 of this act, shall be
transmitted on or before January 1, 2014. Except as otherwise provided, the remainder of this act is effective when it becomes law.

**Summary date:** Jul 30 2013

House amendments make the following changes to the 6th edition.

**Part VII. Regional Interstate Offshore Energy Policy Compact**

Directs the Secretary of State to provide, upon enactment, certified copies of this act to each member of the North Carolina congressional delegation, the governors and the legislative bodies of South Carolina and Virginia, the Secretary of the United States Department of the Interior, and the President of the United States.

**Part VIII. Energy Policy Act and Energy Policy Council Amendments**

Deletes the changes which renamed the title of GS Chapter 113B as the "NC Energy Policy and Jobs Act," and Article 1 as "Energy Jobs Council." Instead reverts to the previous titles for GS Chapter 113, "North Carolina Energy Policy Act of 1975" and Article 1, "Energy Policy Council." Makes conforming changes wherever either title occurs and deletes the following statutes in which changes only served to indicate the previous title changes, GS 113B-5, 113B-8(a), 113B-24(c), 143-58.5(c), and 143-345.113. Deletes directive to the Revisor of Statutes to make conforming statutory changes to reflect the titles as amended in the first edition. Makes technical corrections, renaming subsections of Section 8 of this act accordingly and amending references to those subsections.

**Summary date:** Jul 30 2013

Conference report makes the following changes to the 7th edition.

Amends the title.

**Part I**

Amends the Part heading. Declares that all rules required to be adopted under Section 2(m) of SL 2013-143 become effective as provided in GS 150B-21.3(b1), delayed effective dates of rules, as though 10 or more written objections had been received as provided by GS 150B-21.3(b2), objections to permanent rules (was, declared that all rules, as provided in subsection (m) of SL 2013-143, had to be adopted no later than October 1, 2014). Exempts the Mining and Energy Commission (MEC), the Environmental Management Commission (EMC), and the Commission for Public Health (CPH) from the provisions of GS Chapter 150B that require the preparation of fiscal notes for any rule proposed for the creation of a modern regulatory program for the management of oil and gas exploration and development activities in the state, including the use of horizontal drilling and hydraulic fracturing for that purpose. Prohibits issuing permits for oil and gas exploration and development activities using horizontal drilling and hydraulic fracturing treatments under GS 113-395, or any other provision of law, in order to allow the MEC sufficient time to develop a modern regulatory program for the management of oil and gas.
exploration, the use of horizontal drilling and hydraulic fracturing treatments for that purpose, and for
the adoption of appropriate environmental standards applicable to these activities (was, provided that
issued permits were not to become effective until the General Assembly took affirmative legislative
action to allow the permits to become effective in order to provide the MEC with sufficient time to
develop a regulatory program). Prohibits any agency of the state from issuing a permit until (1) all the
rules required to be adopted by the MEC, the EMC, and the CPH under SL 2012-143 have become
effective and (2) the General Assembly takes affirmative legislative action, including repeal of Section
3(d) of SL 2012-143, allowing the issuance of such permits.

Part II

Amends the Part heading. Expands the list of matters to be addressed in the study of the development
of a single comprehensive environmental permit for oil and gas exploration and development activities
using horizontal drilling and hydraulic fracturing treatments to include regulation of subsurface injection
of fluids for hydraulic fracturing treatments. Adds the Joint Legislative Commission on Energy Policy as
an entity to whom the MEC is to report the findings of the study on or before March 1, 2014.

Directs the MEC to report its findings and recommendations from the study of an appropriate rate of
severance tax that should be imposed in association with oil and gas exploration and development
activities using horizontal drilling and fracturing to the Environmental Review Commission on or before
April 1, 2014 (was, October 1, 2013).

Deletes changes to Section 2(j) of SL 2012-143, which added the Department of Commerce to the
entities that are to study funding issues connected to the state’s administration of an oil and gas
regulatory program.

Deletes provision directing the MEC, the Department of Environment and Natural Resources (DENR),
and the Consumer Protection Division of the Department of Justice (Consumer Protection), to study and
issue recommendations for establishing a restitution fund for landowners who suffer damages as a
result of fraud, deception, misrepresentation, or knowing omission of material facts related to oil or gas
interests. Adds provision directing the MEC and DENR to study issues related to establishing and
implementing the registration requirements for landmen under GS 113-425. Sets out minimum topics to
be reviewed in the study. Requires the MEC and DENR to receive input from the oil and gas industry and
other stakeholders on the current registry, its effectiveness, and whether modifications or
discontinuance is advisable. Directs the MEC to report its findings and recommendations to the
Environmental Review Commission and the Joint Legislative Commission on Energy Policy on or before
April 1, 2015.

Part III

Amends GS 143B-293.2 to make changes to the membership qualifications for members the North
Carolina Mining and Energy Commission appointed (1) by the Governor, (2) by the General Assembly on
the recommendation of the Speaker of the House of representatives, and (3) by the General Assembly
on the recommendation of the President Pro Tempore of the Senate. Also provides for the appointment
of the State Geologist or a designee of the Secretary of Environment and Natural Resources, (was, the
designee was to be selected by the State geologist).

Provides that this Part is effective when it becomes law; however, it allows members serving under
subdivisions (14) and (15) of GS 143B-293.2(a,) as of the effective date of this act, to serve the
remainder of their unexpired term.

Part IV

Amends the Part heading. Deletes changes to GS 113-425 regarding civil and criminal penalties, and
injunctive relief for applicants or registrants determined by DENR to have engaged in specified actions
related to the requirements of the landmen registry.

Part VI

Amends new GS 113B-30 to require that any revenues and royalties paid to the state as a result of
offshore leasing, exploration, development, and production of all energy resources be deposited in the
Offshore Energy Management Fund until the Fund reaches $250 million (was, $500 million). Mandates
that once the Fund reaches $250 million, it is to be used as provided in GS 113B-30(b), which provides
for the annual appropriation of specified percentages of the Fund to be utilized for the listed purposes
(was, required that once the Fund reached the specified amount, the excess funds were to be credited
to the General Fund and that the state was to seek recovery of all costs for funds expended). Makes
conforming changes to establish that the amount to be established in the Fund is $250 million.

Part VII

Clarifies that the request to the US Department of the Interior for reinstatement of the federal Offshore
Policy Committee with new members and new alternate members includes the appointment of a total
of six appointees, one member and one alternate member each from North Carolina, Virginia, and South
Carolina.

Makes technical changes to correct references to sections of this act.

Part VIII

Amends the legislative findings and purposes found GS 113B-1, adding supporting language to the
finding that it is in the State's best interest to support the development of a reliable and adequate
supply of energy for North Carolina.

Amends GS 113B-2, provisions providing for the creation and purpose of the Energy Policy Council (EPC),
clarifying that the EPC is also created to promote economic growth and job creation. Establishes that the
Lieutenant Governor will be appointed and serve as a member of the EPC. Provides that 10 appointed
citizens of NC will also serve on the EPC (was, 11). Requires appointments to the EPC to be made by
October 1, 2013 (was, July 1, 2013). Amends the requirements for the appointed public members of the
EPC, deleting the requirement that one of the members must be a representative of a rural electric
membership corporation formed pursuant to GS 117-8 and appointed by the Speaker of the House, that one member be experienced in the petroleum industry, that one represent an investor-owned natural gas public utility, and deleting the requirement that one of the appointee have experience in biofuels and replacing it with a requirement that one member must be a representative of an investor-owned public utility and appointed by the President Pro Tempore of the Senate. Provides that the Lieutenant Governor will serve as chair of the council (previously, the chair was appointed by the Governor for a two year term). Adds to the general duties of the EPC, providing that one of the EPC's goals is to protect the economy of the State, promote job creation, and expand business and industry opportunities. Provides that the EPC can delegate its duties where appropriate to the Division of Energy, Mineral, and Land Resources of DENR.

Amends GS 113B-7, concerning the Energy Efficiency Program, making technical changes and providing that the Program must be designed to consider (was, encourage and promote) the conservation of energy through reducing wasteful, inefficient or uneconomical uses of energy resources. Allows the Program (was, required) to include specified recommendations. Directs the EPC to review and revise the Energy Efficiency Program at least every five years (was, every two years).

Amends GS 113B-11, clarifying that any staff support required by the EPC must be supplied by the Division of Energy, Mineral, and Land Resources of DENR, deleting language that stated the required staff support was in order to fully and effectively develop recommendations for a State energy policy. Authorizes the Department of Commerce to make staff available to assist in the development of a State energy Policy (previously, only the Utilities Commission was so authorized).

Amends GS 113B-12, concerning annual reporting requirements, clarifying that every two years the EPC must transmit a comprehensive report detailing the energy conditions of the State to specified parties.

Enacts new GS 143B-281.1, concerning the transfer of the EPC, providing that the EPC is transferred to DENR by a Type II transfer as defined in GS 143A-6.

Amends GS 114-4.2D, changing the title of the section and clarifying that the Energy Policy Council is a council under DENR.

Provides that the terms of all members of the EPC serving as of the effective date of this act (was, effective date of this act or June 30, 2013) expire on the effective date of the act. Provides that initial appointments, pursuant to GS 113B-3(c), as amended by Section 8(e) of this act, must be made no later than September 1, 2013 (was, July 1, 2013).

Part IX

Amends Part IX, making technical changes.

Part X

Amends the effective date clause, providing that GS 113B-30, as enacted by Section 6 of this act, becomes effective only if authorized by the General Assembly in the Current Operations and Capital
Improvements Appropriations Act of 2013. The first report due pursuant to GS 113B-12, as amended by Section 8(m) of this act, will be transmitted on or before January 1, 2014. Except as otherwise provided, the remainder of this act is effective when it becomes law.

**Summary date:** Jul 30 2013

AN ACT TO (1) PROVIDE FOR AUTOMATIC REVIEW OF MINING AND ENERGY COMMISSION RULES BY THE GENERAL ASSEMBLY; (2) EXEMPT THE MINING AND ENERGY COMMISSION, THE ENVIRONMENTAL MANAGEMENT COMMISSION, AND THE COMMISSION FOR PUBLIC HEALTH FROM PREPARING FISCAL NOTES FOR RULES THAT PERTAIN TO THE MANAGEMENT OF OIL AND GAS EXPLORATION AND DEVELOPMENT; (3) DIRECT THE MINING AND ENERGY COMMISSION TO STUDY DEVELOPMENT OF A COMPREHENSIVE ENVIRONMENTAL PERMIT FOR OIL AND GAS EXPLORATION AND DEVELOPMENT ACTIVITIES USING HORIZONTAL DRILLING AND HYDRAULIC FRACTURING TREATMENTS; (4) REQUIRE THE MINING AND ENERGY COMMISSION AND THE DEPARTMENT OF REVENUE TO STUDY ESTABLISHMENT OF A TAX FOR THE SEVERANCE OF ENERGY MINERALS FROM THE SOIL OR WATER OF THE STATE IN AN AMOUNT SUFFICIENT TO COVER ALL COSTS ASSOCIATED WITH ADMINISTRATION OF A MODERN REGULATORY PROGRAM FOR THE MANAGEMENT OF OIL AND GAS EXPLORATION AND DEVELOPMENT ACTIVITIES USING THE PROCESSES OF HORIZONTAL DRILLING AND HYDRAULIC FRACTURING TREATMENTS FOR THAT PURPOSE, INCLUDING CREATION OF AN EMERGENCY FUND TO PROTECT AND PRESERVE THE STATE'S NATURAL RESOURCES, CULTURAL HERITAGE, AND QUALITY OF LIFE; (5) DIRECT THE MINING AND ENERGY COMMISSION TO STUDY MATTERS RELATED TO REGISTRATION OF LANDMEN; (6) MODIFY APPOINTMENTS TO THE MINING AND ENERGY COMMISSION; (7) MODIFY PROVISIONS IN THE OIL AND GAS CONSERVATION ACT CONCERNING THE MINING AND ENERGY COMMISSION'S AUTHORITY TO SET "ALLOWABLES"; (8) CLARIFY BONDING REQUIREMENTS ASSOCIATED WITH OIL AND GAS ACTIVITIES; (9) ASSIGN FUTURE REVENUE FROM ENERGY EXPLORATION, DEVELOPMENT, AND PRODUCTION OF ENERGY RESOURCES IN ORDER TO PROTECT AND PRESERVE THE STATE'S NATURAL RESOURCES, CULTURAL HERITAGE, AND QUALITY OF LIFE; (10) ENCOURAGE THE GOVERNOR TO DEVELOP THE REGIONAL INTERSTATE OFFSHORE ENERGY POLICY COMPACT; (11) AMEND THE ENERGY POLICY ACT OF 1975 AND THE ENERGY POLICY COUNCIL; AND (12) DIRECT THE MEDICAL CARE COMMISSION TO ADOPT RULES AUTHORIZING FACILITIES LICENSED BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO USE COMPRESSED NATURAL GAS AS AN EMERGENCY FUEL. Enacted July 29, 2013. Effective July 29, 2013, except as otherwise provided.

**SL 2013-366**

**HEALTH AND SAFETY LAW CHANGES.**

**Bill S 353**

**Summary date:** Mar 19 2013
Amends GS 20-154 to provide that violations of (a), concerning ensuring safe movements, signals on starting, stopping, or turning, where the violation results in a crash causing more than $5,000 worth of property damage or a serious bodily injury to a motorcycle operator or passenger, are an infraction and are assessed a fine of at least $750. Requires that such a violation be treated as a failure to yield right-of-way to a motorcycle for the assessment of points. Also gives the trial judge the authority to order the driver's license be suspended for no more than 30 days. Effective for violations committed on or after October 1, 2013.

**Summary date:** Apr 8 2013

Senate amendment makes the following change to the 1st edition.

Provides that in addition to the trial judge having the authority to suspend the license of any driver violating GS 20-154(a2), the judge can also allow the licensee, in cases of suspension, to have a limited driving privilege not to exceed the period of suspension. This privilege will be issued in accordance with the terms and conditions prescribed in GS 20-16.1(b)(1), (2), (3), (4), (5), and (g).

**Summary date:** Jul 31 2013

House committee substitute to the 2nd edition adds the following provisions.

Amends GS 14-45.1(e) to expand the prohibition against requiring a health care provider who states an objection to abortion on moral, ethical, or religious grounds to participate in medical procedures, which result in an abortion, to also include any other health provider (was, applied to physicians licensed in North Carolina and nurses only). Clarifies that refusal of a physician, nurse, or health care provider is not a basis for damages or for any disciplinary or other recriminatory action against a physician, nurse, or health care provider. Provides that for the purposes of this section, health care provider has the same meaning as defined under GS 90-410(1). Amends GS 14-45.1(f) to clarify that nothing in this section is to require a health care institution, hospital, or other health care provider to perform an abortion or to provide abortion services (was, a hospital or a health care institution). Makes this section effective 30 days after it becomes law.

Enacts new GS 58-51-63, citing authority granted to the states under 42 USC § 18023(a), to prohibit a qualified health plan offered through an Exchange created under Subchapter III of Chapter 157 of Title 42 of the U.S. Code and operating within this state from including coverage for abortion services. Makes an exception for abortions performed when the pregnancy is a result of rape or incest or the mother’s life is endangered.

Amends 153A-92(d) to prohibit a county from providing abortion coverage greater than that provided by the State Health Plan for Teachers and State Employees under Article 3B of GS Chapter 135. Amends GS 160A-162(b) to implement the same prohibition with regards to the provision of health insurance by a city council to city employees. Applies to insurance contracts or policies issued, renewed, or amended on or after October 1, 2013.
Enacts new Article 1K, *Certain Abortions Prohibited*, in GS Chapter 90, effective October 1, 2013, and applying to violations occurring on or after that date. Provides that, notwithstanding GS 14-45.1, no person will perform or attempt to perform an abortion on a woman in North Carolina with knowledge, or an objective reason to know, that a significant factor in seeking the abortion is related to the sex of the unborn child. Establishes that this section will not be construed as creating an affirmative duty for a physician to inquire if the sex of the unborn child is a significant factor in seeking the abortion.

Provides for civil remedies for violations. Makes any person who violates the provisions of this Article liable for damages, including punitive damages under GS Chapter 1D and provides that the violator may be enjoined from future acts.

Allows a claim for damages against any person who has violated a provision of this Article to be sought by (1) the woman upon whom an abortion was performed or attempted, (2) the spouse or guardian of the woman upon whom an abortion was performed or attempted, or (3) a parent of a woman upon whom an abortion was performed or attempted if the woman was a minor at the time of the abortion or the attempted abortion.

Allows a claim for injunctive relief to be sought by (1) the woman upon whom an abortion was performed or attempted in violation of this Article; (2) any person who is the spouse, guardian, or current or former licensed health care provider of the woman upon whom an abortion has been performed or attempted in violation of this Article; or (3) a parent of the woman upon whom the abortion was performed or attempted if the woman was a minor at the time of the abortion or the attempt. Provides for civil contempt and fines for the violation of an injunction. Provides that each performance or attempted performance of an abortion in violation of an injunction is a separate violation and that the fines are cumulative. Prohibits assessing a fine against the woman upon whom the abortion was performed or attempted. Directs that the clear proceeds of any civil penalty assessed under this section are to be remitted to the Civil Penalty and Forfeiture Fund in accordance with GS 115C-457.2.

Requires the court to rule whether the anonymity of any woman upon whom an abortion has been performed or attempted must be preserved from public disclosure if the woman does not give her consent to the disclosure. Upon determining that the woman's anonymity should be preserved, requires the court to issue orders to the parties, witnesses, and counsel and to direct the sealing of the record and exclusion of individuals from courtrooms or hearing rooms to the extent necessary to safeguard the woman's identity from public disclosure. Requires such orders to be accompanied by specific written findings explaining (1) why the anonymity of the woman should be preserved from public disclosure; (2) why the order is essential to that end; (3) how the order is narrowly tailored to serve that interest; and (4) why no reasonable, less restrictive alternative exists. Prohibits construing this section to be used to conceal the identity of the plaintiff or of witnesses from the defendant.

Makes a conforming change to the definition for *attempt to perform an abortion* provided in GS 90-21.81(2). Effective October 1, 2013.
GS 90-21.82 provides that a woman must provide voluntary and informed consent to receive an abortion. Amends this section to specify the following information that a physician or qualified professional must provide orally (by telephone or in person) to the woman at least 24 hours before an abortion is performed, except in the case of a medical emergency: (1) the name of the doctor who will perform the abortion to ensure the safety of the procedure and prompt medical attention to any complications that may arise; (2) the doctor performing the abortion will be physically present during the performance of the entire abortion procedure; and (3) the doctor prescribing, dispensing or otherwise providing any drug or chemical for the purpose of inducing an abortion will be physically present in the room with the patient when the first drug or chemical is administered to the patient.

Amends GS 90-21.83 to direct the Department of Health and Human Services (DHHS) make a list of resources available on the state web site that a woman may contact for assistance upon receiving information from the physician performing an ultrasound that her unborn child may have a disability or serious abnormality. Directs DHHS to provide the information in a manner as prescribed by subsection (b) of this section.

Directs DHHS to amend its rules for clinics certified by DHHS to be suitable facilities for performing abortions under GS 14-45.1. Allows DHHS to apply any requirement for the licensure of ambulatory surgical centers to the standards that apply to clinics certified as suitable facilities for performing abortions. Specifies issues that must be addressed by the rules. Directs DHHS to report to the Joint Legislative Oversight Committee on Health and Human Services on its progress in amending the rules no later than January 1, 2014. Requires the DHHS, Division of Health Service Regulations, to study what resources are needed to adequately enforce regulations for clinics certified as suitable for performing abortions. Requires a report by April 1, 2014, to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. This section becomes effective October 1, 2013.

Adds a severability clause. Makes conforming changes. Amends the act's short and long titles.

Summary date: Jul 31 2013

AN ACT TO MODIFY CERTAIN LAWS PERTAINING TO ABORTION, TO LIMIT ABORTION COVERAGE UNDER HEALTH INSURANCE PLANS OFFERED UNDER A HEALTH BENEFIT EXCHANGE OPERATING IN NORTH CAROLINA OR OFFERED BY A COUNTY OR MUNICIPALITY, TO PROHIBIT A PERSON FROM PERFORMING OR ATTEMPTING TO PERFORM AN ABORTION WHEN THE SEX OF THE UNBORN CHILD IS A SIGNIFICANT FACTOR IN SEEKING THE ABORTION, TO DIRECT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO AMEND RULES AND CONDUCT A STUDY PERTAINING TO CLINICS CERTIFIED BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO BE SUITABLE FACILITIES FOR THE PERFORMANCE OF ABORTIONS, TO AMEND THE WOMEN'S RIGHT TO KNOW ACT, AND TO INCREASE PENALTIES FOR UNSAFE MOVEMENTS BY DRIVERS THAT THREATEN THE PROPERTY AND SAFETY OF MOTORCYCLISTS. Enacted July 29, 2013. Effective July 29, 2013, except as otherwise provided.
EXP. OF NATURAL GAS & PROPANE FOR AGRICULTURE.

Bill S 379

Summary date: Mar 20 2013


Amends GS 20-118(c)(12) to exempt vehicles transporting poultry or livestock feed from a storage facility, holding facility, or a mill to a farm within 150 miles of the point of origin from the weight limitations imposed in subsection (b) of GS 20-118 and penalties for violating those weight limits in subsection (e).

Effective July 1, 2013.

Summary date: Jun 20 2013

The House committee substitute to the 1st edition deletes the provisions of the 1st edition and provides for the following instead.

Enacts new GS 143B-437.020 to allow state, regional, and local economic development funds to be used to allow the owner of an eligible project to pay for (1) excess infrastructure costs (as defined) associated with the project or (2) cost-effective alternatives that would reduce excess infrastructure costs. Defines eligible project as a discrete and specific economic development project that would expand agricultural production or processing capabilities that requires new or expanded natural gas service. Terminates the payment of funds when there are no longer excess infrastructure costs. Requires an owner who is paid funds to reimburse the funds if the eligible project does not maintain business operations for at least five years from receiving the funds. Caps payments to $5 million per biennium.

Updates the act's short and long titles.

Summary date: Jul 17 2013

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

Amends proposed GS 143B-437.020 by adding and defining the terms agriculture and economic development incentive programs. Amends the definition of eligible project to mean a discrete and specific economic development project that would expand agricultural production or processing capabilities that requires new or expanded natural gas or propane gas service, deleting the requirement that the project be located in a rural area. Amends the definition of project carrying costs to make clarifying changes.
Provides that economic development incentive programs may use funds for agricultural projects for the specified purposes (was, state, regional, and local economic development funds may, at the fund manager’s discretion, be used for the specified purposes).

Adds that economic development incentive programs may use funds for agricultural projects to allow the owner of an eligible project to pay for cost-effective alternatives that would reduce infrastructure costs or increase energy efficiency by adding supplemental uses of propane gas to increase annual volume throughput, reduce energy consumption, reduce energy costs, or enhance the feasibility of the project or the provision of propane gas service.

Clarifies that total incentive funds for all eligible projects must not cumulatively exceed $5 million per biennium. Requires managers of economic development incentive programs to promptly report payments to the Department of Commerce, which must promptly notify economic development incentive program managers when the funding limitation has been reached for the biennium.

Makes conforming changes, including replacing the term "funds" with "incentive funds."

Changes the act's titles.

Summary date: Jul 30 2013

AN ACT AUTHORIZING ECONOMIC DEVELOPMENT INCENTIVE PROGRAMS TO UTILIZE FUNDS TO SUPPORT NEW AND EXPANDED NATURAL GAS SERVICE AND TO SUPPORT PROPANE GAS SERVICE FOR AGRICULTURAL PROJECTS. Enacted July 29, 2013. Effective July 29, 2013.

SL 2013-368

SAFE HARBOR/VICTIMS OF HUMAN TRAFFICKING.

Bill S 683

Summary date: Apr 5 2013

Amends GS 14-43.11, (Human trafficking), providing that a person commits human trafficking when they (i) knowingly or in reckless disregard of the fact, recruits, entices, harbors, transports, provides, or obtains by any means another person with the intent that the other person be held in involuntary servitude or sexual servitude (previously, offense committed only when elements were knowingly committed) or (ii) knowingly or in reckless disregard of the fact causes a minor to be held in involuntary servitude or sexual servitude (previously, there was not a separate element for minors). Provides that a violation of the above is a Class E felony (was, Class F) if the victim is an adult. Establishes that a mistake of age or consent of a minor is not a defense to prosecution.

Amends GS 14-43.12, (Involuntary servitude), providing that a person commits the offense of involuntary servitude when that person knowingly and willfully or in reckless disregard holds another in
involuntary servitude (previously, reckless disregard was not a qualifying element of the crime). Provides that a violation of the above is a Class E felony (was, Class F) if the victim is an adult. Establishes that a mistake of age or consent of a minor is not a defense to prosecution.

Amends GS 14-43.13, (Sexual servitude), providing that a person commits the offense of sexual servitude when that person knowingly or in reckless disregard subjects or maintains another in sexual servitude (previously, reckless disregard was not a qualifying element of the crime). Provides that a violation of the above is a Class E felony (was, Class F) if the victim is an adult. Establishes that a mistake of age or consent of a minor is not a defense to prosecution.

Repeals GS 14-190.18, (Promoting prostitution of a minor), GS 14-190.19 (Promoting prostitution of a minor), GS 14-203 (Definition of terms), GS 14-204 (Prostitution and various acts abetting prostitution), GS 14-204.1 (Loitering for the purpose of engaging in prostitution offense), GS 14-205 (Prosecution; in what courts), GS 14-207 (Degrees of guilt) and GS 14-208 (Punishment; probation; parole).

Recodifies GS 14-206 (Reputation and prior conviction admissible as evidence) as GS 14-203.9.

Amends GS 14, Article 27, adding multiple new sections.

Enacts GS 14-203.1, (Definitions), providing the terms and definitions to be used in Article 27, including advance prostitution, minor, profit from prostitution, and sexual act.

Enacts new GS 14-203.2, (Prostitution), defining the offense of prostitution as having been committed by any person who knowingly performs, offers, or agrees to perform any sexual act for any money, property, token, object, or article or anything of value, or any touching or fondling of the sex organs of one person by another person, for anything of value, for the purpose of sexual arousal or gratification.

A violation of this results in a Class 1 misdemeanor. A first time offender will automatically receive deferred prosecution and probation in the amount of 12 months, further proceedings will be deferred until the conclusion of the 12 months probation. Provides the conditions of probation, including, attending no fewer than 10 counseling sessions by an approved program. The court can also set other conditions as it sees fit, including but not limited to requiring payment of a fine and court costs. If probation is successfully fulfilled, the court will discharge the person and dismiss the proceedings against them. Provides that when a person charged with this offense is deemed a minor, they are immune from prosecution and instead are subject to temporary custody provisions in GS 7B-1900, 7B-1901, and 7B-1905.

New GS 14-203.3, (Solicitation of a sexual act), defines the offense of solicitation as having been committed when a person offers not his or her spouse any money, property, token, object, or article or anything of value for that person or any other person not his or her spouse to perform any sexual act, or any touching or fondling of the sex organs of one person by another person for the purpose of sexual arousal or gratification. A violation of this results in a Class F felony. However, solicitation of a sexual act from a minor or who is severely or profoundly mentally disabled is a Class C felony.
New GS 14-203.4, *(Promoting prostitution)*, defines the offense of promoting prostitution as any person who knowingly performs any of the following acts: (1) Advances prostitution as defined in GS 14-203.1. (2) Profits from prostitution by doing any of the following: a. Compelling a person to become a prostitute. b. Arranging or offering to arrange a situation in which a person may practice prostitution. c. Any means other than those described in sub-subdivisions above, including from a person who patronizes a prostitute. This sub-subdivision does not apply to minors engaged in prostitution. A person cannot be convicted of promoting prostitution under this sub-subdivision if the practice of prostitution underlying the offense consists exclusively of the accused's own acts of prostitution under GS 14-203.2.

Establishes different sentencing and punishment levels in regards to how a person is determined to have promoted prostitution in regards to the above described varying acts, including but not limited to, a violation of GS 14-203.4(a)(1) is a class F felony or a Class C felony if committed within 1,000 feet of a school.

New GS 14-203.5, *(Promoting prostitution of a minor)*, defines the offense of promoting prostitution of a minor as any person who knowingly performs any of the following acts:

(1) Advances prostitution as defined in GS 14-203.1, where the minor engaged in prostitution, or any person engaged in prostitution in the place is a minor or is severely or profoundly mentally disabled at the time of the offense. (2) Profits from prostitution by any means where the prostituted person is a minor or is severely or profoundly mentally disabled at the time of the offense. (3) Confines a minor or a severely or profoundly mentally disabled person against the person's will by the infliction or threat of imminent infliction of great bodily harm, permanent disability, or disfigurement or by administering to the minor or severely or profoundly mentally disabled person, without the person's consent or by threat or deception and for other than medical purposes, any alcoholic intoxicant or a drug as defined in GS 90, Article 5 (North Carolina Controlled Substances Act) and does any of the following: a. Compels the child or severely or profoundly mentally disabled person to engage in prostitution. b. Arranges a situation in which the child or severely or profoundly mentally disabled person may practice prostitution. c. Profits from prostitution by the child or severely or profoundly mentally disabled person.

Establishes different sentencing and punishment levels in regards to how a person is determined to have promoted prostitution of a minor in regards to the above described varying acts, including but not limited to, a violation of GS 14-203.5(a)(1) is a Class B2 felony or a Class B1 felony if committed within 1,000 feet of a school. Provides that any person convicted of a violation of this section that involves promoting prostitution of a minor by keeping a place of minor prostitution or convicted of a violation of GS 14-103.5(a)(3) is subject to the property forfeiture provisions in GS 14-2.3.

New GS 14-203.6, *(Patronizing a prostitute)*, defines the offense as having been committed by any person who knowingly performs any of the following acts with a person not his or her spouse: (1) Engages in a sexual act with a prostitute. (2) Enters or remains in a place of prostitution with intent to engage in a sexual act. (3) Engages in any touching or fondling with a prostitute of the sex organs of one person by the other person, with the intent to achieve sexual arousal or gratification.
Establishes different sentencing and punishment levels in regards to how a person is determined to have patronized a prostitute in regards to the above described varying acts, including but not limited to, a violation of any of the above is a Class F felony or a Class C felony if committed within 1,000 feet of a school.

GS 14-203.7, (Patronizing a minor engaged in prostitution), any person who does any of the following commits the offense of patronizing a minor engaged in prostitution: (1) Engages in a sexual act with a person engaged in prostitution that is a minor or is a severely or profoundly mentally disabled person. (2) Engages in any touching or fondling, with a person engaged in prostitution that is either a minor or is a severely or profoundly mentally disabled person, of the sex organs of one person by the other person, with the intent to achieve sexual arousal or gratification.

Establishes an affirmative defense to the charge, reasonably believing the person was of an age of 18 years or older or was not severely/profoundly mentally disabled at the time of the charge is an affirmative defense to the charge.

A person who commits patronizing a minor engaged in prostitution is guilty of a Class C felony, unless committed within 1,000 of a school, then it is a Class B2 felony. It is also a Class B2 felony to commit a subsequent violation or of any combination of such number of convictions under the statute and specified other statutes.

New GS 14-203.10, (Certain probation conditions), provides that a person that is convicted of a crime under this Article and receives a sentence which includes probation, and that person has a venereal disease, the period of probation can only commence on terms and conditions that ensure medical treatment and prevent the spread thereof. Also provides that no a girl or woman convicted under this Article can be placed on probation in the care or charge of any person except a woman probation officer.

New GS 14-203.15, (Vehicle impoundment), provides that a law enforcement officer can tow and impound any vehicle used by the person who committed a crime under this Article and used that vehicle in the commission of the offense. Fees are authorized in the amount of $1,000. Provides for the distribution of the funds received by this section. As well as the recoupment of those fees upon acquittal of all of the offenses connected to the impoundment.

Amends GS 15A-290(c)(1), adding GS 14-43.11 (Human trafficking), GS 14-43.12 (Involuntary servitude), GS 14-43.13 (Sexual servitude), GS 14-203.5 (Promoting prostitution of a minor), and GS 14-203.7 (Patronizing a minor engaged in prostitution), providing that these are offenses for which orders for electronic surveillance may be granted.

Adds new subdivision GS 15A-1415(b)(10), providing that the following are grounds upon which the defendant may assert a motion for appropriate relief (MAR) made more than 10 days after entry of judgment: The defendant was convicted of a first offense of misdemeanor prostitution under GS 14-203.2 and prosecution of the offense was not deferred pursuant to GS 14-203.2(c); the defendant's participation in the offense was a result of having been a victim of human trafficking under GS 14-43.11,
sexual servitude under GS 14-43.13, or the federal Trafficking Victims Protection Act (22 U.S.C. § 7102(13)); and the defendant seeks to have the conviction vacated.

Amends GS Chapter 15A, Article 89 by adding a new section, GS 15A-1416.1, (Motion by the defendant to vacate prostitution conviction for sex trafficking victim), providing that the Court of Appeals has jurisdiction to hear a MAR filed pursuant to the grounds in GS 15A-1415(b)(10). Provides rules for filing MARs and what they must state and contain in order to be considered. Also establishes that the court may grant the MAR if, within their discretion, the violation was a result of the defendant having been a victim of human trafficking. Provides a list of documents which would constitute evidence of such, and provides that the court can consider other evidence as it deems to have sufficient credibility and probative value in regards to the determination. A granted MAR under this section requires the court to vacate the conviction and allows the court to take such additional action as is appropriate.

Adds new subdivision GS 15A-145.6, (Expunctions for certain defendants convicted of prostitution), providing the terms and definitions to be used in this section, including, prostitution offense and violent felony or violent misdemeanor. Allows a person who pleads guilty or was found guilty of a prostitution offense to file a petition in court, where the conviction occurred, for expunction of the offense provided that they meet the following criteria:

(1) The person has not previously been convicted of any violent felony or violent misdemeanor under the laws of the United States or the laws of this State or any other state.

(2) The person satisfies any one of the following criteria:

a. The person's participation in the prostitution offense was a result of having been a trafficking victim under GS 14-43.11 (human trafficking) or GS. 14-43.13 (sexual servitude) or a victim of a severe form of trafficking under the federal Trafficking Victims Protection Act (22 U.S.C. § 7102(13)).

b. The person was less than 18 years old at the time that the person committed the offense.

c. The person was sentenced under the deferred prosecution provisions in GS. 14-203.2 and is eligible to apply for an expunction under GS. 14-203.2(c).

Petition may not be filed earlier than three years after serving the full sentence. Provides the rules for filing such petitions and what they must state and contain in order to be considered. The petitions are to be served on the district attorney (DA) of the convicting court. The DA has 30 days thereafter to file any objection. The DA must make his/her best effort to contact the victim in order to notify them of the expunction request. Provides the specified steps and issues that will be followed by the court in rendering a decision on the petition. Orders the court to restore the person to the status occupied prior to the arrest or indictment if the court finds specified requirements are met, including but not limited to, the petitioner has no outstanding warrants or pending criminal cases, and the criteria set out in subsection (b) of this section are satisfied. Provides other effects and requirements that must take place after a petition for expunction is granted, for example, the court will order that the conviction of the
prostitution offense be expunged from the records of the court and direct all law enforcement agencies to do the same.

Amends GS 15A-13.40.16(d) adding the following to a list of aggravating factors for use in GS Chapter 15A, Article 81B (Structured Sentencing of Persons Convicted of Crimes): the offense is a violation of GS 14-43.11 (human trafficking), GS 14-43.12 (involuntary servitude), or GS 14-43.13 (sexual servitude) and involved multiple victims; the offense is a violation of GS 14-43.11 (human trafficking), GS 14-43.12 (involuntary servitude), or GS 14-43.13 (sexual servitude) and the victim suffered serious injury as a result of the offense.

Amends GS 15B-2 (Definitions) of Article 1 (Crime victim's compensation act), adding the following classification to the definition of a "claimant" - "a person who was convicted of a first offense under GS 14-203.2 and whose participation in the offense was a result of having been a trafficking victim or a victim of a severe form of trafficking under the federal Trafficking Victims Protection Act". Also provides that a claimant cannot be the offender or an accomplice of the offender, except as provided in sub-subdivision (e) of this subdivision (previously, no language referring to sub-subdivision (e) was included).

Amends GS 7B-101 (Definitions), as it pertains to Abuse, Neglect, Dependency, to make conforming changes. Adds the following classification to the definition for "abused juveniles" - which is any juvenile less than 18 years old whose parents, guardian, custodian, or caretaker: "commits or allows to be committed an offense under GS 14-43.11 (human trafficking), GS 14-43.12 (Involuntary servitude), or GS 14-43.13 (sexual servitude against the child)."

Amends GS Chapter 14, Article 10A by adding a new section GS 14-43.20, (Mandatory restitution; victim services; forfeiture), providing that restitution is mandatory under this Article for a victim. For the purposes of this section a "victim" is an individual subjected to the practices set out in GS 14-43.11, GS 14-43.12, or GS 14-43.13. Provides that in addition to any other amount of loss identified, the court will order restitution including the greater of: (1) the gross income or value to the defendant of the victim's labor or services or (2) the value of the victim's labor as guaranteed under the Minimum Wage Law and overtime provisions of the Fair Labor Standards Act (FLSA) or the Minimum Wage Law.

Provides that the Department of Health and Human Services can provide or fund emergency services and assistance to those who are victims of offenses under GS 14-43.11, GS 14-43.12, or GS 14-43.13. Also includes a certification clause requiring that the Attorney General, a district attorney, or any law enforcement official will certify in writing to the United States Department of Justice or other federal agency, such as the United States Department of Homeland Security, that an investigation or prosecution under this Article for a violation of GS 14-43.11, GS 14-43.12, or GS 14-43.13. has begun and the individual who is a likely victim of one of those crimes is willing to cooperate or is cooperating with the investigation to enable the individual, if eligible, to qualify for an appropriate special immigrant visa and to access federal benefits. Cooperation with law enforcement is not required of victims who are under 18 years of age. This certification will be made available to the victim and the victim's designated legal representative. Provides that specified property forfeiture provisions are applicable.

Amends the introductory language in GS 14-190.13, making conforming and technical changes.
Amends GS 14-208.6(5), 15A-830(a)(7), GS 90-210.25B(b), GS 114-15(b1), and GS 115C-296(d)(2) making conforming changes.

Effective December 1, 2013, and applies to offenses committed on or after that date. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

Summary date: May 13 2013

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

Amends GS 14-203.1, Definitions, making a technical change to the definition for advance prostitution. Adds prostitute and prostitution as new terms. Deletes the term and definitions for sexual act. Amends GS 14-203.2, Prostitution, providing that any person who knowingly engages in prostitution is guilty of a Class I misdemeanor.

Amends GS 14-203.2 to provide for conditional discharge for a first offender (was, deferred prosecution). Sets out the requirements and conditions for conditional discharge, the same as previously set out for deferred prosecution in the previous edition. Establishes that discharge and dismissal under this subsection will not be considered as a conviction for the purposes of structured sentencing or for purposes of disqualifications or disabilities imposed by law when convicted of a crime. Minors suspected of or charged with a violation are to be taken into temporary protected custody as undisciplined juveniles under Article 19, GS Chapter 7B.

Amends GS 14-203.3, renaming subsection to Solicitation of prostitution (was, Solicitation of a sexual act), deleting the language of the previous edition. Establishes that any person who solicits another for the purpose of prostitution is guilty of a Class I misdemeanor for a first offense and a Class I felony for a second or subsequent offense. Provides that solicitation of a minor, by anyone 18 years or older, for the purpose of prostitution is a Class C felony and solicitation of a person who is severely or profoundly mentally disabled for the purpose of prostitution is a Class C felony. Makes technical and clarifying changes to the sentencing guidelines of the subsection.

Amends GS 14-203.5, renaming subsection to Promoting prostitution of a minor or mentally disabled person, (was, Promoting prostitution of a minor). Provides that administering drugs or alcoholic intoxicants to a minor or mentally disabled person is without consent if without consent of parent or legal guardian or is performed or permitted (was, performed) by the parent or guardian for other than medical purposes. Amends the forfeiture portion of the statute so that it includes prostitution of a mentally disabled person in the provisions for this section, which previously only applied to prostitution of a minor. Makes clarifying, technical, and conforming changes.

Amends GS 14-203.6, Patronizing a prostitute, establishing that any person who knowingly performs any of the following acts with a person not his or her spouse commits the offense of patronizing a prostitute:

1. Engaging in vaginal intercourse, any sexual act as found in GS 14-27.1(14), or any sexual contact as defined in GS 14-27.1(5) for the purpose of sexual arousal or gratification, with a prostitute.
2. Entering or remaining in a place of prostitution with intent to engage in vaginal intercourse, any sexual act in GS 14-27.1(4), or any sexual contact as defined in GS 14-27.1(5) for the purpose of sexual arousal or gratification.

Makes technical and clarifying changes to the sentencing guidelines of the subsection.

Deletes Section 6 of the previous act, which proposed a new subsection GS 14-203.15, *Vehicle impoundment*.

Amends GS 14-203.7, renaming subsection to *Patronizing a minor or mentally disabled person engaged in prostitution*, (was, *Patronizing a minor engaged in prostitution*). Amends the definition of the offense, providing that any person, 18 years of age or older, that engages in vaginal intercourse, any sexual act as defined in GS 14-27.1(4), or any sexual contact as defined in GS 14-27.1(5) for the purpose of sexual arousal or gratification with a prostitute that is a minor commits the offense of patronizing a minor engaged in prostitution. Similarly, any person that engages in vaginal intercourse, any sexual act as defined in GS 14-27.1(4), or any sexual contact as defined in GS 14-27.1(5) for the purpose of sexual arousal or gratification with a prostitute that is a severely or profoundly mentally disabled person commits the offense of patronizing a mentally disabled person in prostitution. Makes conforming and clarifying changes.

Amends GS 14-203.10, *Certain probation conditions*, making a technical change.

Amends GS 15A-290(c)(1), making conforming changes.

Enacts new subsection GS 15A-1341(a3), defining *deferred prosecution for prostitution*, providing that a defendant whose prosecution is deferred pursuant to GS 14-203.2(b) may be placed on probation as provided in this Article.

Amends GS 15A-1342(a1), making conforming changes.

Amends GS 15A-1415(b), making a technical and clarifying change.

Amends GS 15A-1461.1, *Motion by the defendant to vacate prostitution conviction for sex trafficking victim*, providing that the court can grant the motion if, in the discretion of the court, the violation was a result of the defendant having been a victim of human trafficking or sexual servitude (previously, only included human trafficking). Makes a clarifying change.

Amends GS 15A-145.6, *Expunctions for certain defendants convicted of prostitution*, changing the definition of a prostitution offense to a conviction for (1) a violation under GS 14-203.2 or (2) engaging in prostitution in violation of GS 14-204(7) for an offense that occurred prior to December 1, 2013. Makes a clarifying change. Amends criteria for expunction to establish that a person can meet one of the following new criteria and qualify to submit a petition if other existing criteria are met: (1) have no prior convictions for a prostitution offense and at least three years has passed since the date of conviction or the completion of any active sentence, period of probation, and post-release supervision, whichever occurs later; (2) the person received a conditional discharge pursuant to GS 14-203.3(b); or (3)
participation in the offense was a result of being a trafficking victim under specified statutes or a victim of a severe form of trafficking under the federal Trafficking Victims Protection Act. Deletes the requirement that a petition for expunction cannot be filed earlier than three years after the person has served the full sentence imposed on the person. Deletes language that required the district attorney to make his or her best efforts to contact the victim, if any, to notify the victim of the request for expunction prior to the date of the hearing. Makes a clarifying change. Amends requirements, that if met, requires the court to restore the person to the status occupied prior to the arrest or indictment, providing that the petitioner has to remain of good moral character and be free of conviction of any felony or misdemeanor, other than a traffic violation, since the date of the conviction of the prostitution offense in question (previously, required a three year clean period from the date of the conviction). Amends GS 15A-150(a), providing that the clerk of superior court must file with the AOC, as soon as practicable, the names of persons granted a conditional discharge under GS 14-203.2. Amends GS 15A-151(a), making conforming changes, adding references to new GS 15A-145.6, which provides for expunction, establishing to whom information about the specified expunctions can be disclosed. Amends GS 7B-101(1)(d), making a conforming change. Amends GS 14-208.6(5), GS 90-210.25B(b), and GS 115C-296(d)(2), discarding changes from the previous edition that deleted language referencing repealed sections GS 14-190.18 and GS 14-190.19, now referencing the sections as former GS 14-190.18 and former GS 14-190.19. Makes conforming changes, adding mentally disabled person to references to GS 14-203.5 and GS 14-203.7. Summary date: May 13 2013 Senate amendment to the 2nd edition makes the following changes. Amends GS 14-203.7, Patronizing a minor or mentally disabled person engaged in prostitution, deleting language which provided for an affirmative defense to the charge for reasonable belief that the person was age 18 or over or was not severely or profoundly mentally disabled. Makes conforming changes. Amends GS 15A-1416.1, Motion by the defendant to vacate prostitution conviction for sex trafficking victim, providing that a motion for appropriate relief (MAR) seeking to vacate a conviction for prostitution based on the grounds set out in GS 15A-1415(b)(10) must be filed in the court where the conviction occurred (previously, provided that the Court of Appeals had jurisdiction to hear an MAR). Summary date: Jul 1 2013 House committee substitute makes the following changes to the 3rd edition. Redefines the offense of human trafficking (GS 14-43.11), involuntary servitude (GS 14-43.12), and sexual servitude (GS 14-43.13) to provide punishment for persons who act knowingly or in reckless disregard of the consequences of their actions (was, knowingly or in reckless disregard of the fact). Also
amends GS 14-43.11 to also define as human trafficking willfully (was, knowingly) or in reckless disregard of the consequences of the action causing a minor to be held in involuntary servitude or sexual servitude. Restores current law, amended in a previous edition, which provides that if the victim is an adult, a violation of GS 14-43.11 (human trafficking) or a violation of GS 14-43.12 (involuntary servitude) is a Class F felony (was, Class E). Makes a violation of GS 14-43.13 (sexual servitude) a Class D felony (was, Class E) if the victim is an adult.

Removes GS 14-203, defining terms in Article 27 (prostitution) of GS Chapter 14, and GS 14-204, identifying prostitution and certain acts abetting prostitution as unlawful, from the list of statutes repealed in the previous edition.

Makes an organizational change, amending GS 14-203 instead of enacting a new GS 14-203.1. Deletes the definitions under current law for prostitution and assignation. Redefines prostitution to mean offering or agreeing to perform or performing vaginal intercourse, any sexual act as defined in GS 14-27.1 [was, GS 14-27.1(4)], or any sexual contact as defined in GS 14-27.1 [was, GS 14-27.1(5)] for the purpose of sexual arousal or gratification for money or other consideration. Recodifies provisions (Definitions) of previously proposed GS 14-203.1 as GS 14-203 (Definition of terms). Provides that advance prostitution includes granting or permitting the use of a place under circumstances from which a person should (was, could) reasonably know that the place is used or is to be used for the purpose of prostitution.

Makes an organizational change, amending GS 14-204 instead of enacting a new GS 14-203.2. Makes the catch line Prostitution (was, Prostitution and various acts abetting prostitution unlawful). Deletes all of the provisions under current law.

Makes willfully (was, knowingly) engaging in prostitution a Class 1 misdemeanor. Provides that regardless of the provisions of GS 15A-1431(a1) (Deferred Prosecution), the prosecution of a 16- or 17-year-old minor charged with a misdemeanor under this section but not previously convicted or placed on probation for violating this section must be deferred under Article 82 of GS Chapter 15A. Also provides that any 16- or 17-year-old minor charged with a second or subsequent misdemeanor offense under this section may be considered for deferred prosecution, (was, provided for immunity from prosecution for a minor and placement of the minor into temporary protective custody as an undisciplined juvenile under Article 19 of GS Chapter 7B).

Provides that a minor taken into custody by a law enforcement officer who reports an allegation of a violation of GS 14-43.11 or GS 14-43.13 to the director of social services in the county where the minor resides or is found must be held in nonsecure custody or placed in specialized housing if available pending a department of social services investigation into child abuse or child neglect.

Makes an organizational change, enacting new GS 14-205.1 (was, GS 14-203.3). Makes it a Class H felony (was, Class I) for a second or subsequent offense of soliciting another person for prostitution. Makes it a Class G felony (was, Class C) for any person age 18 or older to willfully solicit (was, solicit) a minor for prostitution. Makes it a Class E felony (was, Class C) for any person to willfully solicit a person who is severely and profoundly mentally disabled for the purpose of prostitution. Provides that punishment
under this section may include participation in "John School," a program devised for the education and prevention of sexual exploitation, where available. Makes a person who violates this section ineligible for a disposition of prayer for judgment continued under any circumstances.

Makes an organizational change, enacting new GS 14-205.2 (was, GS 14-203.6). Provides that except as provided in subsections (c), making it a Class F felony for a person 18 years of age or older to patronize a prostitute who is a minor, and (d), making a violation of this section a Class D felony if the prostitute is a severely or profoundly mentally disabled person, a first violation under this section is a Class A1 misdemeanor. Makes a second or subsequent violation a Class G felony unless a higher penalty applies. Makes conforming changes, deleting references to subdivisions (4) and (5) of GS 14-27.1 to reflect amendments in this act to GS 14-203.

Makes an organizational change, enacting new GS 14-205.3 (was, GS 14-203.4 and GS 14-203.5). Amends subsection (b) to provide that any person who willfully (was, knowingly) performs any of the specified acts commits the offense of promoting prostitution of a minor or mentally disabled person. Clarifies that profiting from prostitution includes receiving a portion of the earnings from a prostitute for arranging or offering to arrange a situation in which a person may engage in prostitution. Provides that mistake of age is not a defense to a prosecution under subsection (b).

Makes a violation of GS 14-205.3(b), promoting prostitution of a minor or a mentally disabled person, under subdivision (1), advancing prostitution, or (2), profiting from prostitution, a Class D felony (was, Class B2) unless a higher penalty applies. Makes a violation of subdivision (3) of subsection (b) a Class C felony (was, Class B1). Makes it a Class C felony (was, Class B1) for a violation of subsection (b) of this section by any person with a previous conviction for a violation of this section or a violation of GS 14-204 (prostitution), GS 14-204.1 (solicitation of prostitution), and GS 14-204.2 (patronizing a prostitute). Makes a violation by any person under subsection (a) with a previous conviction under this section or under GS 14-204 (prostitution), GS 14-204.1 (solicitation of prostitution), and GS 14-204.2 (patronizing a prostitute) a Class E felony (was, Class C).

Deletes GS 14-203.7, regarding patronizing a minor or mentally disabled person engaged in prostitution. Makes an organizational change, enacting new GS 14-205.4 (was, GS 14-203.10) regarding certain probation conditions. Clarifies that the court may order any convicted defendant to be examined for sexually transmitted infections (was, examined for venereal disease) and that the period of probation may begin only under terms and conditions to prevent the spread of the infection.

Amends new GS 15A-145.6 to define prostitution offense as a conviction for an offense in violation of GS 14-204 or engaging in prostitution in violation of GS 14-204(7) for an offense occurring before October 1, 2013 (was, before December 1, 2013). Deletes an offense that includes assault as an essential element of the offense from the definition for violent felony or violent misdemeanor.

Amends the definition for abused juveniles in GS 7B-101(1), citing promoting the prostitution of a juvenile to GS 14-205.3(b) as enacted in this act (was, GS 14-190.18).
Amends new GS 14-43.20(b) to direct the court, at a minimum, to order restitution equal to the value of the victim's labor under the Minimum Wage Law, including overtime standards of the Fair Labor Standards Act (FLSA). Provides that the judge may also order any other amount of loss identified in the action, including the gross income or value to the defendant of the victim's labor or service (was, directed the court to order restitution, in addition to any other amount of loss identified, including the greater of (1) the gross income or value to the defendant of the victim's labor or services or (2) the value of the victim's labor as guaranteed under the Minimum Wage Law and the FLSA's overtime provisions, whichever is greater).

Amends GS 14-208.6(5) to make conforming changes to the definition of sexually violent offense. Deletes changes to GS 15A-830(a)(7), defining victim. Deletes changes to GS 90-210.25B(b) defining the term sexual offense against a minor. Deletes changes to GS 114-15(b1), regarding the authority of the State Bureau of Investigation to investigate specified crimes. Makes conforming changes to GS 115C-296(d)(92) regarding the State Board of Education's authority to automatically revoke a teacher's license without the right to a hearing for conviction or a plea of guilty or no contest for certain crimes. Makes additional conforming changes to correct references to statutes repealed or enacted by this act.

Amends GS 15A-1371(a) to provide that a prisoner sentenced under the Fair Sentencing Act for a Class D through a Class J felony who meets statutory criteria and who has completed at least 20 years of imprisonment is eligible for consideration for parole. Effective when this act becomes law.

Amends GS 15A-622 to provide for the convening of an investigative grand jury when a petition alleges human trafficking, involuntary servitude, sexual servitude, and other specified violations of the state's criminal laws.

Codifies Section 15.3A of SL 2012-142, establishing the North Carolina Human Trafficking Commission in the Department of Justice, as GS 143A-55.10. Amends this section as follows: (1) adds Legal Aid of North Carolina to the list of entities from which the President Pro Tempore is to appoint representatives; (2) adds the North Carolina Coalition Against Human Trafficking, a faith-based shelter or benefits organization providing services to victims of human trafficking, and a district attorney to the list of persons or entities from which the Speaker of the House of Representatives is to appoint representatives (removes a county sheriff's department and a city or town policy department); (3) directs the Governor to appoint one representative each from the Departments of Labor, Justice, and Public Safety and a health care representative (was, one representative from the public at large; and (4) removes the ex officio members from the Commission (was, Secretaries of Public Safety, Administration, Labor, Health and Human Services, and the NC Attorney General).

Provides that members are to serve two-year terms, are not prohibited from being reappointed, and any appointed member is to serve until the member's successor is appointed and qualified (was, members were to serve until the Commission terminated). Provides that the Governor is to appoint the chair biennially. Directs the Department of Justice to provide office space in Raleigh for use by the commission. Directs the Attorney General to allocate monies to fund the work of the Commission from
the funds available to the Department of Justice. Deletes provision terminating the Commission as of December 31, 2014.

Except as otherwise indicated, provides that this act becomes effective October 1, 2013 (was, December 1, 2013) and applies to offenses committed on or after that date.

Amends the act's title.

**Summary date:** Jun 27 2013

House amendment makes the following change to the 4th edition. Removes the requirement that the Department of Justice provide office space in Raleigh for the use of the North Carolina Human Trafficking Commission.

**Summary date:** Jul 30 2013

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

Deletes proposed subsection GS 14-204(c), Deferred Prosecution for Minors, and (d) and replaces it with language providing for immunity from prosecution for minors, which provides that if it is determined, after a reasonable detention for investigative purposes, that a person suspected or charged with a violation of GS 14-204 is a minor, that minor will be immune from prosecution under this section and instead will be taken into temporary protective custody as an undisciplined juvenile pursuant to Article 19 of GS Chapter 7B. Requires a law enforcement officer that takes a minor into custody under this section to immediately report an allegation of a violation of GS 14-43.11 and GS 14-43.13 to the director of the social services in the county where the minor resides or is found, upon which an investigation into child abuse or child neglect must begin with 24 hours.

Deletes proposed changes and new language in GS 15A-622, *Formation and organization of grand juries; other preliminary matters*, and replaces them with new subsection GS 15A-622(i), which provides that an investigative grand jury can be convened pursuant to GS 15A-622(h) if the petition alleges the commission of, attempting to commit or solicitation to commit, or a conspiracy to commit a violation of GS 14-43.11 (human trafficking), GS 14-43.12 (involuntary servitude), or GS 14-43.13 (sexual servitude).

**Summary date:** Jul 30 2013

AN ACT TO CREATE A SAFE HARBOR FOR VICTIMS OF HUMAN TRAFFICKING AND FOR PROSTITUTED MINORS, MODIFY THE MEMBERSHIP OF THE NORTH CAROLINA HUMAN TRAFFICKING COMMISSION, AND PROVIDE FOR PAROLE CONSIDERATION OF CERTAIN INMATES SENTENCED UNDER THE FAIR SENTENCING ACT. Enacted July 29, 2013. Section 20 is effective July 29, 2013. The remainder is effective October 1, 2013.
AMEND VARIOUS FIREARMS LAWS.

Bill H 937

Summary date: Apr 16 2013

Amends GS 14-269 adding subsection (a2) excluding persons who have a concealed handgun permit from provisions in (a) and (a1) prohibiting concealed weapons, as long as the firearm is in a closed compartment or contained in the person's locked vehicle, which is parked in a state government parking lot.

Amends GS 14-269.2 adding subsection (i) excluding an employee of a public institution of higher education who resides on the campus of the institution at which the person is employed and has a concealed handgun permit and the gun is on the premises of the employee's residence or is in a locked container in the employee's locked car, which is parked in one of the institution's parking lots.

Amends GS 14-269.3(b) incorporating structural changes to the format of the statute and adding subsection (5) excluding a person carrying a handgun if the person has a valid permit from prohibition on carrying a handgun into assemblies and establishments where alcohol is sold and consumed.

Amends GS 14-316 incorporating structural changes to the format of the statute and adding subsection (a1) and (a2). Subsection (a1) provides that it is unlawful for any person to knowingly permit a child under 12 years of age to have access to or use a firearm of any kind, whether or not it is loaded, without the consent and supervision of the child's parent or guardian. Subsection (a2) designates a violation of (a1) as a Class 2 misdemeanor.

Amends GS 15A-1340.16A(c) adding subsections (1), (2), and (3) all identifying classes of felonies and corresponding imprisonment sentence ranges for persons who (1) committed the felony by using, displaying, or threatening the use or display of a firearm or deadly weapon and (2) the person actually possessed the firearm or deadly weapon on his or her person.

Amends GS 14-415.23(c) adding subsections (1), (2), and (3) to expand on the areas falling within the scope of "recreational facilities."

Amends GS 14-415.23 adding subsection (d) identifying areas that are not included within the scope of "recreational facilities."

Applies to offenses committed on or after December 1, 2013.

Summary date: Apr 24 2013

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

Changes the long title.
Makes clarifying changes to GS 14-269(a2).

Amends GS 14-269.2, excluding employees of an institution of higher learning or a nonpublic post-secondary educational institution and employees of a public or nonpublic school (that meets specified requirements) that reside on the campus where they are employed from the provisions of this section when specified criteria are met, including that the employee's residence must be a detached, single-family dwelling where the immediate family resides and the weapon is a handgun possessed and maintained in a specified manner. Specifies where the handgun may be kept or carried when the employee is not authorized to carry a concealed handgun pursuant to GS Chapter 54B.

Amends GS 14-269.2(j) (now, GS 14-269.2(k)), to make conforming changes to include the relevant educational properties and to require that the gun be kept in a closed compartment of a locked vehicle.

Amends GS 14-316, making structural and organizational changes.

Amends GS 122C-54(d1), establishing instances when a record of determination or finding should be transmitted to the National Instant Criminal Background Check System (NICS). The following instances require such a record to be transmitted to NICS no later than 48 hours after receiving notice:

1. A determination that an individual shall be involuntarily committed to a facility for inpatient mental health treatment upon a finding that the individual is mentally ill and dangerous to self or others.

2. A determination that an individual shall be involuntarily committed to a facility for outpatient mental health treatment upon a finding that the individual is mentally ill and, based on the individual's treatment history, in need of treatment in order to prevent further disability or deterioration that would predictably result in danger to self or others.

3. A determination that an individual shall be involuntarily committed to a facility for substance abuse treatment upon a finding that the individual is a substance abuser and dangerous to self or others.

4. A finding that an individual is not guilty by reason of insanity.

5. A finding that an individual is mentally incompetent to proceed to criminal trial.

6. A finding that an individual lacks the capacity to manage the individual's own affairs due to illness, incompetency, or disease.

7. A determination to grant a petition to an individual for the removal of disabilities pursuant to GS 122C-54.1 or other applicable federal law.

Amends GS 122C-54(d2), providing that the records for involuntary commitment for inpatient or outpatient mental health treatment or for substance abuse treatment are accessible only by an entity having proper access to NICS. Requires the Administrative Office of the Courts to adopt rules concerning transmitting information to NICS.
Amends GS 122C-54.1 to allow an individual over age 18 to petition for the removal of disabilities arising out of determinations or findings that prevent the purchasing, possessing, or owning of a firearm upon the expiration of any commitment. Sets out the process, procedures, and standards which must be followed in the granting of the individual's petition by the court.

Amends GS 14-404(g) and GS 14-415.12(c), providing that an applicant is not ineligible to receive a permit because of an adjudication of mental incompetence, incapacity, or illness if the individual's rights have been restored under GS 122C-54.1

Amends GS 14-415.3, providing an exemption to the provisions of this section to persons whose rights have been restored pursuant to GS 122C-54.1.

Amends the effective dates of the act, providing that Sections 1 through 6 become effective October 1, 2013, and apply to offenses committed on or after that date. The remainder of this act becomes effective October 1, 2013.

**Summary date:** Jul 31 2013

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

Changes the long title.

Amends subsections GS 14-269.2(i)(4b) and GS 14-269.2(j)(4b), clarifying that, under specific situations, employees of an institution of higher education or nonpublic post-secondary educational institution, or a public or nonpublic school, residing on campus can have a handgun in the employee's vehicle or possess it outside the premises of the employee's residence when the employee is immediately leaving the campus or is driving directly to his or her residence from off campus (previously, provisions only provided for such possession when the employee was leaving campus).

Amends GS 14-269.2(k), providing that the provisions of this article do not apply to a person with a valid concealed handgun permit or a person who is exempt from obtaining such a permit and has a handgun in a closed compartment or container in the person's locked vehicle or in a locked container affixed to the person's vehicle. Provides that the person can unlock the vehicle to enter or exit provided the firearm remains in the closed compartment at all times and the vehicle is immediately locked upon entrance or exit (previously, set out specific types of educational property required for the exemption to be valid; exemption now applies to all types of educational property).

Amends GS 14-269.3(b), making a technical change.

Amends GS 14-415.17 to prescribe that a sheriff maintain as confidential (1) the list of persons who are issued a gun permit and (2) the information collected by the sheriff to process an application for a gun permit. However, maintains requirements that the sheriff make the list of permit holders and their permit information available upon request to all state and local law enforcement officials. Declares that the permit information and the list of permit holders is not a public record under GS 132-1. Directs the State Bureau of Investigation to make the list of permit holders and the information collected by the
sheriff to process an application available to law enforcement officers statewide, but eliminates any requirement to share information with clerks of court on a statewide system.

Amends GS 14-406 to require that a dealer of pistols and other weapons is to keep records of sales confidential and that such records are not a public record under GS 132-1; however, requires the dealer to make the records available upon request to all state and local law enforcement agencies.

Amends GS 14-269.4, clarifying that the exemption for concealed carry permit holders also applies to those who are exempt from obtaining a concealed carry permit because of federal law which authorizes them to carry as current and retired law enforcement officers.

Enacts new subsection (d) to GS 14-277.2, providing an exception to the prohibition of concealed weapons at parades and funeral processions, allowing persons with a concealed carry permit to carry a concealed handgun, as long as the person in legal possession or control of the property on which he or she is carrying has not posted a notice prohibiting concealed handguns.

Amends GS 14-415.21, which provides criminal penalties for violating the conditions of a concealed carry permit, increasing the penalty for carrying on property that has a posted notice prohibiting the carrying of concealed weapons and for carrying concealed weapons while consuming alcohol or alcohol in the person's system from a Class 2 misdemeanor to a Class 1 misdemeanor. Makes a conforming change in GS 14-415.21(b).

Repeals GS 14-402, 14-403, 14-404, 14-405, and 14-407.1, all sections containing provisions regarding the pistol permit system, effectively repealing the pistol permit system. Amends GS 14-315(b1) and GS 20-187.2(a), making conforming changes in regards to the repeal of the pistol permit system.

Deletes changes made to GS 14-404(g) in the previous edition, which provided that an applicant cannot be ineligible to receive a specified permit because of an adjudication of mental incompetence.

Amends GS 14-415.18, requiring a sheriff to revoke the concealed carry permit of any person who has been adjudicated guilty of or receives a prayer for judgment continued for a crime that would have disqualified the permittee from initially receiving a permit. Requires the sheriff to issue a written notice to the permittee of the revocation. Upon receipt of the notice the permittee is required to surrender the permit. Provides for an appeal procedure for the revocation.

Amends GS 14-269(b) and GS 14-415.27, allowing any North Carolina district court or superior court judge, magistrate, clerk of court, or register of deeds that has a concealed handgun permit to be exempt from the general prohibition against carrying a concealed weapon and from the prohibitions of carrying a weapon in certain areas, premises, or in certain circumstances, unless prohibited by federal law, including but not limited to courthouses and correctional facilities.

Amends GS 113-291.1(c), to allow hunting with a suppressor or other device designed to muffle or minimize the report of a firearm that is lawfully possessed.
Amends GS 14-415.10 and GS 14-269(b), concerning retired law enforcement officers, amending the definition of qualified retired law enforcement officer in regards to applying to the carrying of a concealed handgun, making it consistent with the federal law definition. Makes conforming and clarifying changes.

Amends the enactment clause, providing that Sections 1-6, 14-18, 21, 23, and 25 of the act will become effective October 1, 2013, and apply to offenses committed on or after that date. Prosecutions for offenses committed before the effective date of the act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions. The remainder of this act becomes effective October 1, 2013.

**Summary date:** Jul 31 2013

Senate amendment #1 makes the following changes to the 3rd edition.

Amends GS 14-369(b)(4e), providing that the subdivision applies to any person serving as a clerk of court or register of deeds (previously, applied to any person who was elected and serving as a clerk of court or register of deeds). Further provides that this subdivision does not apply to assistants, deputies, or other employees of the clerk of court or register of deeds.

Senate amendment #2

Changes the long title.

Adds a new Article 3D, Armed Habitual Felon, to GS Chapter 14. Defines the following terms as they apply in new Article 32: (1) convicted means a person judged guilty or who has pleaded guilty or no contest to a firearm-related felony, (2) firearm-related felony means a felony committed by a person using or displaying a firearm while committing the felony, and (3) status offender means a person who is an armed habitual felon as described in new GS 14-7.36.

Describes an armed habitual felon as a person who has been convicted of or pled guilty to one or more firearm-related felony offenses in any federal or state court in the United States. Provides that the person is guilty of the status offense of armed habitual felon and may be charged with that status offense under this Article. Provides exceptions when this Article does not apply. Also provides that this Article does not apply if the evidence of the use or display of the firearm is needed to prove an element of the firearm-related felony. Also provides that firearm-related felonies committed before the age of 18 will not constitute more than one firearm-related felony.

Requires that any person charged with a firearm-related felony who is also charged with being a status offender must, upon conviction, be sentenced and punished as a status offender under this Article.

Authorizes the district attorney to charge a person as a status offender under this Article at the district attorney's discretion. Provides that to sustain a conviction as a status offender, the person must be charged separately for the principal firearm-related felony and for the status offense of armed habitual
felon. Requires that there be separate indictments for each charge. Specifies the required content of an indictment charging a person as a status offender.

Limits the record of prior conviction of a firearm-related felony as admissible in evidence in cases where a person is charged with being a status offender under this Article, only for the purpose of proving the prior conviction.

Specifies procedures for reaching a verdict and judgment and requires a finding by a jury that the defendant is a status offender for the judge to sentence the defendant under this Article. Provides that if the jury does not find the defendant to be a status offender, then the trial judge is to render judgment on the principal firearm-related felony offense as provided by law.

Includes specifications for the sentencing of a person convicted of a firearm-related felony and a status offense. Provides that a person convicted under this Article is to be sentenced as a Class C felon unless the felon has been sentenced as a Class A, B1, or B2 felon. Provides that the minimum term of imprisonment cannot be less than 120 months. Provides additional criteria regarding minimum time and maximum time to be served by a person sentenced under this new Article 3D.

Enacts new GS 15A-1340.12A, directing the presiding judge to determine, when a person is found guilty of a felony offense, whether the defendant used or displayed a firearm while committing the felony. If the judge determines a firearm was used in the course of committing the felony, then the sentencing court must include in its judgment the fact that the defendant used or displayed a firearm while committing the felony.

Amends the enactment clause of the act, providing Sections 1 through 6, 14 through 18, 21, 23, 25, and 26 of this act become effective October 1, 2013, and apply to offenses committed on or after that date. Section 27 of this act becomes effective October 1, 2013, and applies to any judgment entered for a felony conviction on or after that date.

**Summary date:** Jul 31 2013

Conference report to the 4th edition makes the following changes.

Amends the act's long title.


Amends GS 14-403 to require sheriffs to issue to any person, firm, or corporation in any county a permit (was, license or permit) to purchase or receive any weapon mentioned in the Article. Makes conforming changes.

Amends GS 14-404 to also remove references to a license. Adds that the sheriff's statement to an applicant as to why the sheriff has decided not to issue a permit must cite the specific facts upon which the sheriff decided that the applicant was not qualified for the issuance of a permit and list the applicable law upon which the denial is based. Adds the requirement that the sheriff keep a list of al
permit denials, with the reason for the denial noted. Prohibits the list from including information that would identify the application. Makes the list a public record and requires the list to be organized by quarters of the year. Effective July 1, 2014. Adds that excluding weekends and holidays, no later than 48 hours after receiving notice of any of the judicial findings, court orders, or other factual matters relevant to any of the permit disqualifying conditions, the clerk of superior court must transmit a record of the determination or finding to be transmitted to the National Instant Criminal Background Check System (NICS). Adds that there is no limit as to the number or frequency of permit applications and no costs or fees other than the $5 permit fee. Requires a sheriff to notice an applicant as to whether the permit will be granted or denied within 14 (was, 30) days of application. Requires the sheriff to revoke any permit upon the occurrence of any event or condition subsequent to the permit issuance, or the applicant’s subsequent inability to meet a requirement under the Article, which would have resulted in a denial of the application if the event, condition or inability to meet a statutory requirement had existed at the time of application and before permit issuance. Specifies procedures that apply to revocation.

Unless otherwise indicated, above provisions amending GS 14-404 are effective October 1, 2013.

Requires the Administrative Office of the Courts to report to the Joint Legislative Oversight Committee on Justice and Public Safety by October 1, 2013, on the progress toward implementing GS 14-404(c1) (requirement that clerk transmit findings to the NICS), with recommendations for legislation. Effective when the act becomes law.

Requires the sheriff to decide whether any existing and unexpired permits are subject to revocation no later than January 31, 2014. Requires each sheriff to report by March 31, 2014, to the Joint Legislative Oversight Committee on Justice and Public Safety with the results of the review. Allows the reports to be consolidated by the NC Sheriff’s Association. Effective when the act becomes law.

Amends GS 14-405 to require the sheriff’s record of issued permits to include issues related to a permit revocation. Specifies that the records are confidential and not a public record, but must be made available pursuant to a court order.

Amends GS 14-315(b1)(1) by removing previous changes and instead amends one of the conditions that must be met for a defense to a violation of the statute to require that the person show that the minor produced an apparently valid permit to receive the weapon, if such a permit would be required under GS 14-402 (was, GS 14-402 or GS 14-409.1) for transfer of the weapon to an adult.

Summary date: Jul 31 2013

AN ACT TO AMEND STATE FIREARMS LAWS. Enacted July 29, 2013. Sections 1 through 6, 14 through 16, 18, 21, 23, 25, and 26 are effective October 1, 2013, and apply to offenses committed on or after that date. Section 17.3 and 28 are effective July 29, 2013. Section 27 is effective October 1, 2013, and applies to any judgment entered for a felony conviction on or after that date. The remainder is effective October 1, 2013, except as otherwise provided.
**SL 2013-370**

**AMEND LOCKSMITH LICENSE ACT/RAISE FEE CEILING.**

**Bill S 18**

**Summary date:** Jan 30 2013

Amends GS 74F-3 by forbidding any person from possessing any locksmith tools, as defined by GS 74F-4(6), unless the person is licensed as a locksmith under GS Chapter 74F or exempted from the provisions of GS Chapter 74F. Requires licensure for persons providing locksmith services in buildings containing confidential records. Makes the first violation a Class 1 misdemeanor, and any subsequent violation a Class I felony (currently, all violations considered Class 3 misdemeanor).

Rewrites GS 74F-4 to include the term "safes" in the definition of Locksmith services and further expands the definition to include any method of bypassing a locking mechanism of any kind, whether in a commercial, residential, or automotive setting, for compensation. Amends GS 74F-6 by expanding the power of the NC Locksmith Licensing Board (Board) by allowing the Board to obtain certain records of a person or company offering locksmith services, including employees, contractors, and subcontractors. Increases various fees under GS 74F-9. Adds a provision to GS 74F-10(b) allowing the Board, in its discretion, to adjust renewal and reinstatement fees if an applicant whose license has expired can show good cause for such license expiration. Rewrites GS 74F-12(b) to require that all advertisements for locksmith services include a valid license number issued by the Board. Rewrites GS 74F-15 by adding a new subsection that grants the Board power to assess the costs of disciplinary action, including attorneys' fees, against an applicant or licensee found to be in violation of GS Chapter 74F or rules adopted by the Board. Amends GS 74F-16 by rewriting, adding, or clarifying various entities exempted from GS Chapter 74F. Makes other technical and conforming changes.

**Summary date:** Jun 19 2013

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

Amends GS 74F-3 to delete the prohibition on a person possessing any locksmith tools, unless licensed as a locksmith or exempt from the provisions of GS Chapter 74F. Also deletes the requirement that a person providing locksmith services to buildings that are multi-family units be licensed.

Effective December 1, 2013, further amends GS 74F-3 as follows. Prohibits a person from possessing any locksmith tools, unless licensed as a locksmith or exempt from the provisions of GS Chapter 74F. Also increases penalties from a Class 3 misdemeanor to a Class 1 misdemeanor for a first offense, and makes subsequent offenses a Class I felony.

Amends the exemptions from GS Chapter 74F to include a towing service, or its employees, when providing services in the normal course of its business (was, when providing lockout service for a motor club or when necessary to move or tow a vehicle). Deletes the proposed changes to the definition of property in GS 74F-16. Also reverts the exemption to those members of a law enforcement agency, fire
department, or other government agency who, when acting within the scope of their employment, open
locked doors to vehicles, homes, or businesses (was changed to member of a law enforcement agency,
fire department, or other government agency only when opening locked doors to vehicles, homes, or
businesses in a life-threatening emergency or during the investigation of a crime).

Provides that an institutional locksmith is a person who is employed by or working for a school, college,
university, hospital, company, institution, or government facility and who provides locksmith services as
part of the person's employment. Those engaged as an institutional locksmith in the state for at least
two consecutive years before October 1, 2013, and who pay the required licensure fee are to be
licensed without having to take the licensing exam. Those that do not apply by October 1, 2014, are
required to complete all Board requirements.

Makes the changes to the licensing and related fees effective when the act becomes law. Unless
otherwise indicated, the act is effective October 1, 2013 (was, entire act was effective when it became
law).

Summary date: Jul 23 2013

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

Amends GS 74F-3 to delete new subsection (b), which prohibited an individual from possessing any
locksmith tools as defined under GS 74F-4(6) unless the person was licensed as a locksmith under this
Chapter or exempt from the provisions of this Chapter.

Summary date: Jul 23 2013

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

Amends GS 74F-16(6) to clarify that the provisions of GS Chapter 74F, the Locksmith Licensing Act, do
not apply to a merchant or a retail or hardware store when the merchant or store does not purport to
be a locksmith and lawfully (1) re-keys a lock at the time of the sale of the lock; (2) duplicates a key,
unless the key is a transponder key that requires programming; or (3) installs as a service a lock on a
door when both the lock and the door were purchased from the same merchant.

Summary date: Jul 30 2013

AN ACT AMENDING THE LOCKSMITH LICENSING ACT, EXPANDING THE AUTHORITY OF THE LOCKSMITH
LICENSING BOARD TO REGULATE INSTITUTIONAL LOCKSMITHS, AND RAISING THE CEILING ON CERTAIN
FEES. Enacted July 29, 2013. Section 2 is effective December 1, 2013, and applies to offenses committed
on or after that date. Sections 5 and 11 are effective July 29, 2013. The remainder is effective October 1,
2013.
SL 2013-371

AMEND ASSESSMENTS FOR INFRASTRUCTURE NEEDS.

Bill S 103

Summary date: Feb 19 2013

Makes clarifying changes to GS 153A-210.2(c) (regarding counties) and GS 160A-239.2(c) (regarding cities) as to identifying the property to be assessed. Provides that in selecting a method to allocate the costs in accordance with benefits conferred, the board of commissioners (GS Chapter 153A, counties) and the city council (GS Chapter 160A, cities) may provide that the benefits conferred are measured on the basis of the use of the lot or parcel of land and provide for assessments to be adjusted when there is a change in use, if the total amount of the assessments is sufficient to pay the costs of the project after the adjustments have been made.

Amends GS 153A-210.3(a) (counties) and GS 160A-239.3(a) (cities) to clarify the guidelines under which a board or council may impose a special assessment. Specifies methodology for determining whether the petition for the project to be financed has been signed by a majority of owners and for determining if the assessed value represented by the owners signing the petition constitutes at least 66% of the assessed value of all real property to be assessed.

Effective when the act becomes law and applies to special assessments imposed on or after that date.

Summary date: May 14 2013

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

Amends the bill short and long title consistent with changes in the bill.

New Section 1(a) amends GS 153A-210.1 to add a new subsection (b) extending and codifying the expiration date of Article 9A of Chapter 153A (authorizing counties to impose special assessments for critical infrastructure needs) to July 1, 2015 (original sunset date is July 1, 2013).

New Section 2(a) amends GS 160A-239.1 to add a new subsection (b) extending and codifying the expiration date of Article 10A of Chapter 160A (authorizing cities to impose special assessments for critical infrastructure needs) to July 1, 2015 (original sunset date is July 1, 2013).

New Section 3 makes technical changes to SL 2008-165, Section 5 to remove the original sunset date of July 1, 2013.

Summary date: Jul 10 2013

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

Amends the act's long title.
Makes the act effective June 30, 2013, and applicable retroactively to special assessments imposed on or after that date (was, effective when the act becomes law and applies to special assessments imposed on or after that date).

Summary date: Jul 30 2013

AN ACT TO EXTEND AND AMEND THE AUTHORITY COUNTIES AND CITIES HAVE TO USE SPECIAL ASSESSMENTS TO ADDRESS CRITICAL INFRASTRUCTURE NEEDS. Enacted July 29, 2013. Effective June 30, 2013, and applies retroactively to special assessment imposed on or after that date.

SL 2013-372

DMV COMMISSION CONTRACT CHANGES.

Bill S 305

Summary date: Mar 13 2013

Under current law, motor vehicle titles and registrations are issued to the extent possible through commission contracts with the Division of Motor Vehicles (DMV), except those issued in Charlotte, Raleigh, and Fort Bragg and those issued via U.S. mail. Current law also provides that compensation paid under the commission contracts with the DMV is on a per transaction basis. Amends GS 20-63(h) to provide that commission contractors may, in addition to collecting the highway use tax, also collect property tax and issue a limited registration "T" sticker, each as a separate transaction for a fee of $1.27. Provides that the performance of additional transactions listed in this subsection are to be considered to be a single transaction for a fee of $2.43 (was, $1.43). Adds guidelines regarding the use of equipment, forms, and supplies provided by the DMV to the commission contractor for use in performing the contract. Effective July 1, 2013.

Makes additional conforming changes to this subsection, including the repeal of GS 20-63(h)(8b).

Enacts new GS 20-63.02 to establish the nine-member License Plate Agent (LPA) Advisory Committee. Tasks the LPA Advisory Committee with working with the DMV to ensure excellent and efficient customer service in providing titling and registration services through the commission contracts awarded under GS 20-63. Provides additional criteria regarding the duties of the committee and rules for membership on the committee, term lengths, and expenses allowed committee members.

Directs the committee and the DMV to review the standard operating procedures that apply to commission contractors to determine if any changes are needed and to recommend, to the 2013 Regular Session of the General Assembly when it convenes in 2014, a process by which the DMV is required to give notice of proposed changes and receive feedback on those proposals prior to implementing them.
Provides that the terms of the initial members of the committee begin upon appointment and expire on July 1, 2015.

Except as otherwise indicated, this act is effective when it becomes law.

**Summary date:** Jun 12 2013

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

Amends GS 20-63.02, *Advisory committee of commission contractors*, making a technical change and providing that the License Plate Agent Advisory Committee must meet at least quarterly. Amends the membership provisions for the Committee providing that the Committee will consist of persons who are on the staff of the DMV and six persons appointed by the NC Association of Motor Vehicle Registration Contractors. Allows the Commissioner to determine the number of DMV staff persons to appoint to the Committee and to also appoint the chair of the Committee. Members appointed by the Commissioner serve ex-officio. Those appointed by the Association serve two-year terms beginning on July 1 of an odd-numbered year. Provides that the members of the Committee are allowed a per diem, subsistence, and travel allowances pursuant to GS 138-5.

Provides that the terms of the initial appointments by the NC Association of Motor Vehicle Registration Contractors to the Committee begin upon appointment and expire on July 1, 2015.

Amends GS 20-63(h), providing that the following are separate transactions and commission contractors are compensated as follows: issuance of a limited registration 'T' - $1.27 and the collection of property tax - $0.71. Provides that the above costs will paid for by the counties and municipalities as a cost of the combined registration and property tax system.

Amends GS 105-330.5(b), making a conforming change, providing that the combined tax and registration system collecting authority fee for collecting taxes and fees will be equal to at least the applicable amount under GS 20-63(h).

Provides that, notwithstanding GS 20-63(h), from September 30, 2013, to February 28, 2014, the transaction rate for commission contractors for collection of property tax will be $1.06.

Provides that the cost of training commission contractors on the DMV's integrated computer system for combined registration and vehicle property system is a cost of the combined system and is payable from the Combined Motor Vehicle and Registration Account.

Provides that Section 2 of this act becomes effective July 1, 2013, with the remainder of this act becoming effective when it becomes law.

**Summary date:** Jun 19 2013

Senate committee amendment makes technical changes to the 3rd edition.

**Summary date:** Jul 18 2013
House amendment to the 4th edition makes the following changes.

Adds the requirement that the Revenue Laws Study Commission study the per transaction compensation amounts in Commission contracts entered into by the Division of Motor Vehicles for the issuance of registration plates, registration certificates, and certificates of title. Requires a report to the 2014 General Assembly.

**Summary date:** Jul 30 2013

AN ACT TO IMPROVE THE PUBLIC/PRIVATE PARTNERSHIP BY WHICH THE DIVISION OF MOTOR VEHICLES ISSUES MOTOR VEHICLE TITLES AND REGISTRATIONS. Enacted July 29, 2013. Section 2 is effective July 1, 2013. The remainder is effective July 29, 2013.

**SL 2013-373**

REVISE AUDITOR'S RESPONSIBILITIES.-AB

**Bill S 354**

**Summary date:** Mar 19 2013

Identical to H 328, field 3/18/13.

Amends GS 135-48.12, removing the state auditor from the Committee on Actuarial Valuation of Retired Employee's Health Benefits and instead making the Attorney General a member.

Amends GS 116-30.8 (*Special responsibility constituent institutions: annual audit by State Auditor or certified public accountant*), changing title to *Special responsibility constituent institutions: annual audit by State Auditor*. Provides that audits of the University of North Carolina special responsibility constituent institutions will be conducted only by the State Auditor.

Eliminates the requirement that the auditee's written responses, in regards to audits of economy and efficiency and program results, be included in the final report if received within 30 days from receipt of the draft report.

Effective July 1, 2013.

**Summary date:** Jul 15 2013

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

Repeals GS 135-48.12(b)(2) to remove the Attorney General as an ex officio member of the Committee on Actuarial Valuation of Retired Employees' Health Benefits (was, amended this section to remove the State Auditor from the Committee and replaced the Auditor with the Attorney General as an ex officio member of the Committee).
Deletes amendment to GS 147-64.6(c), which eliminated the requirement that an auditee's written response to the findings and recommendations in an economy and efficiency or program audit be included in the final report if received within 30 days of receipt of the draft report.

Amends the title of this act to reflect changes in the bill content.

Provides that this act becomes effective October 1, 2013 (was, July 1, 2013).

**Summary date:** Jul 30 2013


**SL 2013-374**

STATE TO CONVEY GATES CORRECTIONAL FACILITY.

**Bill S 381**

**Summary date:** Mar 20 2013

Identical to H 368, filed 3/20/13.

Amends GS 106-2, concerning the Board of Agriculture (Board), to add to the Board's membership (1) one member actively involved in forestry and (2) one member actively involved in the nursery business. Makes a technical change. Applies to appointments made to the Board on or after July 1, 2013.

**Summary date:** Jul 31 2013

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

Amends the short and long titles.

Deletes all of the provisions of the previous edition.

Directs North Carolina to convey to the Gates County Board of Commissioners all its right, title, and interest in the property used for the former Gates County Correctional Facility, for the consideration of $1. Provides that the conveyance is subject to a reversionary interest held by the state and that it will be conveyed to the Gates County Board of Commissioners for as long as it is utilized for county government purposes. Provides that the property is conveyed "as is," "where is," without warranty, and that all costs associated with the conveyance will be borne by Gates County.
Establishes that the conveyance is exempt from the provisions of GS Chapter 146, Article 7 (Dispositions) but must comply with the provisions of GS Chapter 146, Article 16 (Form of Conveyance), provided that the provisions of GS 146-74 (Approval of Conveyances) do not apply.

**Summary date:** Jul 31 2013


**SL 2013-375**

**UNC/REPORT/E-COMMERCE/IMPROVEMENTS.**

**Bill S 485**

**Summary date:** Mar 27 2013

Amends GS 143-64.70 (Personal service contracts–reporting requirements, which requires written reports on the use of contracts and expenditures) by adding a new subsection, GS 143-64.70(c), that provides that this section does not apply to the University of North Carolina.

**Summary date:** Jun 27 2013

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

Amends the short and long title.

Amends GS 116-40.22, providing that the UNC Board of Governors can provide for the implementation and expansion of electronic commerce infrastructure and capabilities among UNC System constituent institutions, allowing for the contracting with service providers in order to allow for increased efficiencies, technical capabilities, uniformity, and best practices of contemplated service providers.

Amends GS 105-275, property classified and excluded from the tax base, to add a new subsection that provides that improvements to real property that are (1) owned by social fraternities, sororities, and similar college, university, or high school organizations and (2) located on land owned by or allocated to UNC or one of its constituent institutions are excluded from the tax. Effective for taxes imposed for taxable years beginning on or after July 1, 2013.

**Summary date:** Jun 27 2013

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

Deletes proposed GS 116-40.22(e) and instead provides as follows. Allows the University of North Carolina to contract with service providers specializing in services offered to institutes of higher learning offering systems or services under arrangements that provide for the receipt of funds electronically,
provided that the services are in compliance with the requirements of the payment industry security standards. Requires funds remitted to the University that are on deposit with the State Treasurer under GS 147-77 to be subject to the daily deposit requirements, but the Treasurer may exempt the requirement for any standard business process that delays the University's receipt of the funds from a service provider if the exemption is based on an acceptable business case that demonstrates an overall efficiency to the University and state. Requires the business case to be endorsed by the University of North Carolina General Administration before being submitted to the Treasurer for consideration.

**Summary date:** Jul 30 2013

AN ACT TO ELIMINATE A DUPLICATIVE REPORTING REQUIREMENT REGARDING PERSONAL SERVICE CONTRACTS FOR THE UNIVERSITY OF NORTH CAROLINA, TO ALLOW THE BOARD OF GOVERNORS TO PROVIDE FOR THE IMPLEMENTATION AND EXPANSION OF E-COMMERCE INFRASTRUCTURE, AND TO CLARIFY THE PROPERTY TAX STATUS OF CERTAIN IMPROVEMENTS ON UNIVERSITY LANDS THAT ARE OWNED BY CERTAIN SOCIAL ORGANIZATIONS. Enacted July 29, 2013. Effective July 29, 2013, except as otherwise provided.

**SL 2013-376**

**AUTHORIZE VARIOUS SPECIAL PLATES.**

**Bill S 571**

**Summary date:** Apr 1 2013

Identical to H 22 filed on 1/30/13.

Enacts new subdivisions to GS 20-79.4(b) to authorize the following types of special registration plates: Flag of the United States of America; Municipality Plate; NC Cattlemen's Association; and Riverlink. Plate issuance is contingent on the receipt of at least 300 plate applications for each plate. Makes revisions to the Register of Deeds and the Vietnam Veterans of America plates. Sets out the special plate fees and distribution amounts for each plate. Amends GS 20-81.12(b2) to add the NC Transportation Museum plate as a state attraction plate.

**Summary date:** Jun 6 2013

Senate committee substitute to the 1st edition makes the following changes. Further amends GS 20-70.4(b) to also allow issuance of the following 7 license plates, contingent on the receipt of at least 300 plate applications: Improved Benevolent and Protective Order of Elks of the World, National Law Enforcement Officers Memorial, NC FIRST Robotics, NC Sportsmen's Caucus, North Carolina Cattlemen's Association, Operation Coming Home, Pancreatic Cancer Awareness, and YMCA. Establishes the fees for those plates and requires the funds in the Collegiate and Cultural Attraction Plate Account from the sale
of each of the plates to go to specified entities for each plate. Also amends the provision for the retired legislator plate to require the plates be issued in the order applications are received.

Amends GS 20-79.7 to add a $20 fee for the Fraternal Order of Police plate, with $10 of that fee to be transferred to the North Carolina Fraternal Order of Police to support the State Lodge. Also clarifies that the Bronze Star Combat Recipient, Bronze Star Recipient, Combat Veteran, Legion of Merit, Military Veteran, Military Wartime Veteran, Partially Disabled Veteran, and Pearl Harbor Survivor plates do not have a fee.

Amends GS 20-81.12(b4) to require funds from the sale of the Olympic Games Plate be allocated to the North Carolina Amateur Sports (was, to the NC Health and Fitness Foundation, Inc.) and that the funds be allocated as follows: (1) 67% to the US Olympic Committee to assist in training Olympic athletes, (2) 33% to assist with administration of the State Games of North Carolina; deletes the allocation to the Governor's Council on Physical Fitness and health for support of local fitness council development.

Amends GS 20-81.12(b38) to require funds derived from the sale of the Charlotte Motor Speedway plates to go to Speedway Children's Charities.

Amends the act's long title.

Summary date: Jun 12 2013

Senate amendment #1 makes the following change to the 2nd edition.

Amends GS 20-79.7, providing that there is no special plate fee for Silver Star Recipient plates.

Senate amendment #2 makes the following change.

Amends GS 20-79.4(b), making a technical correction to the Operation Coming Home special registration plate.

Summary date: Jun 25 2013

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

Further amends GS 20-70.4(b) to also allow issuance of the following 11 license plates, contingent on the receipt of at least 300 plate applications: Charlotte Checkers, First Tee, Mission Foundation, Morehead Planetarium, Native Brook Trout, Order of the Long Leaf Pine, Red Drum, Town of Holden Beach, Town of Matthews, turtle rescue team, and Volunteers in Law Enforcement. Establishes the fees for those plates and requires the funds in the Collegiate and Cultural Attraction Plate Account from the sale of each of the plates to go to specified entities for each plate. Amends the Pancreatic Cancer Awareness plate to no longer require it to include the letters ML. Amends the YMCA plate to no longer require it to include the letters SA.
Amends GS 20-79.4(b)(41) to change the City/County Clerk plate to the NCAMC/NCACC Clerk plate, issuable to a clerk of a municipal governing board or a clerk of a county board of commissioners of a municipality or city.

Repeals GS 20-79.4(b)(163), allowing issuance of the Phi Beta Sigma Fraternity plate. Makes conforming changes.

Amends GS 20-63(b1) to remove the requirement that the Division of Motor Vehicles send the owner a replacement special license plate in a standardized format when the Division registers a vehicle or renews the registration of a vehicle on or after July 1, 2015.

Repeals Section 1.1 [which repealed GS 20-63(b1)] and Section 5.1 (which amended GS 20-79.7 to require the Division of Motor Vehicles to deduct the cost of issuing replacement full color special license plates until July 1, 2016) of SL 2011-392. Makes conforming changes.

Summary date: Jul 10 2013

House committee substitute makes the following changes to the 4th edition.

Amends GS 20-79.4(b) to allow the issuance of the following new special registration plates, contingent on the receipt of at least 300 plate applications: the North Carolina Bluegrass Association plate, the Professional Engineer plate, and the Sneads Ferry Shrimp Festival plate. Deletes proposed language providing for the issuance of the Town of Holden Beach and Town of Matthews plates.

Amends GS 20-79.7(a) and GS 20-81.12(b), making conforming changes by adding and deleting plate fees in regards to the addition and deletion of the plates noted above.

Reenacts GS 20-79.4(b)(52), the Combat Veteran plate, and GS 20-79.4(b)(119), the Military Veteran plate.

Amends GS 20-81.12(b132), providing that for the Municipality Plate, only the color and design for the plate has to be approved by both the Division and the municipality (previously, the material for the plate also had to be approved).

Summary date: Jul 25 2013

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

Amends GS 20-79.4 as follows. Changes the name of the Bronze Star Combat Recipient plate to the Bronze Star Valor Recipient plate. Adds the Coast Guard Cross to those decorations for which the Legion of Valor plate can be authorized.

Amends GS 20-79.7(a) to provide that, upon request, the Division of Motor Vehicles (Division) must annually provide and issue one of the following special registration plates, free of charge: Legion of Valor, 100% Disabled Veteran, Ex-Prisoner of War, Bronze Star Valor, and Silver Star plates (was, provide and issue free of charge a Legion of Valor, 100% Disabled Veteran, and Ex-Prisoner of War plate only)
and specifies who is eligible for those plates. This does not apply to a plate issued for a vehicle with a registered weight more than 6,000 pounds. Specifies that the regular vehicle registration fees in GS 20-88 apply if the registered weight of the vehicle is more than 6,000 pounds.

Amends GS 20-63(b1) to require the design of plates that are not "First in Flight" to be developed in accordance with GS 20-79.4(a3). Prohibits the Division from issuing, for plates authorized in GS 20-79.7 on or after July 1, 2013, the plate on a background under the subsection unless it receives at least 200 applications for the plate in addition to the applications required under GS 20-79.4 or GS 20-81.12.

Amends GS 20-79.4(a3) to require the standardized format for special license plates to allow for the name of the state and the plate number to be reflective and to contrast with the background.

Summary date: Jul 30 2013

AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE VARIOUS SPECIAL REGISTRATION PLATES AND TO AMEND PROVISIONS FOR VARIOUS SPECIAL REGISTRATION PLATES. Enacted July 29, 2013. Effective July 29, 2013.

SL 2013-377

RECODIFY ANIMAL SHELTER LAW.

Bill S 626

Summary date: Apr 3 2013

Amends GS 19A-23 to add definitions for approved foster care provider and approved rescue organization. Enacts new GS 19A-32.1 for purposes as the title indicates, providing for a minimum holding period for animals in animal shelters, the public viewing of animals in an animal shelter, and the disposition of animals. Allows shelters to place animals in foster care during the minimum period and sets out related requirements. Amend GS 130A-192 to require that before an animal may be sold or put to death it is to be made available for adoption as provided in new GS 19A-32.1. Directs animal control to maintain a record of all the animals impounded under this section.

Summary date: May 9 2013

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

Amends GS 19A-32.1(a) to provide that all animals received by an animal shelter are to be held for a minimum of 96 (was, 72) hours. Allows a shelter to hold an animal for a minimum holding period of 72 hours if the shelter posts at least one photo of the animal's head and face on the shelter's website or on any other website designed to facilitate the adoption of animals and the photo remains on the site until the animal is disposed of. Allows holding an animal for any longer minimum period established by a board of county commissioners before being euthanized or disposed of. Removes references to selling
an animal. Adds that if a dog owner surrenders the dog to a shelter, the owner must state in writing whether the dog has bitten anyone in the 10 days preceding the surrender date.

Amends GS 130A-192 to require (was, permit) an animal control officer with access at no or reasonable cost to a microchip scanner to scan the animal and use the microchip information to locate the owner.

**Summary date:** Jul 16 2013

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

Amends the long title.

Amends proposed GS 19A-32.1, concerning minimum holding periods for animals, providing that an animal must be held for a minimum of 72 hours, or longer pursuant to established local ordinances, prior to being euthanized or otherwise disposed of (previously, required a minimum holding period of 96 hours, but allowed a hold for 72 hours if the shelter posted at least one descriptive photograph of the animal on its website or specified website, with the photograph remaining published until the animal is euthanized or disposed of).

Amends GS 19A-64, concerning distributions to counties and cities from the Spay/Neuter Account, capping the reimbursement amount distributed from the Spay/Neuter account to cities and counties to 150% of the average reimbursement allowed for surgical procedures for dogs and cats by the Spay/Neuter Program during the prior calendar year. Adds language that provides that when the amount in the Spay/Neuter Fund falls short of total requests for reimbursement, funds available will be reimbursed to cities and counties in tier one, two, and three areas in regards to the proportion that the rate of spays and neuters per 1,000 persons in the city or county compares to the total rate of spays and neuters per 1,000 in the total tier area. Effective October 1, 2014.

Amends GS 19A-66 to require the Department of Agriculture and Consumer Services to notify cities and counties of what the maximum reimbursement amount will be for the upcoming calendar year. Effective January 1, 2014.

**Summary date:** Jul 31 2013

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

Amends the long title.

Adds a new section GS 14-363.3, confinement of animals in motor vehicles, providing that animal control officers and animal cruelty investigators, as well as law enforcement officers, firefighters, and rescue squad workers, can enter motor vehicles by any reasonable means after making a reasonable effort to locate the owner or other responsible person if probable cause exists to believe that an animal is confined in a motor vehicle under conditions that are likely to cause suffering, injury, or death to the confined animal due to heat, cold, lack of ventilation, or other endangering conditions.

**Summary date:** Jul 31 2013
AN ACT TO RECODIFY AND AMEND THE EXISTING LAW ENACTED TO ASSIST OWNERS IN RECOVERING LOST PETS, RELIEVE OVERCROWDING AT ANIMAL SHELTERS, FACILITATE ADOPTIONS FROM ANIMAL SHELTERS, AND TO PROVIDE FOR IMPROVED ENFORCEMENT OF THAT LAW BY MAKING IT PART OF THE ANIMAL WELFARE ACT; AND TO ESTABLISH A CAP ON THE REIMBURSEMENT AMOUNT AVAILABLE FROM THE SPAY/NEUTER PROGRAM; AND TO PROVIDE FOR THE PROTECTION OF ANIMALS CONFINED IN MOTOR VEHICLES UNDER CIRCUMSTANCES THAT THREATEN THE ANIMALS' HEALTH. Enacted July 29, 2013. Section 4 is effective October 1, 2013. Section 5 is effective January 1, 2014. The remainder is effective July 29, 2013.

SL 2013-378

AMEND LAWS PERTAINING TO DHHS.-AB

Bill H 399

Summary date: Mar 21 2013

Amends GS 7B-507 to clarify that any order placing or continuing the placement of a juvenile in the custody or placement responsibility of a county department of social services must contain specific findings as to whether the department has either made reasonable efforts (1) to prevent the need for placement or (2) to eliminate the need for placement. Provides that in any order placing a juvenile in the custody or placement responsibility of a department, the court may deem that a reasonable effort to eliminate the need for placement of the juvenile is not required or should cease because a court has determined that the parent has committed sexual abuse against the child or against another child of the parent or the parent has been required to registered as a sex offender on any governmental administered registry.

Amends GS 7B-909 to require that the review of an agency's plan for placement of a juvenile must be held within six months of accepting a relinquishment of the juvenile for adoption unless the juvenile has already become the subject of an adoption decree.

Clarifies the meaning of "estate" for the purpose of recovery under GS 108A-70.5(b)(2).

Enacts new GS 28A-2A-24 (Medicaid beneficiaries) to require that before any probate estate may be closed under GS 108A-70.5 (Medicaid Estate Recovery Plan) for a decedent enrolled at the time of death in the state's Medicaid program, the personal representative of the estate must file a release from the Division of Medical Assistance with the clerk of court exercising probate jurisdiction. Specifies that the release must include one of the following: (1) evidence of payment of all medical assistance benefits, premiums, or other such costs due from the estate under law; (2) a waiver of the state's Medicaid-related claims; and (3) a statement from the Division that no amount is due.

Enacts new GS 36C-118 (Notice of deceased Medicaid beneficiaries) to require any trustee with the duty or authority to pay the debts of a deceased trust beneficiary to provide notice to the Department of
Health and Human Services, Division of Medical Assistance, within 90 days of the death of the trust beneficiary, if the deceased trust beneficiary received any medical assistance from the state's Medicaid program. Provides that the Division may make a claim against any trust deemed an available resource under applicable law.

Amends GS 108C-3 (Medicaid and Health Choice provider screening) to add the following to those providers designated as limited categorical risk provider types: (1) portable X-ray suppliers; (2) religious nonmedical health care institutions; (3) registered dieticians; and (4) clearinghouses, billing agents, and alternate payees. Adds the following to those providers designated as moderate categorical risk provider types: (1) local health departments and (2) nonemergency medical transportation.

Amends GS 130A-22(b3) to provide that the administrative penalty imposed for a violation of Article 19A of GS Chapter 130A (Lead-based paint hazard management program) cannot exceed $5,000 (was, $1,000) and provides that the penalty for a violation of Article 19B (Certification and accreditation of lead-based paint renovation activities) cannot exceed $5,000 (was, $750) for each day that the violation continues.

Amends GS 130A-101(a) to require that a certificate of live birth must be filed with the local registrar in the county where the birth occurs within five days (was, within 10) after the birth.

Amends GS 130A-209(a) to require that no later than October 1, 2014, all health care facilities and health care providers that detect, diagnose, or treat cancer or benign brain or central nervous system tumors must submit reports to the central registry on each diagnosis of cancer, or benign brain or central nervous system tumors via electronic transmission. Requires the electronic transmission of the reports to be in a format prescribed by the United States Department of Health and Human Services, Centers for Disease Control and Prevention, National Program of Cancer Registries. Makes a technical change.

Effective October 1, 2013.

Summary date: Apr 3 2013

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

Makes a technical change to GS 7B-507.

Makes a technical change to GS 108A-70.5(b)(2).

Amends GS 36C-8-818 (Notice of deceased Medicaid beneficiaries) to require a trustee who has a duty or power to pay the debts of a deceased trust beneficiary to give notice of the death of the trust beneficiary to the Department of Health and Human Services.

Summary date: Apr 24 2013

House committee substitute makes the following changes to the 2nd edition.
Amends GS 108A-70.5(b)(2) to provide that the Department of Health and Human Services (DHHS) has all the rights available to estate creditors, including the right to qualify as personal representative or collector of an estate.

Deletes proposed new section to Article 2 of GS Chapter 28A, GS 28A-2A-24, which required the personal representative of a decedent enrolled in the state's Medicaid program to file a release from the Division of Medical Assistance with the clerk of the court exercising probate jurisdiction before any probate estate may be closed under GS 108A-70.5.

Amends GS 28A-14-1 (Notice for claims) to require that the notice required by the statute also be sent to the Division of Medical Assistance if the decedent was receiving medical assistance as defined by GS 108A-70.5 (b)(1) at the time of death.

Amends GS 28A-19-6(a) to identify DHHS as a sixth-class creditor for purposes of determining the order of claims against a decedent's estate. Provides that judgments in favor of other sixth-class creditors that are docketed and in force before DHHS seeks to recover its claims for medical assistance, are to be paid prior to recovery by DHHS.

Amends proposed GS 36C-8-818 to require a trustee of a revocable trust with knowledge that the decedent was receiving medical assistance at the time of the decedent's death provide notice of the decedent's death to DHHS within 90 days of the death.

Makes organizational changes to the act and renumbers the sections of the bill accordingly.

Summary date: Apr 30 2013

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

Amends GS 108C-3, Medicaid and Health Choice provider screening, adding dentists, orthodontists, and local health departments to the list of providers designated as "limited" categorical risk. Removes dentists and orthodontists from the list of providers designated as "moderate" categorical risk and makes conforming changes.

Summary date: May 29 2013

Senate committee substitute makes the following changes to the 4th edition. Amends GS 130A-101(a) to require that a certificate of live birth must be filed with the local registrar in the county where the birth occurs within ten days (was, within five days) after the birth.

Summary date: Jul 1 2013

Senate committee substitute makes the following changes to the 5th edition.

Deletes changes to GS 7B-909, regarding criteria for the review by the court of the placement plan for a juvenile.
Amends new GS 36C-8-818, regarding the duty to provide notice to the Department of Health and Human Services, Division of Medical Assistance, of the death of a person receiving Medicaid at the time of death. Provides that this section does not apply to trustees of pre-need funeral trusts established or created under Article 13D of GS Chapter 90.

Makes a technical correction.

Summary date: Jul 16 2013

Senate committee amendment makes the following changes to the 6th edition.

Amends the long title.

Amends Section 3(b) of SL 2012-151, concerning area boards, providing that area boards must meet all the requirements of GS 122C-118.1 as amended by Section 6 and 7 of SL 2013-85, concerning the effective operation of the 1915(b)/(c) Waiver, no later than October 1, 2013 (previously, required area boards to meet only the requirements set out in GS 122C-118.1 as amended by subsection 3(a) of SL 2012-151). Provides the following two exceptions to the applicability of the requirements in GS 122C-118.1: (1) when an area authority receives approval from the Secretary to realign or merge with another area authority, the new area board associated with the surviving area authority is not obligated to meet the requirements of GS 122C-118.1 until 30 days after the effective date of the realignment or merger or until April 1, 2014, whichever is sooner and (2) a different area authority involved in the same realignment or merger approved by the Secretary (i) receives approval on or before October 1, 2013, to dissolve pursuant to GS 122C-115.3(b) and initiates plans for the dissolution or (ii) receives a directive on or before October 1, 2013, from the Secretary to dissolve pursuant to GS 122C-124.2. Effective when the act becomes law.

Amends GS 122C-115(a), updating statutory references. Effective when the act becomes law.

Summary date: Jul 31 2013

Senate amendment makes the following changes to the 7th edition.

Amends Section 11 of this act to clarify that this section amends GS 122C-115(a), as amended by Section 4(a) of SL 2013-85. Makes Section 11 of this act effective January 1, 2014 (was, effective when the act becomes law).

Summary date: Jul 31 2013

AN ACT TO MAKE CHANGES REQUESTED BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO LAWS PERTAINING TO CHILD ABUSE, NEGLECT, AND DEPENDENCY; MEDICAID; PUBLIC HEALTH; AND MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES. Enacted July 29, 2013. Section 10 is effective July 29, 2013. Section 11 is effective January 1, 2014. The remainder is effective October 1, 2013.
Amends GS 90-85.3 by adding a definition for certified pharmacy technician as a pharmacy technician who (1) has passed a nationally recognized pharmacy technician certification board examination, or its equivalent, that has been approved by the North Carolina Board of Pharmacy (NC Board) and (2) maintains certification from a nationally recognized pharmacy technician certification board that has been approved by the NC Board.

Amends GS 90-85.15A to provide that the purpose of the registration program for pharmacy technicians is to identify people who are employed or eligible for employment (was, employed) as pharmacy technicians. Amends the requirements for the registration of noncertified pharmacy technicians to require the NC Board to register noncertified pharmacy technicians who (1) pay the required fee, (2) are employed by a pharmacy holding a valid permit under Article 4A of GS Chapter 90, and (3) complete a required training program provided by the supervising pharmacist-manager. Adds new subsection (a2) to direct the NC Board to register a certified pharmacy technician who (1) pays the required fee and (2) provides proof of current certification. Requires that certification be renewed annually by paying a registration fee and providing proof of current certification.

Identifies the responsibilities of a pharmacist-manager to noncertified pharmacy technicians. Requires the pharmacist-manager to notify the NC Board within 10 days (was, 30 days) of the date that the pharmacy technician began employment. Also identifies the responsibilities of a pharmacist manager to certified pharmacy technicians. Provides that a pharmacist-manager may hire a certified pharmacy technician who has registered under new subsection (a2) of this section. Requires the certified pharmacy technician to notify the NC Board within 10 days of beginning employment as a pharmacy technician. Authorizes the NC Board to allow a pharmacist to supervise more than two pharmacy technicians only if the additional pharmacy technicians are certified pharmacy technicians.

Adds the following to the list of violations which may result in disciplinary action by the NC Board against a pharmacy technician: (1) negligence in assisting a pharmacist in preparing and dispensing prescription medications, and (2) failing (was, willfully violated) to comply with the laws and rules governing pharmacy technicians.

Amends GS 90-85.50(b) to add additional provisions regarding the rights of a pharmacy being subjected to an audit by any responsible party.

Amends GS 90-85.52 to prohibit the entity conducting an audit from recouping any dispute funds, charges, or other penalties form a pharmacy until the latter of the deadline for initiating the appeals process under GS 90-85.51 has passed, or after the final internal disposition of an audit, whichever is later, unless fraud or misrepresentation is reasonably suspected. Provides that the amount of the
recoupment does not include any portion of the prescription product cost, except in cases of fraud or misrepresentation.

Amends GS 90-106 to prohibit dispensing a Schedule II substance more than six months after the date it was prescribed.

Effective October 1, 2013.

**Summary date:** May 9 2013

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

Amends GS 90-85.15A to require the training to be provided (was, conducted) by the supervising pharmacist-manager. Requires the pharmacist-manager to notify the NC Board within 21 days (was, 10 days in previous edition) of the date that the pharmacy technician began employment.

Amends GS 90-85.50(b), adding an additional provision regarding the rights of a pharmacy subject to an audit by any responsible party, providing that the recoupment of claims have to be based on the actual financial harm to the entity or actual overpayment or underpayment. Sets out procedures for calculating overpayments. Also adds that an entity conducting an audit may have access to a previous audit report only if it was prepared by that entity. Provides that if the audit is conducted by a vendor or subcontractor, that entity must identify the responsible party on whose behalf the audit is being conducted without having this information being requested. Provides that the pharmacist has the right not to be subject to recoupment on any portion of the reimbursement of dispensed product of the prescription (was, on any portion of the product costs of the prescription), except in cases of fraud or other misrepresentation evidenced by a review of the claims data, statements, physical review, or other investigative methods (was, except in cases of fraud or misrepresentation).

Amends GS 90-85.52, *Pharmacy audit recoupments*, deleting GS 90-85.52(d), regarding the amount of recoupment and the product cost of the prescription.

**Summary date:** May 13 2013

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

Amends the enactment clause, providing that Sections 2 (amending GS 90-85.15A) and 5 (amending GS 90-106) apply to acts occurring, and Sections 3 (amending GS 90-85.50) and 4 (amending GS 90-85.52) apply to audits commencing, on or after October 1, 2013.

**Summary date:** Jul 23 2013

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

Amends GS 90-85.50(b), making organizational and clarifying changes. Allows recoupment of reimbursement when dispensing in excess of the benefit design, prescriptions are not filled according to the prescriber's order, and when the pharmacy makes an overpayment. Adds language providing that
calculations of overpayment can include dispensing fees when fraud or intentional and willful misrepresentation by the pharmacy is present. Amends a pharmacy's right to know the identity of the responsible party on whose behalf the audit is being conducted, providing that only when the audit is conducted by a vendor or subcontractor is that entity required to identify the responsible party on whose behalf the audit is being conducted (previously, the pharmacy had a right to know the identity of the responsible party regardless of who was conducting the audit). Provides that a pharmacy has a right to use any prescription that complies with federal or state laws and regulations at the time of dispensing to validate a claim in connection with a prescription, prescription refill, or a change in a prescription (was, to use any prescription that complies with state laws and regulations).

**Summary date:** Jul 30 2013


**SL 2013-380**

WILDLIFE POACHER REWARD FUND.

**Bill H 936**

**Summary date:** Apr 16 2013

Effective July 1, 2013, enacts new GS 113-294.1, *Wildlife Poacher Reward Fund*, as the title indicates. Effective December 1, 2013, and applying to persons placed on probation on or after that date, amends GS 15A-1343(b1) to provide that a court may, as a condition of probation, require a defendant to compensate an agency for any reward paid for information leading to the arrest and conviction of the defendant.

**Summary date:** May 14 2013

House committee substitute to the 1st edition makes the following changes. Amends GS 113-294.1 to provide that the Wildlife Resources Commission must adopt (was, must establish) rules for administering the Wildlife Poacher Reward Fund.

**Summary date:** May 15 2013

House committee substitute to the 2nd edition makes the following changes. Amends the effective date to provide that the act applies to offenses committed on or after (was, applies to person placed on probation on or after) December 1, 2013.

**Summary date:** Jul 18 2013

Senate amendment makes the following changes to the 3rd edition.
Amends GS 75A-3 to direct the chair of the Wildlife Resources Commission (Commission) to designate three members from the Commission to serve as the Boating Safety Committee (was, the Vessel Committee) of the Commission. Amends GS 75A-6.1(c), making it a Class 3 misdemeanor to violate any rule governing navigational lighting adopted by the Commission (was, made the violation of the navigational rules specified in subsection (a) of this section a Class 3 misdemeanor and punishable by a fine not to exceed $100).

Amends GS 75A-10, which provides that a person who operates any vessel while underway on the waters of this state and is under the influence of an impairing substance, or has consumed sufficient alcohol to have an alcohol concentration of 0.08 at any relevant time after the boating, is guilty of a Class 2 misdemeanor, a violation punishable by a fine of not less than $250.

Amends GS 75A-13.1(d) to provide that a person who violates a provision of this section, which governs skin and scuba divers, is responsible for an infraction as provided in GS 14-3.1 (was, is guilty of a Class 3 misdemeanor and subject to a fine not to exceed $25).

Amends GS 75A-13.3(b1) to provide that a person who lawfully owns or has control of a personal watercraft and knowingly allows a person under the age of 16 to operate the personal watercraft in violation of the provisions of subsection (b) of this section is responsible for an infraction as provided in GS 14-3.1 (was, made a person under the age of 16 who operates a personal watercraft in violation of the provisions of subsection (b) of this section guilty of an infraction).

Amends GS 75A-13.3(c3) to make a vessel livery that fails to provide basic safety instruction prior to allowing the operation of a leased personal watercraft responsible for an infraction as provided in GS 14-3.1 (was, made it a Class 3 misdemeanor for a vessel livery to fail to provide basic safety instruction on the operation of a leased personal watercraft).

Amends GS 75A-16.2 to provide that a person has complied with the requirements of boating safety education if the person provides proof that he or she was born on or before January 1, 1988 (was, provides proof that he or she is at least 26 years of age). Provides that any person who violates a provision of this section or a rule adopted pursuant to this section is responsible for an infraction, as provided in GS 14-3.1, and will pay a fine of $50 (was, the court will assess court costs for each violation but will not assess a penalty).

Amends GS 75A-18 (Penalties), making clarifying and technical changes. Provides that any person who violates a rule adopted by the Commission under this chapter is guilty of an infraction, as provided in GS 14-3.1, and will pay a fine of $50. No court costs will be assessed.

Amends GS 113-294 (Specific violations), providing that any person who unlawfully sells, possesses for sale, or buys any wildlife is guilty of a Class 2 misdemeanor, punishable by a fine not less than $250. Provides that any person who unlawfully sells, possesses for sale, or buys any deer or wild turkey is guilty of a Class 2 misdemeanor, punishable by a fine not less than $500 (was, not less than $250). Provides that any person who unlawfully takes, possesses, or transports any elk is guilty of a Class 1 misdemeanor, punishable by a fine of not less than $2,500, in addition to such other punishment.
prescribed for the offense. Provides that any person who unlawfully takes, possesses, or transports any
deer is guilty of a Class 3 misdemeanor, punishable by a fine not less than $250 (was, $100). Provides
that any person who unlawfully takes, possesses, or transports any deer from land that has been posted,
in accordance with the provisions of GS 14-159.7, without written permission of the landowner, lessee,
or the agent of the landowner or lessee is guilty of a Class 2 misdemeanor, punishable by a fine of not
less than $500. Provides that any person who unlawfully takes deer between a half hour after sunset
and a half hour before sunrise with the aid of an artificial light is guilty of a Class 2 misdemeanor,
punishable by a fine of not less than $500 (was, $250). Provides that any person who unlawfully takes
any migratory game bird with a rifle, or commits various other unlawful actions concerning game birds,
is guilty of a Class 2 misdemeanor, punishable by a fine of not less than $250 (was, $100). Provides fines
for unlawful acts regarding the placement of processed food products as bear bait in certain areas of the
state as well as for any person who violates provisions of GS 113-291.12 regarding removal of feral
swine from a trap, both resulting in Class 2 misdemeanors and punishable by a fine not to exceed $250.

Makes conforming changes to the title of this act.

Sections 2 through 11 of this act, including the above provisions, become effective December 1, 2013,
and apply to offenses committed on or after that date.

Summary date: Jul 30 2013

AN ACT TO ESTABLISH A WILDLIFE POACHER REWARD FUND TO PAY REWARDS TO PERSONS WHO GIVE
INFORMATION TO LAW ENFORCEMENT AUTHORITIES THAT RESULTS IN THE ARREST AND CONVICTION
OF PERSONS WHO COMMIT SERIOUS WILDLIFE VIOLATIONS, TO AUTHORIZE THE USE OF
COMPENSATION PAID TO THE WILDLIFE RESOURCES COMMISSION AS CONDITIONS OF OFFENDERS'
PROBATION AS ASSETS OF THE FUND, TO AMEND THE BOATING SAFETY ACT BY INCREASING THE FINES
AND OTHERWISE AMENDING THE PENALTY AND OTHER PROVISIONS OF THAT ACT, AND TO AMEND THE
PENALTY PROVISIONS FOR SPECIFIC VIOLATIONS OF THE WILDLIFE LAWS. Enacted July 29, 2013. Section
1 is effective July 1, 2013. The remainder is effective December 1, 2013.

SL 2013-381

VIVA/ELECTION REFORM.

Bill H 589

Summary date: Apr 5 2013

Advisory Board. Establishes the Voter Information Verification Advisory Board (Advisory Board, or
VIVA), with at least three, but no more than five, members who are registered voters in the state and
appointed by the State Board of Elections (State Board). Also requires that appointments include
members of more than one party affiliation and of no affiliation. Specifies the Advisory Board's eight
duties, including assisting in voter registration drives, educating the public about voter registration and
casting a ballot, and assisting in other matters related to voter registration, voting, counting ballots, and candidacy for elected office.

Amends GS 163-82.20 to allow a county, with approval by the State Board, county board of elections, and the county board of commissioners, to offer registration through (1) senior centers or facilities operated by the county and (2) parks and recreation services operated by the county.

Allows the State Board to hire up to 14 people to assist the Advisory Board, to disseminate information about photo identification requirements for voting, provide information on obtaining photo ID, and assist registered voters without appropriate photo ID with obtaining the necessary ID. Specifies the mediums that may be used to distribute information. Requires the State Board to work to identify voters without photo ID and assist those individuals with securing appropriate photo ID. The hired individuals must be state employees, and the positions are time-limited, expiring on December 31, 2016.

Expires December 31, 2016.

**Photo Identification.** Enacts new GS 163-166.13 requiring every individual voting in person to present photo identification bearing any reasonable resemblance to that voter to a local election official at the voting place before voting. Allows voters without photo ID to vote a provisional ballot. Defines photo identification to include any of the following that contains a photo of the voter: (1) an ID card bearing either a date of expiration or a date of issuance that is not more than 10 years beyond the later of those dates, issued by a branch, department, agency, or entity of the United States, this state, or any other state (sets out examples including a NC driver’s license or permit, special ID for nonoperators, passport, or college ID card); (2) a tribal identification card; or (3) an identification card that bears a date of expiration and was not expired on the day the voter reached age 70, issued by a branch, department, agency, or entity of the United States, this state, or any other state. Provides that if the local election official determines that the photo ID does not bear any reasonable resemblance to the voter, the official must require the chief judge and judges of election to rule on the matter. If the judges disagree with each other about whether the ID bears a reasonable resemblance to the voter, the voter may vote; if they agree that the voter’s ID does not bear any reasonable resemblance to the voter, the voter may vote in accordance with GS 163-88.1 (request for challenged ballot). Specifies that the statute does not apply to a registered voter who has filed an affidavit in accordance with new GS 163-82.7A and to a registered voter who has a permanent physical or mental disability.

Enacts new GS 163-82.7A allowing a voter with a sincerely held religious objection to being photographed to execute a declaration to that effect to be incorporated as a part of the official record of voter registration. Requires the declaration to include an attestation that the voter holds a sincere religious objection to being photographed and the signature of the voter, under penalty of a Class I felony.

Makes conforming changes to GS 163-82.6A, GS 163-166.7, and GS 163-227.2.

Enacts new GS 163-182.1A to require a voter who cast a provisional ballot as a result of the voter’s inability or declination to provide photo ID to provide the photo ID, in person, to the county board of
elections no later than the time set for convening the election canvass under GS 163-182.5, in order to seek the counting of that voter's provisional official ballot as provided in the statute. If the voter provides valid photo ID, requires the county board of elections to find that the provisional ballot is valid and direct that it be counted, unless it is disqualified for some other reason. Allows for affidavits by those losing photo ID due to a natural disaster as well as for sincerely held religious objections to being photographed. Specifies process for when a voter casting a provisional ballot as described in the statute has also cast a provisional ballot for another reason.

Amends GS 163-87 to allow a registered voter to challenge a person for failure to present proof of photo identification as required under GS 163-166.13.

Effective January 1, 2016, and applies to primaries and elections conducted on or after that date.

**Implementation.** Amends GS 20-37.7(d) to provide that the fee for a special identification card does not apply to a person who is registered to vote in the state but does not have acceptable photo identification. In order to get the card for free, requires the registered voter to sign a sworn statement, which includes a statement that paying the fee would present a financial hardship. Amends GS 130A-93.1 to prohibit charging the fee for vital records copies or search to a registered voter who signs a sworn statement that the voter is registered, does not have a certified copy of his or her birth certificate necessary to obtain acceptable photo ID, and that paying the fee would present a financial hardship. Makes the same change to GS 161A-10(a)(8) concerning birth certificates and marriage licenses. Amends GS 163-229(b) to amend the requirements to absentee ballot container-return envelopes to require that they also provide for (1) the voter's signature; (2) space for the identification of two persons witnessing the casting of the ballot and their signatures; (3) space for identification of any near relative or verifiable legal guardian who assisted the voter if the voter is unable to complete and sign the certification, and the individual's signature; and (4) a prominent display of the unlawful acts under GS 163-226.3. Amends GS 163-230.1 to require a qualified voter desiring to vote by absentee ballot to complete a request form, an absentee application, and absentee ballot so that the county board of elections receives that completed request by 5 p.m. on the Tuesday before the election. Amends GS 163-230.2 to provide that a written request for an absentee ballot is valid only if it is on a form generated by the State Board and signed by the voter making the request or that voter's near relative or verifiable legal guardian. Requires the form to be available at specified locations. Allows a voter to make a request in person or by writing to the county board for the form to request an absentee ballot. Requires the request form to include at least the specified information, including the number of the voter's driver's license, the number of the voter's special ID card, or the last four digits of the applicant's Social Security number. The complete request must be delivered to the county board of elections. If the voter does not include the specified identification number information, then the request form must include a copy of one of the following documents that shows the name and address of the voter: a current utility bill, bank statement, government check, paycheck, or other government document. Amends GS 163-231 to require an absentee ballot to be witnessed by two (was, one) individuals. Makes clarifying changes.

Specifies eight ways in which the public is to be educated about the photo ID requirements. Also amends GS 163-278.69 to require the Judicial Voter Guide to include information about the photo ID
requirement. Allows funds from the surcharge on attorney membership fees under GS 84-34, collected on or after July 1, 2013, to be used for the Judicial Voter guide, as provided in amended GS 163-278.69.

Requires the State Board of Elections to study and report to the Joint Legislative Elections Oversight Committee on or before April 1, 2014, on a secure and feasible method of creating and utilizing electronic pollbooks with digital photos of registered voters. Specifies issues to be addressed in the study.

**Effective Date.** Unless otherwise specified, effective when the act becomes law.

Provides that at any election between August 1, 2013, and January 1, 2016, any registered voter may present that voter's photo identification to the elections officials at the voting place, but may not be required to do so. At each election between August 1, 2013, and January 1, 2016, each voter presenting in person shall be notified that photo identification will be needed to vote beginning in 2016 and be asked if that voter has one of the forms of photo identification appropriate for voting. If that voter indicates he or she does not have one or more of the types of photo identification appropriate for voting, that voter shall be asked to sign an acknowledgment of the photo identification requirement, be given a list of types of photo identification appropriate for voting, and information on how to obtain those types of photo identification. The list of names of those voters who signed an acknowledgment is a public record.

**Summary date:** Apr 18 2013

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

Provides that the Voter Information Verification Advisory board (VIVA) is established within the State Board of Elections.

Directs VIVA to advise the State Board of elections on the specified actions (was, directed VIVA to do all of the specified acts). Makes adjustments in language and organization to reflect the modification from "doing" to "advising." Deletes provision permitting the Executive Director of the State Board of Elections to instruct the State Board of Elections to hire up to 14 persons to assist the VIVA Board established under this Part. Instead, directs the Executive Director to assign staff to support the VIVA board in fulfilling the duties and responsibilities of this act. Directs the State Board of Elections to disseminate information about voter ID requirements for voting and obtaining appropriate photo identification (was, directed the State Board to utilize staff in disseminating information).

Requires that every person voting in accordance with Article 14A of GS Chapter 163, 163-82.6A, 163-166.7, 163-166.9, 163-227.2, or 163-182.1A must present photo identification that reasonably resembles that voter to a local election official before voting. Makes the following exceptions: (1) permits a voter who is voting curbside to present identification under GS 163-166.9 (curbside voting) or (2) does not require a photo identification for a voter that has filed a declaration in accordance with GS 163-82.7A least 25 days before the election and has a sincerely held religious objection to being photographed.
Deletes "tribal identification card" as an acceptable photo identification for purposes of this section and adds an identification card issued by a unit of local government, public authority, or special district as defined in GS 159-7; a card issued for a government program of public assistance; or a veterans identification card as forms of acceptable photo identification. Deletes provision that this section does not apply to a registered voter with a permanent physical or mental disability recognized by a state or federal agency that makes such determinations. Enacts new GS 163-166.14 to provide for the evaluation of a photo identification presented that does not bear any reasonable resemblance to that voter. Specifies the details for the evaluation process and provides that the voter may vote on a provisional ballot if the judges of election resolve by a unanimous vote that the photo presented does not resemble the voter.

Amends GS 163-82.6A(b), GS 163-166.7(a), and GS 163-227.2(b) to delete provisions that permit a voter without appropriate photo identification to vote a provisional official ballot.

Makes conforming changes to GS 163-166.9 (curbside voting). Makes organizational and clarifying changes to new GS 163-182.1A and GS 20-37.7(d). Makes clarifying changes to GS 163-87 and GS 163-229(b). Makes conforming changes to GS 130A-93.1, adding a new subsection (c) and GS 163-275(13).

Amends GS 163-230.1(a1) regarding a voter's inability to go to vote due to sickness or physical disability to provide that county board of elections may personally deliver the application and ballots. Amends GS 163-230.2 to provide that the form for requesting an absentee ballot may be reproduced. Makes additional changes to clarify the information that must be included on the request for an absentee ballot. Amends GS 163-231 to clarify that the two persons required to witness the voter's marking of an absentee ballot must also sign the application and certificate as witnesses and indicate their addresses.

Amends GS 163-226, defining the term verifiable legal guardian to mean an individual appointed guardian under GS Chapter 35A. Provides that for a corporation appointed guardian under that chapter, the corporation may submit a list of 10 named individuals to the State Board of Elections who may act for that corporation under Article 35A.

Makes further changes to provide additional guidelines to be applied should the State Board of Elections choose to publish a voter guide to present the voter identification procedures and requirements. Directs the State Board of Elections to reimburse the Division of Motor Vehicles, the State Registrar, and the county registers of deeds for direct costs incurred in administering the fee waivers authorized in Sections 13 and 14 of this act. Requires the State Board of Elections to include a statement on all forms, prominently displayed, declaring that submitting falsely or fraudulently completed declarations is a Class I felony under GS Chapter 163.

Part I of this act (establishing VIVA) is effective July 1, 2013 (was, when it becomes law), and expires December 31, 2016. Section 13 of this act, amending GS 20-37.7(d) and Section 14, amending GS 130A-93.1 and GS 161-10(a)(8), is effective October 1, 2013. Section 16, amending GS 163-229(b) and GS 163-230.1, is effective January 1, 2014, and applies to primaries and elections conducted on or after that date.
Provides that at any election between October 1, 2013, and January 1, 2016, any registered voter may present that voter's photo identification to the elections officials at the voting place but may not be required to do so. At each election between October 1, 2013, and January 1, 2016, each voter presenting in person shall be notified that photo identification will be needed to vote beginning in 2016 and be asked if that voter has one of the forms of photo identification appropriate for voting.

Unless otherwise specified, effective when the act becomes law.

Provides that this act is effective only if the General Assembly appropriates funds in the Current Operations Appropriations Act of 2013 to implement it.

Summary date: Apr 18 2013

House committee substitute to the 2nd edition makes the following changes. Amends GS 20-37.7 to provide that the special identification card fee also does not apply when the card is issued to a state resident if the applicant is appearing for the purpose of registering to vote and does not have other acceptable photo identification. The applicant must sign a declaration providing as such to get the id for free. The declaration must also include penalty for making a false declaration.

Summary date: Apr 23 2013

House committee substitute to the 3rd edition make the following changes.

Amends GS 163-166.13 to specify that the requirements apply to every qualified voter (was, every individual) voting in person. Adds to the definition of photo identification a tribal enrollment card issued by a federally recognized tribe that bears either a date of expiration or a date of issuance and that is not more than 10 years beyond the date of expiration or issuance, whichever is later.

Amends GS 163-166.9 to delete the provision allowing a qualified voter to comply with the identification requirement in GS 163-166.13(a) by completing a declaration stating the identity of the qualified voter that contains five specified items.

Summary date: Apr 24 2013

House amendment #1 makes the following changes to the 4th edition.

Provides that the State Board of Elections (Board) will work with county boards of elections in counties where there are not DMV offices that are open five days a week in order to communicate information about availability and schedules of the DMV mobile units and to provide volunteers to assist voters with obtaining photo identification through those mobile units or any other local government that makes identification available. Similar requirements are also added to the education and publicity requirements found in Section 17 of the bill.

Creates new Section 18.5 of the act that provides that the Board will reimburse any local government for direct costs incurred by issuing photo identification if the local government meets five specified
requirements, including being located in a county where there is no DMV driver’s license office open five days a week.

Deletes part 2 of the enactment clause, substituting and providing that Part II of this act becomes effective October 1, 2013, and applies to primaries and elections conducted on or after that date. Notwithstanding GS 163-166.13 or GS 163-87(5), as enacted by this act, at any primary or election between October 1, 2013, and January 1, 2016, any registered voter who does not present identification or whose photo identification does not bear any reasonable resemblance to the voter (i) shall be permitted to vote and will not be required to vote a provisional or a challenged ballot and (ii) will not be challenged for failure to present photo identification.

House amendment #5 makes the following changes to the 4th edition.

Amends GS 163-166.13 (Photo identification requirement for voting in person), providing that a tribal enrollment card which meets five specified criteria, including being signed by an elected official of the tribe and being issued by a federal or state recognized tribe pursuant to GS Chapter 71A, will meet the requirements of an approved photo identification for purposes of this section.

House amendment #6 makes the following changes to the 4th edition.

Amends GS 163-166.13(a), providing an exception to the requirement to present photo identification before voting for registered voters that are victims of a natural disaster occurring within 60 days before election day that resulted in a disaster declaration by the US President or the NC Governor who declares the lack of photo identification due to the natural disaster. Makes a conforming deletion in proposed GS 163-182.1A.

Summary date: Jul 24 2013

Senate committee substitute makes the following changes to the 5th edition.

Amends the short and long titles.

Part 1

Deletes provisions which established a Voter Information Verification Advisory Board within the State Board of Elections.

Adds that Parts 1 through 6 of the act will be known and cited as the Voter Information Verification Act (VIVA).

Part 2

Amends proposed GS 163-166.13, concerning photo identification requirements for voting in person, deleting statutory references in proposed GS 163-166.13(a) to GS 163-82.6A, 163-166.7, and 163-166.9. Amends the exception to requiring photo identification for those who are a victim of a natural disaster, specifying that a voter that declares that a lack of photo identification is due to a natural disaster on the
appropriate form provided by the State Board is not required to provide photo identification in any county subject to the disaster declaration (previously, did not limit the exception to only the counties subject to the declaration). Provides additional requirements for the declaration form, requiring that the form is must be available from the State Board of Elections, from each county board of elections in counties subject to the disaster declaration, at each polling place, and one-stop early voting sites in the applicable counties. Provides that the voter must submit the completed form at the time of voting.

Amends the provisions which set out what is considered and deemed to be appropriate photo identification for voting, deleting language which previously approved the following types of photo identification:

(1) An identification card issued by UNC or its constituent institutions.

(2) An identification card issued by a North Carolina community college.

(3) An identification card issued to a fireman, EMS, hospital employee, or law enforcement officer.

(4) An identification card issued by a unit of local government, public authority, or special district, as defined in GS 159-7.

(5) An identification card issued for a government program of public assistance.

(6) An identification card that bears a date of expiration and was not expired on the day the voter reached the age of 70 issued by a branch, department, agency, or entity of the US, North Carolina, or any other state.

Amends the requirements for acceptance of tribal enrollment cards, providing that the only tribal enrollment cards that will be considered as acceptable photo identification is a tribal enrollment card issued by a federally recognized tribe or a tribe recognized by NC under GS Chapter 71A.

Provides further requirements for photo identification, requiring that photo identification must (1) have a printed expiration date, except for US military ID cards and Veterans Identification Cards issued by the VA, (2) not be expired, however, any voter 70 years old at the time of presentation at the voting place will be permitted to present an expired form of any of the approved photo identifications that was unexpired on the voter's 70th birthday. Provides that specified types of photo identification, even if it does not contain a printed expiration date, will be acceptable if it has a printed issuance date that is not more than eight years old before it is presented for voting, however, military ID cards and Veterans ID cards are never required to have a printed issuance date.

Deletes proposed changes to GS 163-82.6A(b), concerning the attestation and proof of residence, found in Section 7 of the 5th edition.

Makes technical changes to proposed GS 163-182.1A(a), concerning counting provisional ballots.

Makes clarifying changes to proposed GS 163-87(5), providing that except as provided in GS 163-166.13(d) and GS 163-166.14, any registered voter of the precinct can challenge a voter if the voter does
not present photo identification in accordance with GS 163-166.13 (previously, did not include language providing for exceptions to the challenge pursuant to the cited statutes).

Part 3

Amends proposed changes to GS 163-275(13), providing a new reference to GS 20-37.7(d)(6).

Part 4

Amends the proposed language for GS 163-229(b)(7), requirements for container-return envelopes, expanding the language to provide that if there is not room on the envelope to prominently display the unlawful election related acts under GS 163-226.6 and GS 163-275, then the State Board of Elections can provide that disclosure on a separate piece of paper, included along with the container-return envelope. Makes clarifying changes.

Amends GS 163-230.1, concerning ballots for those absent for sickness or physical disability, providing that such ballots can personally delivered by the county board of elections to the voter or the voter's near relative or verifiable legal guardian (previously, only provided for personal delivery, without specifying to whom delivery was allowed).

Amends proposed GS 163-230.2, concerning requesting absentee ballots, making clarifying changes that provide that once verified, absentee ballots and certifications forms will be mailed to the voter (was, sent to the voter), unless personally delivered to the requester in accordance with GS 163-230(a1) (previously, did not include language regarding personal delivery). Makes a technical correction to a statute citation in proposed GS 163-230.2(a3).

Amends GS 163-231, providing that the requirement for two witnesses, provided in subsection (a) of this section, will be satisfied if witnessed by a notary public that complies with all the other requirements included in that subsection. Directs the notary to affix a valid notarial seal to the envelope, and include the word "Notary Public" below his or her signature. Makes clarifying changes that provide that "delivered in person", used in GS 163-231(b) and referring to the delivery of executed absentee ballots to specified approved locations, also includes delivering the ballot to an election official at a one-stop voting site under GS 163-227.2 during any time that site is open for voting. Requires the ballots to be kept securely and delivered by election officials at that site to the county board of elections for processing.

Deletes provisions that required the State Board of Elections to reimburse the DMV, the State Registrar, and county registers of deeds for direct costs incurred in administering authorized fee waivers and to reimburse local governments for direct costs incurred in issuing photo identification in certain situations.

Amends GS 163-226.3(a)(4), providing that when neither relative nor a verifiable legal guardian is available to assist a voter, and a multipartisan team is not available to assist the voter within seven calendar days of a telephonic request, the voter can obtain voting assistance from any person other than the following: (1) an owner, manager, director, employee of the hospital, clinic, nursing home, or
rest home in which the patient resides, (2) an individual who holds any elective office under the US, NC, or any political subdivision of the State, (3) any candidate for nomination or election to the offices previously mentioned, or (4) any individual who holds any office in a State, congressional district, county, or precinct political party or organization, or a campaign manager or treasurer for any candidate or political party.

Directs the State Board of Elections to adopt rules prior to October 1, 2013, concerning the new provisions concerning the multipartisan teams authorized by GS 163-226.3(a)(4). Sets out what the adopted rules should address and ensure.

Proposes a new subsection GS 10B-30(d), providing that a notary cannot charge any fee for witnessing and affixing a notarial seal to an absentee ballot application or certificate under GS 163-231.

Part 5

Proposes new subsection GS 163-82.20(j), which provides that, with the appropriate specified approval, senior centers or facilities operated by the county, as well as parks and recreation services operated by the county, can offer voter registration in accordance with the applicable regulations.

Requires the State Board of Elections to disseminate (1) information about photo identification requirements for voting, (2) information on how to obtain appropriate photo identification for voting and (3) assist registered voters with obtaining photo identification. Sets out the guidelines and requirements for such. Deletes the requirement that the State Board of Elections must work with county boards of elections to assist voters in obtaining photo identification through the local governments that make photo identification available.

Part 6

Amends the act to establish the following effective dates:

Parts 1 and 6 of this act are effective when this act becomes law.

Part 2 of this act becomes effective January 1, 2016, and applies to primaries and elections conducted on or after that date.

Part 3 of this act becomes effective January 1, 2014.

Part 4 of this act becomes effective January 1, 2014, and applies to primaries and elections held on or after that date, except that Section 4.6(b) is effective when it becomes law.

Part 5 of this act becomes effective October 1, 2013.

At any primary and election between May 1, 2014, and January 1, 2016, any registered voter may present that voter's photo identification to the elections officials at the voting place but may not be required to do so. At each primary and election between May 1, 2014, and January 1, 2016, each voter presenting in person shall be notified that photo identification will be needed to vote beginning in 2016.
and be asked if that voter has one of the forms of photo identification appropriate for voting. If that voter indicates he or she does not have one or more of the types of photo identification appropriate for voting, that voter shall be asked to sign an acknowledgment of the photo identification requirement and be given a list of types of photo identification appropriate for voting and information on how to obtain those types of photo identification. The list of names of those voters who signed an acknowledgment is a public record.

Part 7

Requires the Joint Legislative Elections Oversight Committee to study the method of filling vacancies in the General Assembly, and recommend any legislation it deems advisable. Allows the Committee to make an interim report prior to the date that the General Assembly reconvenes for the 2013 Regular Session in 2014. Final report is due before the convening of the 2015 Regular Session.

Part 8

Amends GS 163-12, concerning filling vacancies in the US Senate, providing that if the vacating Senator was elected as the nominee of a political party, the person appointed to the seat by the Governor must be a person affiliated with that same political party.

Part 9

Requires the Joint Legislative Elections Oversight Committee to study the method of filling vacancies in the US House of Representatives by special election, and recommend any legislation it deems advisable. Allows the Committee to make an interim report prior to the date that the General Assembly reconvenes for the 2013 Regular Session in 2014. Final report is due before the convening of the 2015 Regular Session.

Part 10

Amends GS 163-287 to require a special election called by a local government or special district to be held at the same time as any other state, county, or municipal general election or at the same time as the primary election in an even-numbered year. Creates new subsections (c), (d), and (e) to exempt the following from the requirement: special elections related to the public health or safety, including a vacancy in the office of sheriff or a bond referendum for the financing of health or sanitation systems, if the governing body adopts a resolution stating the need for the special election at a different time from the general election or primary; (2) municipal incorporation or recall elections pursuant to a local act of the General Assembly; and (3) municipal elections to fill vacancies pursuant to a local act of the General Assembly where more than six months remain in the term of office; if less than six months remain, the governing board may fill the vacancy. Specifies that the court's or the State Board of Elections' authority to order a new election is not impacted.

Enacts new GS 163-3 to require special elections be conducted as required by GS 163-287. Amends GS 18B-601(f) (alcoholic beverage election), Amends GS 18B-601(f) (alcoholic beverage election), GS 160A-103 (referendum petition), GS 159-61(b) (bond referendum), and GS 160A-104 (initiative petition) to
conform the applicable elections to GS 163-287. Makes additional conforming and clarifying changes to various applicable statutes to provide that special elections must be conducted in accordance with GS 163-287.

Amends GS 69-25.2 and GS 105-465, deleting language stating that no new registration of voters will be required for the special elections. Also deletes language related to the registration of these voters and related notice requirements. Amends GS 105-473(a), deleting provision allowing all voters in the County that are properly registered no later than 21 days prior to the election to vote in the special election.

This part effective January 1, 2014, and applies to special elections held on or after that date.

Part 11

Amends GS 163-45, concerning the appointment of voting place observers, providing that the chair of each political party in the county has the right to designate 10 additional at-large observers that are residents of that county, which can attend any voting place in that county. Provides that in addition to allowing two observers from the same political party to be permitted in the voting enclosure, one at-large observer can also be in the voting enclosure. Provides that the list of authorized at-large observers must be submitted to the county supervisor of elections, and then the supervisor will provide the list to the chief judge. Allows the list to be amended between the one-stop period under GS 163-227.2 and the general election day to substitute one or all at-large observers for election day. Further provides that at-large observers can serve at any one-stop site. Authorizes observers to be present and move about the voting place prior to, during, and following the closing of the polls, until the chief judge and judges have completed all of their duties. Observers are also allowed to observe precinct officials checking voter registration from a position that provides clear hearing and the understanding of voter responses. Sets out the rules and procedures regarding the restriction of movement or expulsion of an observer, requiring a written and signed statement regarding the action. Provides for a challenge to the limitation or expulsion by the observer.

Part 12

Repeals GS 163-82.1(d) and GS 163-82.3(a)(5), which provided for the pre-registration of persons who are at least 16 years of age but will not be 18 years of age by the date of the next election and that are otherwise qualified to register.

Amends GS 163-82.4(d), 163-82.23, 163-82.19(a), 163-82.20, 115C-81(g1)(1), and 115C-47(59), making conforming changes, reflecting the repeal of voter pre-registration.

Encourages the Department of Public Instruction to improve outreach to high school students in regards to registering to vote when eligible.

Effective September 1, 2013. Provided all voter pre-registrations completed and received by the State Board prior to that date will be processed and those voters will be registered as appropriate.

Part 13
Amends GS 163-82.6(b) to provide that an electronically captured signature is not valid on a voter registration form, except as provided in Article 21A.

**Part 14**

Amends GS 163-274 to make it a Class 2 misdemeanor for any person to be compensated according to the number of form submitted for assisting persons in registering to vote.

**Part 16**

Repeals GS 163-82.6A (in-person registration and voting at one-stop sites) and makes the following conforming changes. Amends GS 163-82.6(c), deleting the exception to provision for registration deadlines for a primary or election. Amends GS 163-59, deleting the provision that formerly allowed persons qualified by age to vote in the general election but not the primary to register and vote in both elections pursuant to GS 163-82.6A(f) for a party primary. Amends GS 163-166.12(b2), deleting the provision that identified the proper identification documents that were required if the individual registers and votes under GS 163-82.6A. Amends GS 163-283, deleting the provision that formerly allowed persons qualified by age to vote in the general election but not the primary to register and vote in both elections pursuant to GS 163-82.6A(f) for a party primary. Amends GS 163-283.1, deleting the provision that formerly allowed persons qualified by age to vote in the general election but not the primary to register and vote in both elections pursuant to GS 163-82.6A(f) for a nonpartisan primary. Amends GS 163-330, deleting the provision that formerly allowed persons qualified by age to vote in the general election but not the primary to register and vote in both elections pursuant to GS 163-82.6A(f) for a primary. Amends GS 163-227.2(a), deleting the reference to GS 163-82.6A as an applicable section for voters using absentee ballots.

**Part 17**

Amends GS 163-227.3 and GS 163-258.9 to provide that in a presidential election year, the board of elections must provide general election ballots no later than three days after the nomination of the presidential and vice presidential candidates if the nomination occurs later than 63 days before the statewide general election and makes compliance with the 60-day deadline impossible.

**Part 18**

Amends GS 163-82.14 require the State Board of Elections to adopt a uniform program that makes a diligent effort, not less than twice each year to (1) remove the names of ineligible voters from the list of eligible voters, and (2) update the data of person remaining on the official list of eligible voters. Also allows the State Board of Elections to enter into data-sharing agreements with other states to cross-check information on voter registration and voting records. Requires any data sharing agreement to require that a data sharing agreement require the other state(s) to comply with GS 163-82.10 (Official record of voter registration) and GS 163-82.10B (Confidentiality of date of birth).

Requires the State Board of Elections to actively seek ways to share and cross-check information on voting records and voter registration with other states to improve the accuracy of voter registration.
lists, using resources such as the Electronic Registration Information Center and by entering into interstate compacts.

Effective when the act becomes law.

**Part 19**

Repeals GS 163-82.25 (mandated voter registration drive).

**Part 20**

Amends GS 163-84 to provide that the registration records of each county are to be open to inspection by any registered voter of the state (was, of the county) during the normal business hours of the county board of elections on the days when the office is open. Amends GS 163-87 to provide that on the day of a primary or election, at the time a registered voter offers to vote, any other registered voter of the county (was, of the precinct) may exercise the right of challenge. Makes conforming changes.

**Part 21**

Amends GS 163-106, GS 163-294.2, and GS 163-323 to provide that a person has the right to withdraw a notice of candidacy at any time before the close of business on the third business day before the filing deadline.

**Part 22**

Amends GS 163-107.1 to require written petitions, filed in lieu of paying a filing fee, to be signed by 5% (was, 10%) of the state’s registered voters who are affiliated with the same party [or in the case of candidates for US Senator, Governor, Lieutenant Governor, or any state executive officer], or by no less than 8,000 (was, 10,000) registered voters regardless of the voter’s party affiliation, whichever requirement is greater.

**Part 23**

Amends GS 163-113 to provide that a person who has been declared a party’s nominee for a specified office under GS 163-182.15 or GS 163-110 is not allowed to resign as a candidate, unless before the first day on which military and overseas absentee ballots are transmitted to voters under Article 21A, that person submits to the board of elections which certified the nomination a written withdraw request.

**Part 24**

Requires the Joint Legislative Elections Oversight Committee to study optimal numbers of voters in election precincts to reduce overcrowding and long lines. Requires examining the size of the polling place, its accessibility, and parking availability. Allows an interim report before the General Assembly reconvenes in 2014 and requires a final report before the General Assembly convenes in 2015.

**Part 25**
Amends GS 163-227.2 to provide that no earlier than the second (was, third) Thursday before an election, in which a voter seeks to vote an no later than 1 pm on the last Saturday before that election, the voter must appear in person only at the office of the county board of elections. Requires a county board of elections to conduct on stop voting on the last Saturday before the election until 1pm (no longer allows conducting one stop voting until 5pm on that Saturday). Requires that plans of implementation provide for the same hours and days of operation for all additional sites in that county for that election. This requirement does not apply to the county board of elections office itself, nor to the reasonably proximate alternate site if one-stop voting is not conducted at the county board of elections office.

Part 26

Amends GS 163-130 to require a unanimous vote in order for a county board of elections, upon approval of the State Board of Election, to establish a plan for elderly or disabled voters to vote at designated sites within the precinct other than the regular voting place. Adds that any approval is only effective for one year and is to be reviewed annually for extension. Effective January 1, 2014. Requires all plans approved under GS 163-130 before January 1, 2014, to be reviewed and adopted according to GS 163-130, as amended by this section.

Part 27


Part 28

Requires the Joint Legislative Elections Oversight Committee to study the second primary and recommend legislation to the General Assembly. Allows the study to include whether to go to a plurality method of determining primary results; whether to reduce the current 40% threshold; whether to keep the threshold at 40% but also allow a smaller percentage if the margin between first and second place finisher is substantial; and whether to have a different system for different offices. Allows an interim report before the General Assembly reconvenes in 2014, and requires a final report before the convening of the 2015 session.

Part 29

Amends GS 163-165.4 to require the State Board of Elections to ensure that official ballots throughout the state have the five specified characteristics.

Part 30

Amends GS 163-165 to amend the definition of ballot to remove references to electronic voting and adds a definition of paper ballots. Amends GS 163-165.7 to require voting systems to produce a paper ballot. Makes conforming changes replacing references to a paper "record" with "ballot." Makes conforming changes to GS 163-166.7, GS 163-182.1, GS 163-182.2, and GS 163-227.2. Amends GS 163-
165 adding and defining the term paper ballot. Requires the decertification of any direct record electronic voting systems that do not use paper ballots and prohibits their use in any election held on or after January 1, 2018. Provides that decertification of such a system may not be appealed to the Superior Court of Wake County. Effective January 1, 2018.

Part 31

Amends GS 163-165.6(d) to require that candidates in any ballot item on a general election official ballot, who are nominees of political parties reflecting at least 5% of the statewide voter registration, appear on the ballot in alphabetical order by party beginning with the party whose nominee for Governor received the most votes in the most recent gubernatorial election, and in alphabetical order within the party.

Part 32

Amends GS 163-165.6(e) to prohibit a ballot from providing a place where a voter may vote with one mark for all the candidates of a single party ("straight-party voting") and makes a technical conforming change by repealing GS 163-182.1(a)(7).

Part 33

Amends GS 163-166.01 to provide that if the polls are delayed in opening for more than 15 minutes, or are interrupted for more than 15 minutes, the closing time may be extended by the State Board of Elections for an equal amount of time. Require the Board to be available on the day of election to approve the extension. Deletes the provision allowing a county board of election to direct that the polls remain open until 8:30 pm in extraordinary circumstances.

Part 34

Amends GS 163-166.8(a) regarding the assistance that may be offered to a registered voter qualified to vote in an election. Provides that any voter not covered by subdivision (2) of this section (applying to voters who are unable to enter a voting booth or mark a ballot without assistance due to physical disability, illiteracy, or blindness) is entitled to assistance from specified family members as selected by the voter and not from any other person other than the chief judge, judge, or assistant as provided by subsection (b) of this section. Provides in new subdivision (3) that a voter who is adjudicated incompetent by a court of law and has not been restored to competency is entitled to assistance only from that person's guardian, the chief judge or judge of elections, an assistant appointed under GS 163-42, or at a one-stop site a person authorized by the county board of elections under GS 163-227.2(g) to provide a similar function. Adds a new subsection (d) to this section to prohibit providing compensation to any person for providing assistance to voters with entering and exiting the voting booth and in marking ballots. Does not apply to election officials as authorized under subsection (b) of this section or a guardian under subsection (a)(3) who may be compensated for duties as a guardian.

Part 35
Amends GS 163-213.2 to provide an exception to the scheduling of North Carolina's presidential primary, scheduled to be held on the Tuesday after the first Monday in May. Provides that if South Carolina holds its presidential primary before the 15th day of March, the North Carolina presidential primary is to be held on the Tuesday after the first South Carolina presidential primary of that year.

Amends GS 163-213.4 to require the chair of each political party to submit a list of its presidential candidates to the State Board of Elections to be placed on the ballot no later than 90 days before the North Carolina presidential primary (was, nominations had to be submitted by the first Tuesday in February of the year preceding the North Carolina presidential primary).

**Part 36**

Amends GS 163-213.4 to authorize the State Board of Elections to add additional candidates to the presidential primary ballot. Requires that at least three members of the Board of Elections vote in support of the addition of the nominee and requires that the presidential primary nominee be affiliated with a political party that the Board of Elections finds is generally advocated and recognized in the news media throughout the United States or in North Carolina as candidates for the nomination by that party.

**Part 38**

Under this act, Article 22D (the *North Carolina Public Campaign Fund*) of GS Chapter 163 is repealed effective January 1, 2014. Makes an exception to provide that GS 163-278.69, under Article 22D, is repealed effective upon the exhaustion of the funds for publication of the Judicial Voter Guide. Also repeals Article 22B of GS Chapter 163, *Appropriations from the North Carolina Political Parties Financing Fund*, and Article 22J.

Amends GS 84-34 to delete requirement that every active member of the North Carolina State Bar pay a $50 surcharge in addition to state bar dues to implement the provisions of Article 22D of GS Chapter 163. Effective for taxable years beginning on or after January 1, 2013.

Repeals GS 105-159.1, which provides that every individual whose income tax liability for the taxable year $3.00 or more may designate on his or her income tax return that $3.00 of the tax be credited to the North Carolina Political Parties Financing Fund for the use of the political party designated by the taxpayer. Also repeals GS 105-159.2, regarding the designation of tax to the North Carolina Public Campaign Fund. Makes conforming changes to GS 163-278.5.

Repeals GS 163-278.13(e2), limiting the amount of the contribution that a candidate for justice of the state Supreme Court or Court of Appeals may accept from a single contributor, and repeals GS 163-278.13(e4), setting parameters for accepting contributions by a candidate for an office subject to Article 22J of GS Chapter 163. Makes a conforming change to GS 163-278.13(e) and to GS 163-278.23.

Repeals GS 163-278.99E, regarding voter education, effective upon the exhaustion of the funds for publication of the Judicial Voter Guide in GS 163-278.69. Directs the Board of Elections to use the money in the North Carolina Public Campaign Fund to only publish Judicial Voter Guides as described in GS 163-278.69 until the funds have been exhausted. Directs the secretary-treasurer of the North Carolina State
Bar to remit any payments of the $50 surcharge payable for the taxable year beginning January 1, 2013, to the Board of Elections, and directs the Board to credit the received funds to the NC Public Campaign Fund. Requires the Board to notify the Revisor of Statutes when the funds for the publication of the Judicial Voter Guide have been exhausted.

Except as otherwise indicated, this Part becomes effective July 1, 2013.

Part 39

Enacts new GS 90-210.25C to encourage a funeral director or funeral service licensee, at the time funeral arrangements are made, to make available a form (provided by the county board of elections) upon which the nearest relative may report the status of the deceased voter to the county board of elections. Makes conforming changes to GS 163-33. Amends GS 163-82.14 to require each county board of election to remove from its voter registration records individuals identified as deceased by a signed statement of a near relative or personal representative of the deceased's estate. Effective October 1, 2013.

Part 41

Directs the Joint Legislative Elections Oversight Committee to study requiring campaign finance reports to be filed electronically and to recommend to the General Assembly any legislation it deems advisable. Provides that the Committee may make an interim report prior to the reconvening of the General Assembly for the 2013 Regular Session in 2014 and requires the Committee to make a final report before the convening of the 2015 Regular Session of the General Assembly.

Part 42

Amends subsections (a), (b), and (c) of GS 163-278.13 to prohibit an individual, political committee, or other entity from contributing money or any other contribution in excess of $5,000 (was, $4,000) to any candidate or political committee for an election. Also prohibits a candidate or political committee from accepting or soliciting a contribution from any individual, other political committee, or other entity in any election in excess of $5,000 (was, $4,000). In spite of these prohibitions, makes an exception to make it lawful for a candidate or the candidate's spouse (was, spouse, parents, brothers, and sisters) to make a contribution to a candidate or the candidate's treasurer of any amount of money or to make any other contribution in any election in excess of $5,000 for that election. Effective for contributions made on or after January 1, 2014.

Adds new subsection (a1) to GS 163-278.13 to provide for an increase in the dollar amount established in subsections (a), (b), and (c) in this section, effective for each odd-numbered calendar year beginning in 2015. Provides criteria for calculating the amount of the increase. Provides that the revised amount of the dollar limit is to be in effect for two calendar years until the next adjustment is made. Directs the State Board of Elections to publish the revised amount in the NC Register and to notify the Reviser of Statutes to adjust the dollar amounts in subsections (a), (b), and (c) of this section.
Repeals GS 163-278.13(e3), which prohibited superior court judge or district court judge candidates from accepting, and contributors from making to that candidate, a contribution in any election exceeding $1,000, except as provided in subsection (c) of the statute.

Part 43

Amends GS 163-278.19B(4) to restrict use of a political party headquarters' building fund to use only for (1) purchasing, constructing, renovating, or paying the mortgage on a principal headquarters building (was, headquarters building), (2) repaying donors if a principal headquarters building is not purchased, constructed, or renovated, or (3) to pay rent or utility expenses incurred in operating the principal headquarters building. Specifies that donations deposited into the building fund account may only be used for the identified purposes and specifically prohibits use of the funds for headquarters building other than fixtures, personnel compensation, or travel or fundraising expenses or requirements of any kind. However, provides for the payment of compensation and benefits to no more than three personnel whose functions are primarily administrative in nature and whose job functions require no more that 10% of work time to be spent on political advocacy each calendar year.

Part 44

Repeals GS 163-278.39A regarding disclosure requirements for television and radio advertisements supporting or opposing the nomination or election of one or more clearly identified candidates. Amends GS 163-278.39(b) regarding size requirements for disclosure statements in political advertisements. Provides that in a television advertisement where the ad is paid for by a candidate or a candidate campaign committee, the visual disclosure legend must appear simultaneously with an easily-identifiable photograph of the candidate.

Part 45

Amends GS 163-19(a) to provide that no person may serve more than two consecutive four-year terms on the State Board of Elections. Effective when the section becomes law and applies to members appointed on or after that date.

Part 47

Amends GS 163-278.13C to clarify provisions prohibiting lobbyists from making a contribution to a candidate or a candidate campaign committee that is a legislator as defined in GS 120C-100 or a public servant as defined in GS 138A-3(30)a and GS 120C-104. Effective October 1, 2013 and applies to contributions made on or after that date.

Part 48

Repeals Article 22G of GS Chapter 163, governing candidate specific communications. Repeals Article 22H of GS Chapter 163, appropriations from the NC Political Parties Financing Fund. Makes conforming changes to GS 163-278.5 and GS 163-278.23.
Part 49

Makes clarifying changes to GS 163-55(a), choosing to specify use of the term "precinct" to identify where a person is to vote (was, precinct, ward, or other election district). Clarifies that a person must have resided in the precinct in which that person votes for 30 days preceding an election; however, also provides that no person is to be deprived of the right to vote in a precinct from which the person has been removed until 30 days after the person's removal. Amends subsection (b) to delete provision regarding an election district that encompasses more than one precinct.

Amends GS 163-82.15(e), regarding a person's failure to report a move to another precinct within the county, to delete provision that permitted a voter subject to this subsection to vote a provisional ballot under GS 163-166.11. Amends GS 163-166.11(5), regarding provisional voting requirements, to provide that the ballot of a voter who did not vote in the proper precinct under GS 163-55 or a central location as provided by that section will not be counted. Makes a technical change to GS 163-182.2(a)(4).

Part 50

Amends GS 163-278.6(8j) to modify the definition of the term electioneering communication to include as a characteristic that the communication is aired or transmitted after September 15 in the case of a general election in November of an even-numbered year and within 60 days of the time set for absentee voting in any other election year.

Part 51

Amends GS 163-329(b1) to provide that when a vacancy for the office of justice of the state Supreme Court, judge of the Court of Appeals, or the judge of superior court occurs less than 64 days before the date of the second primary, a general election for all the candidates is to be held on the same day as the general election for members of the General Assembly and the results will be determined on a plurality basis as provided by GS 163-292. Deletes provisions regarding the use of the "instant runoff" voting method to determine the winner.

Part 52

Enacts new GS 163-166.11A to require an election official who issues a provisional ballot to a voter to annotate in writing or other means on the ballot that it is a provisional ballot.

Part 53

Amends GS 163-278.13(d) to make changes to the election cycle. Effective January 1, 2014.

Part 54

Amends the definition of political committee in GS 163-278.6(14) to require the entity make or accept anything in excess of $500 of value (was, accepts anything of value) to make, contributions or expenditures and has one or more of the specified characteristics.
Part 55

Requires the Joint Legislative Elections Oversight Committee to study conforming political committees, electioneering communications, and independent expenditures reporting schedules to similar dates and information and recommend legislation. Allows an interim report before the General Assembly reconvenes in 2014 and requires a final report before the convening of the 2015 Regular Session.

Part 56

Amends GS 163-278.39 by removing the following from the requirements that must be met in order for any sponsor to sponsor an ad that constitutes an expenditure, independent expenditure, electioneering communication, or contribution required to be disclosed: (1) sponsor statement in the ad of the sponsor's position for or against a ballot measure; (2) disclosing the names of the individuals making the five largest donations to the sponsor within the six month period before the purchase of the ad if those donations are required to be reported, when the ad is a print ad supporting or opposing the nomination or election of nor or more clearly identified candidates that is an independent expenditure; and (3) disclosure by the sponsor of the names of those making the five largest donations to the sponsor within the six months before the ad purchase if those donations are required to be reported, in the case of a print ad that is an electioneering communication.

Part 57

Requires the Joint Legislative Elections Oversight Committee to study the elimination of the 48 hour campaign finance reported provided by GS 163-278.9(4a), and recommend legislation. Allows an interim report before the General Assembly reconvenes in 2014 and requires a final report before the convening of the 2015 Regular Session.

Part 58

Amends GS 120-133 to add that nothing in the statute or in GS Chapter 132 is to be construed as a waiver of the common-law attorney client privilege nor of the common law work product doctrine with respect to legislators.

Part 59

Amends GS 14-309.15 to allow candidates and political committees to conduct raffles. Defines candidate and political committee.

Part 60

Includes a severability clause.

Except as otherwise provided, the act is effective January 1, 2014.

Summary date: Jul 24 2013

Senate amendments make the following changes to the 6th edition.
Amendment #4 makes the following changes.

Amends GS 163-227.2(g) to require a plan of implementation adopted by the county board of elections or the State Board of Elections to provide for the same days of operation and same number of hours of operation on each day for all sites in that county for that election (was, for the same hours and days of operation for all sites in that county for that election).

Amends GS 163-227.2 by adding (g2) to require, for any county board of elections that provided for one or more sites as provided in (g) during the 2010 or 2012 general election, (1) in elections that include a presidential candidate, the county must ensure that at least the same number of hours offered in 2012 are offered for absentee ballots to be applied for and voted through a combination of hours and numbers of one-stop sites during the primary and general election and (2) for elections for the General Assembly which do not include a presidential candidate, the county must ensure that at least the same number of hours offered in 2010 are offered for absentee ballots to be applied for and voted through a combination of hours and numbers of one-stop sites. Allows the State Board of Elections, to ensure compliance with this subsection, to approve a one-stop site in a building that the county board of elections is not entitled to demand and use as a voting place, but may deny approval if a member of the board presents evidence that other equally suitable sites were available and the use of the chosen site would unfairly advantage or disadvantage interests of that county.

Amendment #5 deletes the proposed changes to GS 163-166.8(a) and GS 163-166.8 concerning assistance to voters. Requires the Joint Legislative Elections Oversight Committee to study ways to improve protections for persons requiring assistance in voting places and recommend legislation. Allows for an interim report before the General Assembly reconvenes in 2014, and requires a final report before the 2015 Regular Session convenes.

Amendment #6 amends the definition of photo identification in GS 163-166.13 to require that ID has a printed expiration date and is unexpired (was, and has not expired).

Amends GS 163-230.2(a3) to require the county board of elections to, upon receiving a request form for an absentee ballot, to confirm that voter's registration (was, verify the voter's registration). Makes conforming changes.

Amends GS 163-231(b) to make clarifying and organizational changes. Also all ballots issued under the provision of this Article and Article 21A must be received by the county board no later than 5:00 pm on the day of the statewide primary or general election or county bond election.

Deletes the proposed new GS 163-82.20(j) and instead places that same language in GS 163-82.22.

Amends GS 163-45 to provide that while no more than two observers from the same political party are allowed in the voting enclosure at any time, in addition, one of the at-large observers from each party may also be in the voting enclosure. Also deletes the provision allowing an observer to be present and move about the voting place before, during and following the closing of the polls until the chief judge and judges have completed all of their duties, as well as allowing the observer to observe precinct
Requires the Joint Legislative Elections Oversight Committee to study a bill of rights for election observers and recommend legislation. Allows an interim report before the General Assembly reconvenes in 2014 and requires a final report before the convening of the 2015 General Assembly.

Repeals GS 163-82.3A, other than (e). Makes a conforming change to the statute's catchline, renaming it Address and name changes at one-stop sites.

Amends GS 163-227.22(g) to provide that any implementation plan must provide for the same hours and days of operation for all sites (was, all additional sites) in that county for that election.

Deletes proposed changes to GS 163-82.15(e), which would have deleted the provision allowing any voter subject to (e) to vote a provisional ballot instead.

Deletes proposed changes to GS 163-278.6(14) and instead requires the Joint Legislative Elections Oversight Committee to study establishing a threshold for the creation of a political committee and recommend legislation. Allows an interim report before the General Assembly reconvenes in 2014 and requires a final report before the convening of the 2015 General Assembly.

Deletes Part 58 of the act, clarifying the scope of Chapter 132 and Article 17 of Chapter 120 of the General Statutes.

**Summary date:** Jul 25 2013

Senate amendment #11 makes the following changes to the 7th edition.

Amends new GS 163-166.13(e) to provide additional criteria regarding acceptance of a tribal enrollment card to satisfy the photo identification requirement for voting in person. Specifies that if the tribal enrollment card is issued by a tribe recognized by this state under GS Chapter 71A, it must meet all of the following criteria in order to satisfy the photo identification requirement: (1) be issued in accordance with a process approved by the State Board of Elections, which requires an application and proof of identity equivalent to the requirements for issuing a special identification card by the Division of Motor Vehicles under GS 20-7 and GS 20-37.7, and (2) be signed by an elected official of the tribe. Renumbers the subdivisions in this subsection accordingly.

Amends GS 163-166.14 to clarify that the judges of election who review and evaluate a determination by a local election official that a voter's photo identification does not bear any resemblance to the voter must have the same qualifications as in Article 5 of this Chapter.

Amends GS 163-45 (Poll observers) to replace the term "county supervisor of elections" with "county director of elections" wherever it occurs.

Amends GS 163-227.2(g2) to require a county board of elections that provided for absentee ballots in the 2012 and 2010 primary and general elections to calculate the cumulative number of hours (was,
calculate the number of hours) that the county provided for voters to apply for absentee ballots. Deletes specified formula for doing the calculation. Adds new subsection (g3) to provide that by unanimous vote, a county board of elections may submit a request to the State Board of Elections to reduce the number of hours established in subsection (g2) of this section for absentee ballots for a primary or a general election. Provides that the reduction must take effect for that primary or general election only if the reduction is approved by unanimous vote of the State Board of Elections.

Provides that 50% of the funds directed to be paid in 2013 under GS 163-278.41(c) is to be disbursed as provided by law and that unexpended funds are to remain in the reserve until December 31, 2013, at which time those funds will revert to the General Fund.

Amendment #13 makes the following change to the 7th edition. Amends GS 163-278.6(8j) to modify the definition for electioneering communications to refer to communications aired or transmitted after September 7 (was, September 15) in the case of a general election in November of an even-numbered year.

**Summary date:** Aug 15 2013

**AN ACT TO RESTORE CONFIDENCE IN GOVERNMENT BY ESTABLISHING THE VOTER INFORMATION VERIFICATION ACT TO PROMOTE THE ELECTORAL PROCESS THROUGH EDUCATION AND INCREASED REGISTRATION OF VOTERS AND BY REQUIRING VOTERS TO PROVIDE PHOTO IDENTIFICATION BEFORE VOTING TO PROTECT THE RIGHT OF EACH REGISTERED VOTER TO CAST A SECURE VOTE WITH REASONABLE SECURITY MEASURES THAT CONFIRM VOTER IDENTITY AS ACCURATELY AS POSSIBLE WITHOUT RESTRICTION, AND TO FURTHER REFORM THE ELECTION LAWS.** Enacted August 12, 2013. Part 60, regarding severability, is effective August 12, 2013. The remainder is effective January 1, 2014, except as otherwise provided.

**SL 2013-382**

**MODERN STATE HUMAN RESOURCES MANAGEMENT/RTR.**

**Bill H 834**

**Summary date:** Apr 11 2013

Identical to S 18, filed 1/30/13.

Amends GS 74F-3 by forbidding any person from possessing any locksmith tools, as defined by GS 74F-4(6), unless the person is licensed as a locksmith under GS Chapter 74F or exempted from the provisions of GS Chapter 74F. Requires licensure for persons providing locksmith services in buildings containing confidential records. Makes the first violation a Class 1 misdemeanor, and any subsequent violation a Class I felony (currently, all violations considered Class 3 misdemeanor).
Rewrites GS 74F-4 to include the term "safes" in the definition of Locksmith services and further expands the definition to include any method of bypassing a locking mechanism of any kind, whether in a commercial, residential, or automotive setting, for compensation. Amends GS 74F-6 by expanding the power of the NC Locksmith Licensing Board (Board) by allowing the Board to obtain certain records of a person or company offering locksmith services, including employees, contractors, and subcontractors. Increases various fees under GS 74F-9. Adds a provision to GS 74F-10(b) allowing the Board, in its discretion, to adjust renewal and reinstatement fees if an applicant whose license has expired can show good cause for such license expiration. Rewrites GS 74F-12(b) to require that all advertisements for locksmith services include a valid license number issued by the Board. Rewrites GS 74F-15 by adding a new subsection that grants the Board power to assess the costs of disciplinary action, including attorneys' fees, against an applicant or licensee found to be in violation of GS Chapter 74F or rules adopted by the Board. Amends GS 74F-16 by rewriting, adding, or clarifying various entities exempted from GS Chapter 74F. Makes other technical and conforming changes.

Summary date: May 9 2013

House committee substitute makes the following changes. Deletes the provisions of the 1st edition and provides for the following.

Organizational and Administrative Changes.

Amends GS 126-3 to move the Office of State Personnel (OSP) to the Office of the Governor (was, in the Department of Administration). Amends GS 126-3(a)(8) to add to the OSP’s duties developing standards to measure compliance with procedures and standards for performance management, development, and evaluation. Amends GS 126-4 to provide that the State Personnel Commission may not provide for more than 12 (was, 11) paid holidays per year, with three paid holidays given at Christmas (was, 11 days, with 12 given in years where Christmas falls on a Tuesday, Wednesday, or Thursday).

State Personnel Commission Changes.

Amends GS 126-2 to amend the appointment of members of the State Personnel Commission. Specifies that each member is to be appointed to a four-year term. Specifies dates on which the terms of members serving as of January 1, 2013, will expire.

Probationary and Career State Employees.

Amends GS 126-1.1 to provide that for the purposes of GS Chapter 126, probationary state employee means one who is in a probationary appointment and is exempt from the provisions of the State Personnel Act only because the employee has not been continuously employed by the state for the required time period. Provides that for the purposes of GS Chapter 126, a career state employee is a state or local entity employee covered by the chapter who (1) is in a permanent position and permanent appointment (was, permanent position and appointment) and (2) has been continuously employed by the state or local entity in a position subject to the State Personnel Act for the immediate 12 (was, 24) preceding months. Repeals GS 126-15.1 (Probationary State employee defined).
**Exempt Position Modifications.**

Amends GS 126-5 to allow the Governor to designate 1,500 (was, 1,000) positions as exempt from the State Personnel Act. Adds the Office of Information Technology Services, the Office of State Budget and Management, and OSP to those departments and offices from which the exempt positions are designated. Makes conforming changes to GS 147-33.77(a). Repeals GS 126-5(e) (allowing exempt employee to be transferred, demoted, or separated from his or her position by the department head authorized to designate the exempt position, with exceptions) and (f) (allowing a department head to use existing budgeted positions within his department to carry out the provisions of subsection (e)).

**Reduction in Force.**

Amends GS 126-7.1 to provide that if a state employee who has been separated due to reduction in force or who has been given notice of imminent separation because of such reduction accepts or rejects an offer of a state employee position equal to or lower in salary grade position, then the acceptance or denial satisfies and terminates the one-time 12-month priority consideration provided for in the statute.

Applies to reductions in force implemented on or after the date that the act becomes law.

**Employee Grievances.**

Amends Article 8, Employee Appeals of Grievances and Disciplinary Action, of GS Chapter 126. Enacts new GS 126-34.01 and GS 126-34.02 as follows. Requires any state employee that has an employment grievance to first discuss it with his or her supervisor (unless the problem is with the supervisor), then the employee must follow the procedure that has been established by the employee's agency and approved by the State Personnel Commission (Commission). Allows applicants for state employment, state employees, and former state employees to file a grievance with the Commission if the individual has followed the agency grievance procedure. States the duties of the Office of State Personnel in administering the grievance hearing process. Requires a decision be recommended to the Commission within 60 days of the hearing. If the recommended decision is rejected, the Commission must issue its own decision within 90 days. The Commission's decision is subject to review of the Office of Administrative Hearings (OAH), which must make a decision within 60 days. If no order is entered by OAH, the Commission's decision is final and subject to judicial review. The OAH decision is also subject to judicial review. Specifies issues that may be grieved to the Commission after completing the agency grievance procedure, concerning discrimination or harassment, retaliation, just cause for dismissal, demotion, suspensions, veteran's preference, failure to post a position, and whistleblower. Provides that any issue for which appeal to the Commission has not been specifically authorized is not grounds for a grievance to the Commission or any other state forum. Places the burden of showing an employee was discharged, demoted, or suspended for just cause on the employer; with all other appeals, the burden of proof rests on the employee. Provides that a Commission decision is advisory for covered local government employees. Allows awarding attorneys' fees to an employee where reinstatement or back pay is ordered or when an employee prevails in a whistleblower grievance. Makes conforming changes to GS 126-7.2.
Amends GS 126-34.2 by deleting existing provisions and allowing the Commission to adopt alternative
dispute resolution procedures for matters constituting and not constituting grounds for a grievance.

Enacts new GS 126-34.3 to allow a reviewing court to reverse or modify the Commission's decision if the
decision is unreasonable or the award of witness or attorneys' fees is inadequate.

Deletes provisions in GS 126-34 (grievance appeal for career state employees), GS 126-34.1 (grounds for
contested case under the State Personnel Act), GS 126-36 (appeal of unlawful state employment
practice), GS 126-36.2 (appeal to OAH by career state employee denied notice of vacancy or priority
consideration), GS 126-37 (ALJ's final decision), GS 126-38 (time limit for appeals), GS 126-39 (scope of
the article), and GS 126-41 (attorney and witness fees).

**Other Modernizing and Conforming Changes.**

Amends GS 126-16 to extend the statute's provisions to state institutions as well as agencies and
departments and local political subdivisions. Requires that equal opportunity for employment and
compensation also be given without regard to disability or genetic information and removes references
to creed.

Amends GS 126-60.1 to require all state agencies, departments, institutions, and UNC to enroll new
supervisors or managers in the Equal Employment Opportunity training within one year of appointment.

Amends GS 126-19 to require Equal Employment Opportunity plans be submitted annually. Deletes the
required Commission report to the General Assembly on the status of the Equal Employment
Opportunity plans and programs. Requires the State Personnel Director to provide (was, maintain
current) services related to Equal Employment Opportunity, including training and evaluation. Requires
the services to be provided by qualified personnel and deletes further personnel requirements.

Amends GS 126-25 to remove the provision allowing appeal of an objection to materials in employee's
file because it is inaccurate or misleading to the State Personnel Commission (SPC) and deletes
provisions related to destroying the material. Makes language gender neutral. Amends GS 126-26 to
refer to rules and policies instead of rules and regulations.

Amends GS 126-6.2 to add to the reporting requirement reporting on any other human resources
functions or actions as may be required in order for the Office of State Personnel to evaluate efficiency,
productivity, and compliance with policies . Deletes required reporting on the modification of position
descriptions resulting in changes in position qualifications. Requires the Commission to report to the
Joint Legislative Commission on Governmental Operations on the costs associated with the defense or
settlement of lawsuits, and upon request, on the results of any other reports regarding human resources
actions or functions (was, also on the use of position qualification equivalencies). Deletes the
requirement that the Commission report on the outcomes concerning hirings, promotions, disciplinary
actions, and compensation based on demographics.

Repeals the following: GS 126-14.4 (remedies) and GS 126-79 (report on the status of the Work Options
Program).
Amends GS 126-8.3 to add state agencies and departments to those that must report on the voluntary shared leave program and requires that the report now be made to the OSP. Deletes the Commission reporting requirement.

Repeals GS 126-7(b) (requiring the Commission to conduct annual compensation surveys) and enacts new GS 126-7.3 requiring the Commission to conduct annual compensation surveys. The survey results must be presented to the House and Senate Appropriations Committees no later than two weeks after the convening of the legislature in odd-numbered years and May 1 of even-numbered years.

**Reorganization Through Reduction Program.**

Allows the Governor to: (1) restructure and reorganize in the executive branch in a manner defined by the number of positions, employee skills, and employee qualifications; (2) direct that reorganization must be led by the units being reorganized; and (3) direct that organizations collaborate in planning and executing reorganization and restructuring across executive branch agencies and departments. Allows OSP, in conjunction with OSBM, to develop the Reorganization Through Reduction (RTR) Program, which is to be one option available for reorganization and restructuring. Specifies requirements of the SPC policy. Provides that if not enough employees volunteer for RTR, then selections for reduction in force from the current incumbent employees are authorized based on skills and qualifications for the positions needed. Employees separated from employment in a reduction in force conducted as part of the RTR are to be paid severance in accordance with the approved policy.

This part expires December 31, 2014.

**Renaming/State Human Resources Commission and Office of State Human Resources.**

Renames GS Chapter 126, the *State Personnel Act*, as the *North Carolina Human Resources Act*. Renames the: (1) State Personnel Commission as the North Carolina Human Resources Commission, (2) the Office of State Personnel as the North Carolina Office of State Human Resources, and (3) the State Personnel Director as the Director of the North Carolina Office of State Human Resources.

Requires the Revisor of Statutes to replace references to the State Personnel Act, State Personnel Commission, State Personnel Director, or the Office of State Personnel with the updated terms. Specifies a list of statutes that are affected.

Provides that actions or proceedings pending on the effective date of the act brought by or against the State Human Resources Commission, the Director of the Office of State Human Resources, or the Office of State Human Resources are not affected by the act and provides for the necessary party substitutions. Allows business and other matters to be conducted and completed by the new entities in the same manner and under the same terms and conditions and with the same effect as if under the former entities.

Update the act's title.

**Summary date:** May 14 2013
House committee substitute makes the following changes to the 2nd edition:

New Section 4.5 amends GS 126-5(d)(5) to authorize designation of exempt positions that are created, transferred, or located in a reorganized department by October 1st (was July 1st) of the year in which the Governor takes the oath of office.

New Section 4.6 revises the effective date of Part 4 of the bill to June 30, 2013, and makes the repeal of GS 126-5(e) and (f) applicable to state employees hired on or after that date.

Amends the new GS 126-7.1(f1) to change the circumstances under which a reduction in force employee’s acceptance or rejection of an offer of state employment terminates the 12-month priority for rehiring to when the offer of state employment is for a position equal to or higher (was, lower) than the position previously held or the previous salary earned.

Amends the new GS 126-34.02(a) by adding that a decision of the State Personnel Commission is subject to review by the Office of Administrative Hearings, and that the reviewing administrative law judge may affirm, reverse, modify, or remand the decision upon a finding that the decision was not supported by any competent evidence or was an abuse of discretion.

Amends the new GS 126-34.02(b)(5) to include failure to give priority consideration for promotion or rehiring as required under GS 126-7.1 (reduction in force).

Amends GS 126-25(b) to require an agency to remove or amend material in an employee’s file if the agency determines that material is inaccurate or misleading, but does not permit an employee to appeal the contents of a performance appraisal or written disciplinary action through the grievance procedure established under this subsection.

**Summary date:** Jun 25 2013

Senate committee substitute to the 3rd edition makes the following changes. Amends GS 126-2 to provide that five (was, six) members of the State Personnel Commission constitute a quorum. Also deletes the proposed requirement that the Governor consider nominations submitted by the State Employees Association of North Carolina for the Commission member who was a veteran of the US Armed Forces.

Amends GS 126-1.1 by deleting the proposed changes to the definition of career state employee to now mean a state employee or employee of a local entity covered by GS Chapter 126 who is in a permanent position and has been continuously employed by that entity in a position subject to the State Personnel Act for the immediate 24 preceding months.

Amends GS 126-5(d)(1) by deleting the provision that allowed the Governor to designate up to 1% of the total number of full time positions in the Department of Public Safety, with a cap of 100, as exempt managerial positions and allowing the Governor to increase by five the number of exempt policy making positions at the Department, not to exceed 105 total exempt policy making positions.
Amends GS 126-34.01, concerning state employee grievances, to prohibit a proposed agency final decision from being issued or made final until it is approved by the Office of State Personnel. Requires the agency grievance procedure and Office of State Personnel review to be completed within 90 days from the filing of the grievance.

Amends GS 126-34.02 to allow an applicant for state employment, a state employee, or former state employee to file a contested case in the Office of Administrative Hearings (OAH) under GS Chapter 150B, Article 3, once a final agency decision has been issued (was, may file a grievance with the State Personnel Commission). Requires the contested case to be filed within 30 days of receiving the final agency decision. Requires that the OAH hear and issue a final decision within 180 days from the commencement of the case. Allows OAH to (1) reinstate any employee to the position the employee was removed from; (2) order the employment, promotion, transfer, or salary adjustment of any individual to whom it has been wrongfully denied; or (3) direct other suitable action to correct the abuse. Provides that an aggrieved party in a contested case is entitled to judicial review of a final decision through appeal to the Court of Appeals. Requires the appeal to be taken within 30 days of receiving the written notice of final decision. Makes conforming changes. Allows an employee to appeal an involuntary nondisciplinary separation due to an employee’s unavailability as if it were a disciplinary action, but provides that the agency has only the burden to prove that the employee was unavailable. Adds that the remedies provided in this statute in a whistleblower appeal are the same as those in GS 126-87. Requires OAH to report on a semi-annual basis to the Office of State Personnel and the Joint Legislative Administrative Procedure Oversight Committee on the number of cases filed under this statute and the number of days between the filing and closing of each case. Makes conforming changes to GS 126-34.2. Deletes GS 126-36.1 (appeal to OAH by applicant for employment).

Amends GS 126-34.3 to provide that a decision by OAH on assessing or refusing to assess reasonable witness fees or attorneys’ fees is subject to judicial review. Allows the reviewing court to reverse or modify the decision if it is unreasonable or the award is inadequate. Provides that an employee who obtains a reversal or modification of the OAH’s decision in an appeal is entitled to recover court costs and reasonable attorneys’ fees for representation on the appeal.

Amends GS 126-35, prohibiting the discharge, suspension, or demotion of a career state employee for disciplinary reasons, except for just cause, to give the employee 15 days from the date the statement is delivered to appeal to the head of the agency through the agency grievance procedure for a final agency decision. Provides that if the employee is not satisfied with the final agency decision or is unable, within a reasonable period of time to obtain a final agency decision, the employee may appeal to OAH. Deletes the provision prohibiting a reduction in pay or position which is not imposed for disciplinary reasons from being considered a disciplinary action; the provision treating an involuntary separation the same as a disciplinary action; and the provision placing the burden of showing a career state employee was discharged, suspended, or demoted for just cause on the department or agency employer.

Instead of amending GS 126-7.2, deletes the entire statute (concerning the time limit for appeals of applicants and noncareer state employees).
Makes conforming changes to GS 126-14.1 and GS 7A-29.

Specifies that Part VI (employee grievances) of the act applies to grievances filed on or after the date that the part becomes law.

Deletes proposed changes to GS 126-26 (changing term regulations to policies).

Amends GS 126-86 to allow any state employee injured by a violation of GS 126-85 who is not subject to Article 8, Employee Appeals of Grievances and Disciplinary Action, (was, any state employee) to maintain an action in superior court against the person or agency who committed the violation within one year after the occurrence of the violation.

Deletes Section 8.1, with specified reorganization actions that the Governor may take in order to provide for the most effective and efficient delivery of services and performance of functions by the executive branch. Makes clarifying changes to Section 8.2. Provides that severance and any other payments made under the implementation of the RTR program will not exceed funds appropriated for that purpose. Deletes Section 8.3, which allows selections for reductions in force based upon skills and qualifications for the positions if RTR is deployed and not enough employees volunteer. Makes Part 8 effective when it becomes law and sets it to expire June 30, 2014 (was, effective when the part becomes law and expired December 31, 2014). Requires the Office of State Personnel and the Office of State Budget and management to report to the Joint Legislative Commission on Governmental Operations on January 31, 2014; April 30, 2014; and September 1, 2014.

**Summary date:** Jul 24 2013

Senate committee substitute makes the following changes to the 4th edition.

Amends the title of the act to reflect changes in the bill content.

**Part I**

Amends GS 126-95 by adding new subsection (c) to define the term **eligible officers and employees** as used in this section to mean any officer or employee who is authorized the participate in the Teachers' and State Employees' Retirement System (TSERS) and the State Health Plan (SHP).

**Part II. through Part IX.**

No changes from previous edition.

**Part X.**

Enacts new Article 1B, Transparency in Health Care Costs, in GS Chapter 131E. Provides that the intent of the Article is to improve transparency in health care costs by providing information to the public on the costs of the most frequently reported diagnostic related groups (DRG) for hospital inpatient care and the most common surgical procedures and imaging procedures in hospital outpatient settings and ambulatory surgical facilities. Requires the Department of Health and Human Services (DHHS) to make
available on its website the most current price information it receives from hospitals and ambulatory surgical facilities; sets out minimum requirements for that information. Requires each hospital, beginning with the quarter ending June 30, 2014, to provide DHHS five specified pieces of information about the 100 most frequently reported admissions by DRG for inpatients, including the total amount of Medicare reimbursements. Requires the NC Medical Care Commission (Commission) to adopt rules to ensure implementation of this requirement by March 1, 2014, and specifies information to be included in the rules. Requires each hospital and ambulatory surgical facility to provide DHHS information on the total costs for the 20 most common surgical procedures and the 20 most common imaging procedures along with related codes. Requires the Commission to adopt rules to ensure implementation of this requirement by June 1, 2014, and specifies information to be included in the rules. The information required may be provided to a patient upon request. Requires a hospital or ambulatory surgical facility required to file a Schedule H, federal form 990, to provide the public with access to its financial assistance policy and its annual financial assistance costs. Requires the information to be reported to DHHS annually and to be reported on the DHHS website and at the organization’s place of business.

Directs the State Health Plan (SHP) for Teachers and State Employees to establish a workgroup to examine the best way to provide teachers and state employees with greater transparency in regards to health services costs under the SHP. Requires the SHP to report its findings and recommendations to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Committee on Governmental Operations on or before December 31, 2013, and annually through December 31, 2016.

Directs the Department of Health and Human Services (DHHS) to communicate, not later than September 1, 2013, the requirements of Section 2 of the act to all hospitals licensed pursuant to Article 5 of GS 131E and Article 2 of GS 122C, as well as to all ambulatory surgical facilities licensed pursuant to Part 4 of Article 6 of GS 131E.

Amends GS 131E-97.3, providing that competitive health care information does not include the information that hospitals and ambulatory surgical facilities are required to report under GS 131E-214.6. Effective January 1, 2014.

Amends GS 131E-99, excluding information a hospital or an ambulatory surgical facility is required to report under GS 131E-214.6 from the confidentiality requirements for health care contracts. Effective January 1, 2014.

Part XI.

Enacts new GS 131E-273, Certain charges/payments prohibited, providing that it is unlawful for any provider of health care services to charge or accept payment for a health care procedure that was not actually performed or supplied. Effective December 1, 2013, and applies to health care procedures and services rendered on or after that date. Does not apply to administrative actions or litigation filed before the effective date of this part.

Part XII.
Amends GS 105A-2(9) (regarding debt set off collection) to exclude the following from the definition of a state agency: (1) any school of medicine, clinical program, facility, or practice affiliated with one of the constituent institutions of the University of North Carolina that provides medical care to the public and (2) the University of North Carolina Health Care System and other persons or entities affiliated with or under the control of the University Health Care System. Effective January 1, 2014, and applies to tax refunds determined by the Department of Revenue on or after that date.

Part XIII.

Amends GS 131E-91 to apply to fair billing and collections practices for hospitals and ambulatory surgical facilities. Includes provisions that require bills to be legible, easily understandable, and to include clear explanations when the use of medical codes and terms is unavoidable. Also identifies reasonable collection practices which hospitals and ambulatory surgical facilities must use. Prohibits the use of wage garnishment, a lien on a patient's primary residence, or a forced sale as a means of collecting an unpaid bill.

Repeals Article 2A of GS Chapter 131E, Garnishment for Debts Owed Public Hospitals.

Enacts new GS 131E-147.1 (Fair billing and collections practices for ambulatory surgical facilities) providing that all ambulatory surgical facilities licensed under Part 4 of Article 6 of GS Chapter 131E will be subject to the fair billing and collections practices as set out in GS 131E-91.

Amends GS 58-3-245, changing section name to Provider directories; cost tools for insured (was, Provider directories) and requires that health benefit plans that utilize a provider network must ensure that a patient is provided accurate and current information about each provider's network status through both the telephone system and any electronic or online system. Adds new GS 58-3-245(d), establishing that health care providers must provide patients or prospective patients, upon request, with information regarding that provider's network status with a particular health benefit plan.

Effective October 1, 2013, and applies to hospital and ambulatory surgical facility billings and collections practices occurring on or after that date.

Part XIV.

Enacts new GS 90-413.3A, Required participation in NC HIE for some providers, requiring any hospital, as defined in GS 131E-76(c) and that has an electronic health record system, to connect to the NC HIE and submit individual patient demographic and clinical data on services paid for with Medicaid funds. Also includes three specific findings by the General Assembly which provides the basis for requiring the connection to the NC HIE. Effective January 1, 2014.

Part XV.

Unless otherwise indicated, act is effective when it becomes law.

Summary date: Aug 22 2013
AN ACT ENHANCING THE EFFECTIVENESS AND EFFICIENCY OF STATE GOVERNMENT BY MODERNIZING
THE STATE’S SYSTEM OF HUMAN RESOURCES MANAGEMENT AND BY PROVIDING FLEXIBILITY FOR
EXECUTIVE BRANCH REORGANIZATION AND RESTRUCTURING AND TO IMPROVE TRANSPARENCY IN THE
COST OF HEALTH CARE PROVIDED BY HOSPITALS AND AMBULATORY SURGICAL FACILITIES; TO
TERMINATE SET-OFF DEBT COLLECTION BY CERTAIN STATE AGENCIES PROVIDING HEALTH CARE TO THE
PUBLIC; TO MAKE IT UNLAWFUL FOR HEALTH CARE PROVIDERS TO CHARGE FOR PROCEDURES OR
COMPONENTS OF PROCEDURES THAT WERE NOT PROVIDED OR SUPPLIED; TO PROVIDE FOR FAIR
HEALTH CARE FACILITY BILLING AND COLLECTIONS PRACTICES; AND TO PROVIDE THAT HOSPITALS
RECEIVING MEDICAID REIMBURSEMENTS PARTICIPATE IN THE NORTH CAROLINA HEALTH INFORMATION
EXCHANGE NETWORK. Enacted August 21, 2013. Effective August 21, 2013, unless otherwise provided.

SL 2013-383

AMEND IRRIGATION CONTRACTORS LICENSING LAWS.

Bill S 71

Summary date: Feb 7 2013

Amends GS 89G-1 by adding definitions to the statute for the following terms: business entity, delinquent income tax debt, foreign corporation, foreign entity, foreign limited liability company, foreign partnership, and nonresident individual.

Amends GS 89G-3 (providing exemptions from the provisions of GS Chapter 89G, Irrigation Contractors) to clarify that the licensure exemption for any federal, state, or local government performing irrigation construction or contracting work on public property only applies if the work is done by employees of those entities. Further amends GS 89G-3 to clarify that the exemption applies to a general contractor classified under GS 87-10(b) as a building contractor, a residential contractor, or a public utilities contractor when the contractor uses the contractor’s own employees to perform work. Limits exempted public utilities contractors to performing only the activities described in GS 87-10(b)(3)a. Clarifies that the exemption applies to a full-time employee of a homeowners’ association who maintains or repairs an irrigation system owned by the association and located within the planned community’s common elements as defined in GS 47F-1-103. Adds an exemption for any unlicensed person or entity who subcontracts with a North Carolina licensed irrigation contractor where the work is entirely performed by the licensed contractor in accordance with the provisions of GS Chapter 89G.

Amends GS 89G-5(11) to clarify that the NC Irrigation Contractors' Licensing Board (Board) has the power to require licensees to file and maintain an adequate surety bond or letter of credit (was, surety bond).

Enacts new GS 89G-6.1 to allow the Board to issue a license in the name of a corporation, limited liability company, partnership, or for a business entity using an assumed or designated trade name if the
respective conditions are met. Sets forth additional details and requirements for licensing of nonresident individuals and foreign entities.

Amends GS 89G-9 to require the Board to suspend a licensee’s license for 60 days for failure to obtain the required ten continuing education units per year (penalty was forfeiture of the license). Provides for reinstatement of the license upon completion of the required continuing education and payment of the reinstatement fee. Specifies that failure to (1) meet the education requirements, (2) request reinstatement, or (3) pay the fee will result in license forfeiture.

Clarifies the fees schedule in GS 89G-10(a). Deletes the fee for corporate license and adds a fee of $250 as a reinstatement fee. Enacts new GS 89G-11(b), allowing the Board to assess costs for disciplinary proceedings, including investigatory costs, against an applicant or licensee. Makes other conforming changes.

Clarifies the term irrigation construction or irrigation contracting throughout, and directs the Revisor of Statutes to make conforming statutory changes as necessary.

Effective when the act becomes law, adds a section to allow certain irrigation contractors who meet specified conditions related to years of experience and who submit an application for licensure before October 1, 2013, to receive a license without taking the examination. Also effective when the act becomes law, directs the Board to notify the North Carolina Cooperative Extension of the exemption from the exam requirement for experienced irrigation contractors as quickly as is practical upon the effective date of this section.

Except as otherwise indicated, this act is effective October 1, 2013.

**Summary date:** Feb 26 2013

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

Amends GS 89G-1 (definitions) by deleting the proposed definition of delinquent income tax debt.

**Summary date:** Mar 20 2013

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

Makes changes to long title.

Amends GS 89G-1 (definitions), expanding the business entity definition to "A corporation, association, partnership, limited liability company, limited liability partnership, or other legal entity that is not an individual or a foreign entity."

Makes technical changes and organizational changes to GS 89G-3.

Reorganizes GS 89G-6.1(d),(e),(f); no substantive changes were made.

Provides that the entire act is effective October 1, 2013.
Summary date: May 22 2013

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

Amends GS 89G-3(11) to provide that the exemption to the provisions of GS Chapter 89 (regulating irrigation contractors) applies to a licensed general contractor classified under GS 87-10(b) as a building contractor, a residential contractor, or a public utilities contractor (was, the exemption applied only when the contractor used the contractor's own employees to perform irrigation construction or irrigation contracting work). Deletes provision limiting a public utilities contractor who is exempt under this section to performing only the activities described in GS 87-10(b)(3)a.

Summary date: Sep 3 2013

AN ACT AMENDING THE LAWS REGULATING IRRIGATION CONTRACTORS TO PROVIDE SUBSTANTIVE REQUIREMENTS FOR LICENSING CORPORATIONS, TO PROVIDE FOR THE ISSUANCE OF LICENSES TO NONRESIDENTS, TO CLARIFY THE FEE STRUCTURE AND TO MAKE OTHER CONFORMING CHANGES. Enacted August 23, 2013. Effective October 1, 2013.

SL 2013-384

COASTAL POLICY REFORM ACT OF 2013.

Bill S 151

Summary date: Feb 28 2013

Amends GS 143, Article 21, Part 2A, Registration of Water Withdrawals and Transfers; Regulation of Surface Water Transfers, by creating a new subsection GS 143-215.22L(v), Modification of Certificate. This new subsection provides for the modification of previously issued interbasin water transfer certificates and petitions for the transfer of surface water.

The Department of Environment and Natural Resources (Department) and the Environmental Management Commission (Commission) can make the following modifications only after providing electronic notice to identified, interested parties: (1) typographical error corrections; (2) clarifications of existing conditions or language; and (3) updates to conservation, drought management or compliance and monitoring plans. The Commission has the authority to make other modifications it deems are minor only after providing electronic notice to identified, interested parties.

Holders of interbasin water transfer certificates may request modifications by the Commission in line with the following procedures:

(1) Certificate holder (holder) must be in substantial compliance and the certificate must have been issued pursuant to GS 162A-7, 143-215.22I, or 143-215.22L. (2) Holder must file a notice of intent for a notification which includes nontechnical descriptions of holder's request and proposed water source. (3)
Holder will prepare an environmental document, pursuant to GS 143-215.22L(d).(4) Upon satisfaction that submitted documentation is adequate, the Department will publish notice of the modification request in the NC Register as well as hold a public hearing at a location convenient to both the source and receiving river basins. The Department will provide notice of the hearing in the Environmental Bulletin, a newspaper of general circulation in the source river basin and in the receiving basin, and as provided in GS 143-215.22L(c)(3). (5) Department will accept comments on the requested modification for at least 30 days following the hearing. (6) The Commission or Department can require the holder to provide additional information reasonably necessary to make a final determination. (7) The Commission will make a final determination on the requested modification based on the factors found in GS 143-215.22L(k) and by reviewing any other information the Commission deems relevant. The Commission will state in writing its findings of fact and conclusion. (8) The Commission will grant the requested modification if it finds the holder established by a preponderance of the evidence that the modification satisfies the requirements of GS 143-215.22L(m). However, the Commission can grant the modification in whole, in part, or deny the request, as well as impose limitations and conditions as it deems necessary and relevant. (9) The Commission will not grant a modification if it would result in the transfer of water to an additional major river basin.

Coastal area counties can also petition for a certificate to transfer surface water to supplement ground water supplies in the 15 counties designated as the Central Capacity Use Area or to transfer surface water withdrawn from the mainstem of a river to provide service to one of the coastal area counties. The procedures by which a determination on the petition will be made are identical to procedures 2-9, as outlined above for requests for modifications.

Also amends GS 143-215.22L(a)(1), instances where a certificate is required for transfer, adding the requirement that measurements of daily water transfers are calculated as a daily average. If the average exceeds 2 million gallons a certificate is required, and no transfer can exceed 5 million gallons in any one day, regardless of daily average, without requiring a certificate. Deletes GS 143-215.22L(a)(2), language stating that an increase of 25% or more above the average daily amount transferred during the year ending July 1, 1993, if the total transfer, including increase, is 2 million gallons or more per day.

Amends GS 143-215.22G(1) (Definitions), adding and defining public water system and mainstem.

Amends GS 143-215.22L(g), Petition, adding new language and deleting old language clarifying the description information that should be included in a transfer petition. The new language states petition should include a general description of the facilities being used including current and projected areas to be served by the transfer, current and projected capacities of intakes, and other relevant facilities (was, description including the location and capacity of water intakes, pumps, pipelines, and other facilities).

Makes clarifying and conforming changes in line with the newly defined terms above.

Amends SL 2011-298, making technical and conforming changes.

Amends SL 2011-298(4b), stating that section 1 of SL 2011-298 will expire if cumulative volume of water transfer from one river basin to another to supplement ground water in the Central Coast Plain Capacity
Use Area, on or after August 31, 2007, exceeds 20.3 million gallons a day (was, expires if the transfer by any person that does not hold a certificate for an interbasin transfer on or before the effective date of this act exceeds 8 million gallons per day).

Amends SL 2007-518, deleting majority of Section 7 (concerning isolated river basins), only leaving language that states this act becomes effective when law and applies to any petition for a certificate of transfer of surface water from one river basin to another first made on or after that date.

Amends GS 153A (Counties) and GS 160A (Cities and towns) by adding new sections GS 153A-145.1 and GS 160A-203, both titled *Structures on public trust ocean beaches*. Provides in both new sections that when there is reasonable cause to believe certain structures, fixtures, or debris violates the public trust rights of the people of the state or legal right of access to public trust areas, a civil action may be instituted by a city or county for injunctive relief.

**Summary date:** May 14 2013

Senate committee substitute rewrites the 1st edition in its entirety as follows:

Changes the bill title to reflect the new language of the bill.

Amends GS 113-172(a) to delete the requirement that the Secretary designate at least one, and additional if needed, license agent for each county bordering on coastal fishing waters.

Amends GS 113-168.5 by deleting subsection (c) (establishing menhaden endorsements).

Repeals GS 113-169 (establishing menhaden license for nonresidents).

Amends GS 113-168.2(a1) by deleting reference to menhaden operation from the one-vessel limitation exemption for auxiliary commercial fishing vessels.

Amends GS 113A-115.1 regulating terminal groins by (1) clarifying that the definition of a terminal groin means one or more structures (was, one structure); (2) modifying permit requirements by deleting need for information demonstrating that nonstructural erosion control is impractical, providing that a National Environmental Policy Act EIS satisfies the state EIS requirement, limiting scope of inlet management plans to reasonable requirements and providing that such plans do not have to address sea level rise, and reducing bond requirements; (3) deleting requirement that the Commission find that the applicant has demonstrated that nonstructural erosion control is impractical and requiring Commission to take into account potential benefits of the project; (4) deleting the limitation on the number of terminal groin permits the Commissions can issue and the prohibition against issuing permits for groins funded through certain financing methods.

Repeals Sections 3 and 4 of S.L. 2011-387. Section 3 authorized the Commission to adopt rules to implement limited permitting of terminal groins. Section 4 prohibited the use of state funds for terminal groin and accompanying beach fill projects.
Amends GS 113A-120 to limit CAMA permit application review to consideration of areas of environmental concern that are designated as such at the time the application was submitted.

Amends Article 8 of Chapter 160A by establishing a new GS 160A-203 authorizing municipalities to enforce ordinances regulating, prohibiting, and abating conditions on state ocean beaches, including preventing or abating unreasonable restrictions on public use of state ocean beaches. A city may enforce local ordinances and any other provision of state law on state ocean beaches within or adjacent to the city’s jurisdiction. City ordinances may provide for regulation of structures, equipment, and debris, removal and abatement of unreasonable restrictions on public use of ocean beaches, and enforcement. Amends GS 113-131 by adding a new subsection (f) specifying that a city may adopt and enforce ordinances pursuant to GS 160A-203. Effective July 1, 2013.

Summary date: May 15 2013

Senate committee amendment to the 2nd edition makes the following changes. Removes the repeal of Section 4 of SL 2011-387 (prohibits the use of state funds for terminal groin and accompanying beach fill projects).

Summary date: May 15 2013

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

Revises GS 160A-203(a) to clarify that the ocean beaches covered by this section are those set forth in subsection (b) of this statute.

Amends GS 160A-203(b) to limit the authority of a city under this statute to only the activities and items delineated in subdivisions (b)(1) through (b)(3).

Summary date: Jul 15 2013

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

Changes the long title.

Amends the definitions section of GS 113A-115.1, Limitations on erosion control structures, providing that terminal groin means one or more structures constructed at the terminus of an island or on the side of an inlet, with a main stem generally perpendicular to the beach shoreline, primarily intended to protect the terminus of the island from shoreline erosion and inlet migration. Provides that a terminal groin must be pre-filled with beach quality sand and allow sand moving in the littoral zone to flow past the structure. Allows a terminal groin to include other design features that are consistent with sound engineering practices and are recommended by a professional engineer licensed pursuant to GS Chapter 89C, but states that a "terminal groin" is not a jetty.

Amends subsection GS 113A-115.1(e), concerning required parts of an application for a permit for the construction of a terminal groin, deleting language that stated the monitoring and mitigation requirements of submitted inlet management plans are not required to address unduly speculative or
remote matters. Amends the proof of financial assurance requirement, providing that such proof, verified by the Commission or the Secretary of DENR, can be in the form of a bond, insurance policy, escrow account, guaranty, local government taxing or assessment authority, a property owner association's approved assessment, or other instrument adequate to cover the cost of implementing the following components of the inlet management plan: (1) long-term maintenance and monitoring of the terminal groin (previously deleted), (2) implementation of mitigation measures (previously deleted), and (3) the modification or removal of the terminal groin (previously, only bonds, insurance policies, and escrow accounts were listed as acceptable proofs of financial assurance). Provides that, in issuing a permit, the Commission must find, among other things, that the potential benefits of the project, including the protection of the terminus of the island from shoreline erosion and inlet migration is incorporated into the project design and construction, as well as the inlet management plan. Deletes changes made to GA 113A-115.1(g) and (h), which were deleted in their entirety in the previous edition, now providing that the Commission cannot issue more than four permits for the construction of a terminal groin pursuant to this section and that a local government cannot use funds generated from the following financing mechanisms for activity related to the terminal groin or its accompanying beach fill project: (1) special obligation bonds issued pursuant to GS Chapter 159I, (2) nonvoted general obligation bonds issued pursuant to GS 160A-20 or GS 159-148, or (3) financing contracts entered into under GS 160A-20 or GS 159-148.

Deletes Part III (Amend CAMA Permitting Law) and Part IV (Clarify that Cities May Enforce Ordinances Within the State's Public Trust Areas).

Makes conforming changes.

**Summary date:** Jul 17 2013

House amendment makes the following changes to the 4th edition.

Amends the long title.

Amends GS 160A by enacting a new GS 160A-203, *Cities enforce ordinances in public trust areas*, providing that a city may, by ordinance, define, prohibit, regulate, or abate acts, omissions, or conditions upon the state's ocean beaches and can also prevent or abate any unreasonable restriction of the public's right to use the state's ocean beaches. Also allows a city to regulate, restrict, or prohibit the placement, maintenance, location, or use of equipment, personal property, or debris on ocean beaches. This authority extends to the state's ocean beaches within or adjacent to the city's jurisdictional boundaries. Provides that a city may enforce an ordinance adopted pursuant to this section by any remedy provided for in GS 160A-175.

Provides that this new section should not be construed to limit the authority of the state or a state agency or affect applicable common law or other authority to regulate the state's ocean beaches in the specified ways or prevent the right of the people of North Carolina to enjoy the free use and enjoyment of the state's ocean beaches.
Amends GS 113-131, making conforming changes and including a reference to GS 160A-203, providing that cities do have authority to adopt and enforce ordinances, notwithstanding GS 113-131.

**Summary date:** Sep 3 2013


**SL 2013-385**

**LIMIT APPEALS TO SUPERIOR COURT.**

**Bill S 182**

**Summary date:** Mar 5 2013

Amends GS 7A-290, providing that defendants that plead guilty or no contest to a misdemeanor in district court, pursuant to GS 15A-1431.1, waive the right to trial de novo in superior court and can only appeal the decision to the Court of Appeals (was, any defendant convicted in district court could appeal to superior court for trial de novo).

Amends GS 15A-1115, only allowing a person who denies responsibility but is found responsible for an infraction in district court to, within 10 days of the hearing, appeal the decision to the Court of Appeals (was, can appeal to the criminal division of superior court for hearing de novo).

Amends GS 15A-1347, stating when a district court judge, as a result of a finding of a violation of probation, activates a sentence or imposes special probation, the defendant can only appeal to the Court of Appeals (was, superior court for trial de novo).

Amends GS 15A-1431(b), stating that except provided in GS 15A-1431.1, a defendant convicted in district court can only appeal to the superior court for trial de novo with a jury, as provided by law. Deletes technical language concerned with the jurisdiction of superior court and plea agreements.

Amends GS Chapter 15A by adding new GS 15A-1431.1, referred to above, *Guilty pleas to misdemeanors in district court; appeals*, which provides that defendants who plead guilty or no contest to a misdemeanor in district court waive the right to trial de novo in superior court and may appeal the decision to the Court of Appeals. Also, provides that GS 15A-1021, 15A-1022, 15A-1023, 15A-1024, and 15A-1025, relating to guilty pleas in superior court, are applicable to guilty pleas entered in district court, to the extent that those provisions apply to misdemeanors. GS 15A-1026, as far as it deals with the making and preserving of a record of proceedings, also applies to guilty pleas to misdemeanors entered in district court.

Amends GS 15A-1444(a2), deleting *in superior court* limitation for appeal.
Effective December 1, 2013, applying to acts committed on or after that date.

**Summary date:** May 14 2013

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

Changes the long title.

Deletes the provisions of the 1st edition.

Amends GS 15A-1115, renaming section to *Review of Infraction originally disposed of in superior court* (was, *Review of disposition by superior court*). Deletes GS 15A-1115(a), *Appeal of District Court Decision*.

Amends GS 15A-1347, renaming section to *Appeal from revocation of probation or imposition of special probation upon violation; consequences of waiver of hearing* (was, *Appeal from revocation of probation or imposition of special probation upon violation*). Deletes proposed changes. Creates new subsection GS 15A-1347(b), providing that if a defendant waives a revocation hearing, then the finding of probation, activation of sentence, or imposition of special probation cannot be appealed to the superior court.

Repeals GS 15A-1335, *resentencing after appellate review*.

Amends GS 20-35, *Penalties for violating Article; defense to driving without a license*, providing that any person who does any of the following is responsible for an infraction:

1. Failing to carry a valid license while driving a motor vehicle, in violation of GS 20-7(a).
2. Operating a motor vehicle with an expired license, in violation of GS 20-7(f).
3. Failing to notify the Division of an address change for a driver’s license within 60 days after the change occurs, in violation of GS 20-7.1.

Changes language in GS 20-35(c), *Defenses*, providing that persons can be found "responsible for" and not "convicted of" the infractions included above.

Makes a conforming change.

Amends GS 20-176, providing that doing any of the following will result in being responsible for an infraction:

1. Failing to carry the registration card in the vehicle, in violation of GS 20-57(c).
2. Failing to sign the vehicle registration card, in violation of GS 20-57(c).
3. Failing to notify the DMV of an address change for a vehicle registration card within 60 days after the change occurs, in violation of GS 20-67.

Makes a conforming change.
Amends GS 113-135(a), providing that fishing without a license in violation of GS 113-174.1(a) or GS 113-270B(a) is punishable as an infraction.

Section 3 of the act, repealing GS 15A-1335 becomes effective December 1, 2013, and applies to appeals initiated on or after that date. The remainder of this act becomes effective December 1, 2013, and applies to offenses committed on or after that date.

Summary date: May 15 2013

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

Changes the bill title to conform to changes in the bill.

Amends Section 3 of the bill by deleting the repeal of GS 15A-1335 (providing for resentencing after appellate review) and instead amending this statute to make it not applicable when a defendant succeeds in having a guilty plea vacated on direct review or collateral attack; amends the effective date to conform to this change.

Summary date: Jul 18 2013

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

Changes the long title.

Provides that Section 2 of the act, proposed changes to GS 15A-1347, will become effective December 1, 2013, and will expire on December 31, 2015. Repeals GS 15A-1347, effective December 31, 2015.

Amends GS 7A-27, effective January 1, 2016, to provide that an appeal lies of right directly to the Court of Appeals, from any final judgment of a district court that revokes probation or imposes special probation. Effective January 1, 2016.

Summary date: Jul 22 2013

House amendment makes the following changes to the 4th edition.

Amends the title of this act to reflect changes in the bill content.

Amends GS 15A-1420 regarding motions for appropriate relief to delete subsection (b2), which provides for the assignment for review, and the initial review of motions, and the setting of a time frame for hearings and rulings on motions in non-capital cases. Also deletes subsection (b3) pertaining to the review and calendaring of motions in capital cases. Provides that this act applies to motions filed on or after December 1, 2013, the effective date of this act.

Summary date: Jul 23 2013

House amendment makes the following changes to the 4th edition, as amended.
Deletes Section 2 from the act, which repealed GS 15A-1347 and amended GS 7A-27, which provided that appeal lies of right directly to the Court of Appeals for any final judgment of a district court that revokes probation or imposes special probation. Makes conforming deletions in the effective date provision.

**Summary date:** Jul 25 2013

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

Makes the proposed changes to GS 20-35, 20-176, and 113-135(a) effective if Senate Bill 402, the Appropriations Act, becomes law.

Amends the effective date clause, providing that prosecutions for offenses committed before the effective date are not abated or affected, and the statutes that would be applicable remain applicable to those prosecutions.

**Summary date:** Sep 3 2013

AN ACT TO ELIMINATE APPEALS FOR INFRACTIONS, TO MODIFY APPEALS TO THE SUPERIOR COURT IN PROBATION REVOCATIONS IN WHICH THE DEFENDANT HAS WAIVED A HEARING, TO AMEND THE LAW PERTAINING TO RESENTENCING UPON THE REVERSAL OF A SENTENCE ON APPELLATE REVIEW, TO MAKE CHANGES REGARDING THE PROCEDURES FOR A MOTION FOR APPROPRIATE RELIEF, AND TO RECLASSIFY CERTAIN MISDEMEANORS AS INFRACTIONS. Enacted August 23, 2013. Effective December 1, 2013.

**SL 2013-386**

**MUNICIPAL SERVICES.**

**Bill S 315**

**Summary date:** Mar 14 2013

Amends SL 1975-671, to allow the City of Durham (Durham) to award contracts for the design and construction of a police headquarters and annex facility, two police service centers, and a 911 facility without being subject to GS 133-1, 133-2, 133-3, or the provisions of Article 3D of GS 143 and Article 8 of GS 143. Authorization is granted to use design-build, design-build-operate, design-build-operate-maintain or any combination of the above.

Durham must obtain proposals from at least three design-build teams for the authorized projects above. If three proposals are not received and the project has been publicly advertised for a minimum of 30 days, Durham can proceed with the proposals received. The evaluation of the proposals is not exempt from the requirements of the City's Equal Business Opportunity Program Ordinance.

The City Council must award the contract to the best qualified design-build team, taking into consideration several factors that it determines as having a material bearing on the proposal.
Includes a severability clause.

**Summary date:** May 7 2013

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

Makes a technical change, correcting a grammatical error.

**Summary date:** May 22 2013

House committee substitute deletes all the provisions of the 2nd edition and instead does the following.

Amends the City of Durham’s Charter to allow the city council to make annexation ordinances adopted under Parts 1 or 4 of Article 4A of GS Chapter 160A effective on any specified date within 10 years (was, three years) from the date when the annexation ordinance is passed.

Rewrites the bill title.

**Summary date:** Jun 11 2013

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

Changes the short and long title.

Enacts new section GS 160A-328, *Provision of municipal services to certain properties*, providing that a municipality must provide specified municipal services to any property if that property owner submitted a petition for voluntary annexation and the municipal governing board voted on an annexation ordinance for that property but the annexation ordinance failed. Sets out the requirements that the property owner must meet for this section to apply. Establishes that a municipality providing services to a property as described above cannot impose terms on the property owner that are more burdensome than those set out in this section, including requiring the payment for the cost and expense of certain infrastructure improvements and the charging of twice the rate for water and sewer services. Sets out provisions regarding the maintenance and reimbursement of certain improvements to property. Provides that if the municipality or the General Assembly annexes any of the property receiving service, then the municipality cannot continue to charge twice the rate for water and sewer services. Establishes that the neither the municipality or the county can change the zoning designation without the consent of the owner and sets out the definition of *municipal services*.

Establishes, effective June 3, 2023, that the corporate limits of the City of Durham (Durham) are extended by annexing specified property as described in the act.

Amends SL 1975-671, to allow Durham to award contracts for the design and construction of a police headquarters and annex facility, two police service centers, and a 911 facility without being subject to GS 133-1, 133-2, 133-3, or the provisions of Article 3D and Article 8 of GS Chapter 143. Authorization is granted to use design-build, design-build-operate, design-build-operate-maintain, or any combination of the above.
Durham must obtain proposals from at least three design-build teams for the authorized projects above. If three proposals are not received and the project has been publicly advertised for a minimum of 30 days, Durham can proceed with the proposals received. The evaluation of the proposals is not exempt from the requirements of the city's Equal Business Opportunity Program Ordinance.

The city council must award the contract to the best qualified design-build team, taking into consideration several factors that it determines as having a material bearing on the proposal.

Provides that Durham County can award contracts for the design and construction or design, construction, and operation of water treatment and wastewater treatment plant projects without being subject to the requirements of GS 143-128, 143-129, 143-131, 143-132, 143-64.31, and 143-64.32. Authorization is granted to use design-build, design-build-operate, or a request for proposal and negotiation as an alternative design and construction method.

Durham County must obtain proposals from at least three design-build teams for the authorized projects above. If three proposals are not received and the project has been publicly advertised for a minimum of 30 days, Durham County can proceed with the proposals received. The board of commissioners will award the contract based on specified criteria.

Establishes that no note or deed of trust granted to a county for the purpose of securing or reserving wastewater treatment capacity is valid or enforceable if that capacity is not utilized by the maker or grantor.

Provides that if a final order by a court of competent jurisdiction finds that any portion of this act is unconstitutional, then Sections 1, 2, and 6 of the act are void.

Summary date: Jun 27 2013

House committee substitute makes the following changes to the 4th edition.

Makes new GS 160A-328 effective June 1, 2013 (was, when it becomes law). Requires a property owner, whose petition for voluntary annexation failed, to agree to all the requirements contained in any utility extension agreement presented when the annexation ordinance failed in order for the municipality to be required to provide services. Prohibits the municipal governing board from imposing more burdensome requirements or commitments on the property owner that are inconsistent with the requirements and commitments that are contained in the utility extension agreement (was, provided a list of requirements and commitments considered to be more burdensome).

Clarifies the limitations as to the meaning of the term municipal services prior to the effective date of the annexation of the property. Provides that the provisions contained in the utility extension agreement continue as obligations of the agreement unless the city council relieves the property owner of the requirement or commitment. Provides that the requirements and commitments include, but are not limited to, the committed elements of a development plan in a zoning map case approved by the county where the property is located. Deletes provision prohibiting the municipality or the county from
changing the zoning designation of a property receiving municipal services without the consent of the property owner. Makes additional conforming changes.

Deletes provision that provided that if a court finds any portion of this act to be unconstitutional, then specified sections of this act are void.

Amends the bill title.

**Summary date**: Sep 3 2013


**SL 2013-387**

**INMATE COSTS/CT.APPT./NOTARIES.**

**Bill S 321**

**Summary date**: Mar 14 2013

Requires counties to reimburse providers and facilities that provide approved medical services to inmates in local confinement facilities the lesser amount of either: (1) 70% of the provider's then current prevailing charge or (2) two times the then current Medicaid rate for any given service. Gives counties the right to audit a provider to determine the actual prevailing charge. Does not apply to vendors providing services that are not billed on a fee-for-service basis. Does not preclude a county from contracting with a provider for services at a rate that provides greater documentable cost avoidance for the county or at rates that are less favorable but ensure continued access to care.

Amends GS 153A-225 to add that a local confinement facility's plan for providing prisoner medical care may use Medicaid coverage for eligible prisoners, as long as the plan includes a reimbursement to the state for the state's portion of the costs.

Effective July 1, 2013.
Summary date: May 8 2013

Senate committee substitute makes the following changes to the 1st edition.
Amends GS 153A-225(a)(4) to provide that the plan developed by each unit that operates a local confinement facility may use Medicaid coverage for inpatient hospitalization for eligible prisoners. Makes this section effective July 1, 2014 (was July 1, 2013).

Directs the Department of Public Safety to work with counties to prepare for the July 1, 2014, effective date, upon which Medicaid coverage can be utilized for inpatient hospitalization for eligible individuals.

Provides that the effective date for the remainder of this act remains July 1, 2013.

Summary date: May 9 2013

Senate amendment to the 2nd edition makes the following changes. Requires the Division of Medical Assistance (Division), Department of Health and Human Services, to work with the NC Association of County Commissioners (Association) to prepare for the change to GS 153A-225(a)(4). Requires the Division to use a uniform method, developed by the Association, with will allow all counties to interface with the Division to implement the act. Requires the Department of Public Safety to provide technical assistance as needed (under the previous version, the Department of Public Safety was to work with counties to prepare for the change).

Summary date: Jun 5 2013

House committee substitute makes the following changes to the 3rd edition.
Codifies Section 1 of this act as new subsection (a1) under GS 153A-225. Provides that the provisions apply to approved prisoner medical services provided outside of the local confinement facility (was, medical services provided within local confinement facilities).

Amends GS 153A-225(a) to provide that a local confinement facility's plan for providing medical care for prisoners in the facility may utilize Medicaid coverage for any other Medicaid services allowable for eligible prisoners, as well as for inpatient hospitalization.

Summary date: Jun 27 2013

House committee substitute to the 4th edition makes the following changes.

Deletes proposed GS 153A-225(a1) and instead enacts new GS 153A-225.2, Payment of medical care of prisoners, as follows. Requires counties to reimburse providers and facilities that provide requested or emergency medical care outside of the local confinement facility to prisoners or others under arrest or in the custody of county law enforcement officers. Sets the reimbursement rate as the lesser of 70% of the provider’s then current prevailing charge or two times the then current Medicaid rate for any given service. Gives counties the right to audit providers who have billed for services to the extent necessary to determine the actual prevailing charge. Defines requested or emergency medical care. Does not
prevent a county from contracting with a provider for services at a rate that provides greater
documentable cost avoidance for the county or at rates less favorable to the county that will ensure
continued access to care. Prohibits counties from avoiding payment liability by releasing a prisoner or
other person in lawful custody for the purpose of avoiding liability for medical care payment. Requires
counties to make reasonable efforts to equitably distribute prisoners among all hospitals or health care
facilities within the same county. Requires counties with more than one hospital or health care facility to
make semiannual reports on compliance with this requirement.

Amends GS 7A-142 to provide that when filling a district judge vacancy, the Governor may select from
nominations submitted by the district bar (was, vacancy must be filled by appointment of the Governor
from nominations submitted by the district), with exceptions for District 9, 9B, and 18. Gives the judicial
district bar 30 days to submit nominations. Deletes the requirement that the Governor appoint to fill the
vacancy within 60 days after the district bar submits nominations and deletes the provision appointing
the district bar nominee with the highest number of votes from the district bar when the Governor fails
to make the nomination in 60 days.

Makes the effective date of Section 1 (enacting GS 153A-225.2) and Section 3 (concerning work by the
Division of Medical Assistance and the Association of County Commissioners in preparing for the
changes made by amendments to GS 153A-225) September 1, 2013. Retains the effective date of
changes to GS 153A-225 as July 1, 2014. Makes the remainder of the act effective when it becomes law
(was, July 1, 2013).

Amends the act’s titles.

Summary date: Jul 16 2013

House committee substitute makes the following changes to the 5th edition.

Amends the short and long titles.

Amends GS 7A-142, concerning vacancies in the office of district judges, providing that the bar of the
judicial district where the vacancy occurs will nominate five people, by a vote, that are residents of the
judicial district who are duly authorized to practice law in the district for consideration by the Governor.
Requires that vacancies be filled no sooner than 30 days after the vacancy occurs. Directs the Governor
to give due consideration to the nominations provided by the bar prior to filling the vacancy. Deletes
numerous other substantive provisions of the section which previously provided exceptions and
different procedures for filling vacancies occurring in District 9, 9B, and 18. Eliminates the requirement
that judicial district bars must submit nominations in 30 days.

Repeals GS 161-8, attendance at office. Effective September 1, 2013.

Enacts new GS 161-8.1, Office hours; notice of hours, providing that the register of deeds office will be
open for public business during county office workdays and hours, as set by the board of county
commissioners (board), pursuant to GS 153A-94(b). The register of deeds can set the hours for
registration of real estate instruments to begin not more than 30 minutes after the office opens to the
public and end not more than 30 minutes after the office closes. Allows the office to be closed temporarily with the prior approval of the board or county manager. Specifies the reporting and posting requirements for alerting the public to the schedule of the office and any temporary changes to that schedule or temporary closings. Directs the Secretary of State to establish a website and procedures for the posting of the workdays, holidays, and office hours of each county register of deeds office. Effective September 1, 2013.

Amends GS 89C-19, provided H 94 of the 2013 Regular Session becomes law, to provide that in the course of conducting a technical review of an application for a permit or plan, the state and any of its political subdivisions must review the application or plan only on its ability to satisfy the intent of the requirements of the statute, rule, standard, or criterion against which the application or plan is being evaluated. It further prohibits the state and any of its political subdivisions from requiring revisions to the parts of an application or plan that constitutes the practice of engineering. Provides that when conducting the technical review of an application or plan that is or includes elements of an innovative design, revisions can be required that constitute the practice of engineering provided the reviewer is a professional engineer. Defines innovative design for use in this section. Provides that revisions to the parts of an application or plan that constitutes the practice of engineering must be provided by written notice, on agency letterhead, signed by the professional engineer reviewing the submission, including his or her state license number, and then provided to the permit applicants or the person that submitted the plan for approval.

Amends GS 133-40(a), provided H 94 of the 2013 Regular Session becomes law, to provide that the term "public entity" is understood to mean any department or agency of the State, state universities or colleges, and other similar entities but does not include municipalities, county governments, public utilities, transportation authorities, or airport authorities.

Amends GS 143-215.1(j)(3), provided H 94 of the 2013 Regular Session becomes law, concerning the control of sources of water pollution and providing that the Commission will require that the exceedances within a compliance boundary be remedied through cleanup, recovery, containment, or other response when, among other things, a violation of any standard in groundwater occurs in the bedrock, including limestone aquifers in Coastal Plain sediment, unless it can be demonstrated that the violation will not adversely affect, or have the potential to adversely affect, a water supply well (previously, excluded limestone bedrock from consideration).

Proposes new section GS 10B-61 to give standing to any party to a transaction requiring a notarial certificate for verification and any state-licensed attorney involved in such a transaction to bring a civil action in superior court against any commissioned public notary who violates the provisions of the Notary Public Act. Allows actions for damages or injunctive relief. Applies to notarial acts and omissions occurring on or after the date that the act becomes law.

Summary date: Jul 17 2013

House amendment #1 makes the following changes to the 6th edition.
Changes the effective date for Section 6 to December 1, 2013 (was, September 1, 2013).

Amendment #2 makes the following changes.

Amends the short and long titles of the act.

Deletes proposed changes to the following provisions: GS 89C-19, concerning public works; GS 133-40(a), regarding the definition of public entity; and GS 143-215.1(j)(3), concerning the control of sources of water pollution. Makes conforming changes.

**Summary date:** Jul 18 2013

House amendment #3 makes the following changes to the 6th edition.

Amends the long title.

Deletes the repeal of GS 161-8, concerning office attendance at the Register of Deeds.

Deletes proposed new section GS 161-8.1, Office hours; notice of hours, which proposed new rules and procedures for register of deeds offices.

Amends the effective dates for the act, as amended by Amendment 1, providing that Section 1 and 3 of the act will become effective September 1, 2013, and Section 2 of the act will become effective July 1, 2014. Provides that Section 8 is effective.

**Summary date:** Jul 22 2013

House amendments to the 7th edition make the following changes.

Amendment #1 amends the long title to remove reference to amending environmental laws. Amends GS 10B-61 to provide that a party to a transaction requiring a notarial certificate for verification, and any licensed attorney involved in such a transaction, has standing to bring a civil action against any commissioned notary (was, public notary) who violates the act’s provisions.

Amendment #2 amends GS 7A-142 to remove the requirement that any vacancy in the office of district judge must be filled no sooner than 30 days after the vacancy occurs.

**Summary date:** Jul 25 2013

Conference report makes the following changes to the 8th edition.

Amends 153A-225.2, Payment of medical care of prisoners, making technical changes. Deletes provisions that prohibited counties from avoiding payment liability by releasing a prisoner or other person in lawful custody for the purpose of avoiding liability for medical care payment. Makes organizational changes.

Makes technical changes to Section 3 of the act, concerning the collaboration between the Division of Medical Assistance, Department of Health and Human Services, and the NC Association of County Commissioners.
Amends GS 7A-142, *Vacancies in office*, making a clarifying change.

Deletes proposed section 10B-61, *Private right of action*.

Enacts new GS 10B-60(g)(2), providing that a party to a transaction requiring a notarial certificate for verification and any attorney licensed in this state that is involved in such a transaction can execute affidavits and file them with the Secretary of State, setting out actions which are alleged to constitute violations. After affidavits are filed, law enforcement agents are required to initiate and carry out investigations of violations.

**Summary date:** Sep 3 2013

AN ACT TO CAP REIMBURSEMENT BY COUNTIES, TO MAKE ADDITIONAL PROVISIONS RELATING TO PAYMENT FOR MEDICAL SERVICES PROVIDED TO INMATES IN COUNTY JAILS, TO ALLOW COUNTIES TO UTILIZE MEDICAID FOR ELIGIBLE PRISONERS, TO PROVIDE THAT VACANCIES IN THE OFFICE OF DISTRICT COURT JUDGE SHALL BE FILLED BY APPOINTMENT OF THE GOVERNOR; AND TO CREATE A PRIVATE RIGHT OF ACTION AGAINST NOTARIES WHO VIOLATE THE NOTARY PUBLIC ACT. Enacted August 23, 2013. Sections 1 and 3 are effective September 1, 2013. Section 2 is effective July 1, 2014. The remainder is effective August 23, 2013.

**SL 2013-388**

**AMEND INTERBASIN TRANSFER LAW.**

**Bill S 341**

**Summary date:** Mar 18 2013

Amends GS 143, Article 21, Part 2A, *Registration of Water Withdrawals and Transfers; Regulation of Surface Water Transfers*, by creating a new subsection GS 143-215.22L(v), *Modification of Certificate*. This new subsection provides for the modification of previously issued interbasin water transfer certificates and petitions for the transfer of surface water.

The Department of Environment and Natural Resources (Department) and the Environmental Management Commission (Commission) can make the following modifications only after providing electronic notice to identified, interested parties: (1) typographical error corrections; (2) clarifications of existing conditions or language; and (3) updates to conservation, drought management, or compliance and monitoring plans. The Commission has the authority to make other modifications it deems are minor only after providing electronic notice to identified, interested parties.

Holders of interbasin water transfer certificates may request modifications by the Commission in line with the following procedures:
(1) Certificate holder (holder) must be in substantial compliance and the certificate must have been issued pursuant to GS 162A-7, 143-215.22L, or 143-215.22L. (2) Holder must file a notice of intent for a notification which includes nontechnical descriptions of holder’s request and proposed water source. (3) Holder will prepare an environmental document, pursuant to GS 143-215.22L(d). (4) Upon satisfaction that submitted documentation is adequate, the Department will publish notice of the modification request in the NC Register as well as hold a public hearing at a location convenient to both the source and receiving river basins. The Department will provide notice of the hearing in the Environmental Bulletin, a newspaper of general circulation in the source river basin and in the receiving basin, and as provided in GS 143-215.22L(c)(3). (5) Department will accept comments on the requested modification for at least 30 days following the hearing. (6) The Commission or Department can require the holder to provide additional information reasonably necessary to make a final determination. (7) The Commission will make a final determination on the requested modification based on the factors found in GS 143-215.22L(k) and by reviewing any other information the Commission deems relevant. The Commission will state in writing its findings of fact and conclusion. (8) The Commission will grant the requested modification if it finds the holder established by a preponderance of the evidence that the modification satisfies the requirements of GS 143-215.22L(m). However, the Commission can grant the modification in whole, in part, or deny the request, as well as impose limitations and conditions as it deems necessary and relevant. (9) The Commission will not grant a modification if it would result in the transfer of water to an additional major river basin.

Coastal area counties can also petition for a certificate to transfer surface water to supplement ground water supplies in the 15 counties designated as the Central Capacity Use Area or to transfer surface water withdrawn from the mainstem of a river to provide service to one of the coastal area counties. The procedures by which a determination on the petition will be made are identical to procedures 2-9, as outlined above for requests for modifications.

Also amends GS 143-215.22L(a)(1), instances where a certificate is required for transfer, adding the requirement that measurements of daily water transfers are calculated as a daily average. If the average exceeds 2 million gallons a certificate is required, and no transfer can exceed 5 million gallons in any one day, regardless of daily average, without requiring a certificate. Deletes GS 143-215.22L(a)(2), language stating that an increase of 25% or more above the average daily amount transferred during the year ending July 1, 1993, if the total transfer, including increase, is 2 million gallons or more per day.

Amends GS 143-215.22G(1) (Definitions), adding and defining public water system and mainstem.

Amends GS 143-215.22L(g), Petition, adding new language and deleting old language clarifying the description information that should be included in a transfer petition. The new language states petition should include a general description of the facilities being used including current and projected areas to be served by the transfer, current and projected capacities of intakes, and other relevant facilities (was, description including the location and capacity of water intakes, pumps, pipelines, and other facilities).

Makes clarifying and conforming changes in line with the newly defined terms above.

Amends SL 2011-298, making technical and conforming changes.
Amends SL 2011-298(4b), stating that section 1 of SL 2011-298 will expire if cumulative volume of water transfer from one river basin to another to supplement ground water in the Central Coast Plain Capacity Use Area, on or after August 31, 2007, exceeds 20.3 million gallons a day (was, expires if the transfer by any person that does not hold a certificate for an interbasin transfer on or before the effective date of this act exceeds 8 million gallons per day).

Amends SL 2007-518, deleting majority of Section 7 (concerning isolated river basins), leaving only language that states this act becomes effective when it becomes law and applies to any petition for a certificate of transfer of surface water from one river basin to another first made on or after that date.

**Summary date:** Apr 30 2013

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

Undoes the deletion of subsection (a)(2) of GS 143-215.22L, which requires obtaining a certificate from the Environmental Management Commission (Commission) prior to increasing the amount of an existing transfer from one river basin to another by 25% or more above the average daily amount transferred during the year ending July 1, 1993, if the total transfer, including the increase, is two million gallons or more per day.

Provides that the Department of Environment and Natural Resources (DENR) or the Commission can make modifications, after providing electronic notice to identified, interested parties, to updates requested by the certificate holder to conservation, drought management, or compliance and monitoring plans. Deletes provision allowing the Commission to make minor modifications after providing notice to interested parties.

Prohibits the Commission from granting a request to modify a certificate if the modification is inconsistent with the December 3, 2010, Settlement Agreement among the states of North and South Carolina, Duke Energy Carolinas, and the Catawba River Water Supply Project.

Amends Section 4.(b) of SL 2011-298 to provide that Section 1 of SL 2011-298 applies to the cumulative volume of water transfers by public water supply systems sharing a single intake. Reinstates language deleted from Section 4(b) in the 1st edition to provide that Section 1 of SL 2011-298 will expire if the cumulative volume of water transfers by any person that does not hold a certificate for an interbasin transfer on or before the effective date of SL 2011-298 exceeds eight million gallons per day (was amended in the 1st edition to make the cumulative volume of the water transfers exceed 20.3 million gallons per day).

**Summary date:** Jul 15 2013

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

Amends GS 143-215.22L(a)(1), instances where a certificate is required for transfer, providing that no daily transfer of water can exceed 3 million gallons in one day (was, 5 million gallons), regardless of the ending daily average of the calendar month.
Repeals SL 2013-50, Section 1(a)(2), thereby removing the requirement that the public water system has not been issued a certificate for an interbasin transfer from the criteria to be met in order for all assets and all outstanding debts of any public water system to be transferred to the metropolitan sewerage district operating in the county where the public water system is located to be operated as a Metropolitan Water and Sewerage District.

Amends the act's long title.

**Summary date:** Jul 17 2013

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

Amends SL 2013-50 by adding a new section that provides that for Section 1, a public water system will not include any system that is operated simultaneously with a sewer system by the same public body in conjunction with the provision of other utility services for its customers.

Amends the act by including a severability clause.

**Summary date:** Sep 3 2013


**SL 2013-389**

**COUNTY/SHERIFF FEE CHANGES/FELONY ESCAPE.**

**Bill S 368**

**Summary date:** Mar 19 2013

Amends GS 153A-225 to allow each unit operating a local confinement facility to establish a fee of no more than $10 for a 30 day supply or less of a prescription drug.

Amends GS 14-40 to require the sheriff to charge a $5 fee upon receiving an application (was, upon issuing the license or permit) for a pistol permit.

Effective July 1, 2013, and applies to fees assessed or collected on or after that date.

**Summary date:** Apr 30 2013
Senate committee substitute to the 1st edition makes the following changes. Amends GS 14-404 to require a sheriff to charge $10 (was, $5) and clarifies that the fee is for each pistol permit requested. Amends the long title.

Summary date: Jun 19 2013

House committee substitute to the 2nd edition makes the following changes. Changes the effective date of the changes to GS 14-404(e) (changing the pistol permit fee to an application fee and raising the fee amount to $10) to August 1, 2013 (was, July 1, 2013). Changes the act's short title.

Summary date: Jul 23 2013

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

Amends GS 14-404(e) to allow the sheriff charge a $5 fee (was, $10 fee) for the sheriff’s services upon receipt of a pistol permit application.

Summary date: Jul 24 2013

House committee substitute to the 4th edition makes the following changes.

Amends GS 14-256 to provide that a person is guilty of a Class H felony for escaping from any prison, jail, or county or city lockup, or from the custody of an officer if the person has also been charged with or convicted (was, convicted) of a felony and has been committed to the facility pending trial or transfer (was, pending transfer) to the state prison system. Effective December 1, 2013, and applies to offenses occurring on or after that date.

Makes Section 1, amending GS 153A-225, effective August 1, 2013.

Makes conforming changes to the act's short and long titles.

Summary date: Sep 3 2013

AN ACT TO PROVIDE FOR A TEN-DOLLAR CO-PAY FOR PRESCRIPTION MEDICATION DISPENSED IN A COUNTY JAIL, TO PROVIDE THE PISTOL PERMIT FEE TO BE AN APPLICATION FEE, AND TO MAKE IT A FELONY TO ESCAPE FROM A COUNTY FACILITY WHEN CHARGED WITH AND BEING HELD FOR A FELONY.

Enacted August 23, 2013. Section 3 is effective December 1, 2013. The remainder is effective August 1, 2013.

SL 2013-390

ASSESS COSTS/RESTRAINING ORDERS.

Bill S 409

Summary date: Mar 26 2013
Amends GS 50C-1 to delete the definition for *stalking* as it applies in GS Chapter 50C. Modifies the definition for *unlawful conduct* to mean an act of nonconsensual sexual misconduct by a person 16 years of age or older on a person. Deletes provisions that define *unlawful conduct* to apply to single incidences of nonconsensual sexual conduct or stalking and deletes specification that "unlawful conduct" does not include acts of self defense or defense of others.

Current law prohibits assessing court costs for the filing or service of the complaint or the service of any orders under GS Chapter 50C (civil no-contact orders). Amends GS 50C-2(b) to provide that there are no court costs assessed unless the court determines any of the following: the plaintiff (1) willfully failed to appear to prosecute the action, (2) initiated the action for an improper purpose to harass the defendant, or (3) filed the action knowing that he or she was not the victim of unlawful conduct.

Makes clarifying changes to GS 50C-5(b) and GS 50C-7.

Amends GS 50C-8(a) to require that if a temporary no-contact order is granted without notice and a motion for a permanent civil no-contact order is made, then the hearing is to be held within 10 days from the date of the motion. Provides that if the request for a temporary, ex parte civil no-contact order is denied, then the hearing on the plaintiff's claim for a civil no-contact order is to be heard within 30 days from the date that the temporary civil no-contact order is denied.

Effective October 1, 2013, and applies to actions begun on or after that date.

**Summary date:** May 13 2013

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

Deletes amendments to GS 50C-1, which removed the definition for "stalking," and deletes modifications to the definition for "unlawful conduct."

Amends GS 50C-2(b) to provide that in addition to assessing costs to the plaintiff for the filing or service of the complaint, attorneys' fees may also be assessed against the plaintiff if after the presentation of evidence, the court makes specified findings. Amends those findings to include a finding that the plaintiff was not a victim in the case (was, the plaintiff (1) initiated the action for an improper purpose to harass the defendant or (2) had knowledge that he or she was not the victim of unlawful conduct). Provides that a plaintiff's failure to comply with procedural requirements in GS Chapter 50C cannot be a basis for a finding that the plaintiff was not a victim.

Deletes previous changes to GS 50C-5(b), which modified language regarding the issuance of orders to cease stalking and to cease harassment of the victim; however, amends subdivision (7) of that subsection to make a conforming change adding the assessment of attorneys' fees to either party as relief that may be granted by the court. Makes organizational changes to GS 50C-8(a).

Amends the act's titles.

**Summary date:** Jun 6 2013
House committee substitute makes the following changes to the 2nd edition.

Changes the short and long titles.

Amends subsection (a) of GS 50B-2, *Institution of civil action; motion for emergency relief; temporary orders; temporary custody*, establishing that, except as provided for in subsection (e), no court costs or attorney's fees can be assessed for the filing, issuance, registration, or service of a protective order or petition for a protective order or witness subpoena. Establishes that the purpose of the subsection is to comply with federal law which would preclude the state from receiving federal funds if certain costs or penalties were assessed for bringing a claim or action under GS Chapter 50B.

Enacts new GS 50B-2(e), establishing that no court costs can be assessed against a party for the filing or service of a civil action or the filing of a motion in any existing action filed under GS Chapter 50, or for the service of any orders. Also provides that no attorneys' fees can be assessed against the party unless prior to the assessment of cost or fees, the court finds from evidence that the person (1) was not a victim or filing on behalf of a victim of unlawful conduct, (2) filed the action knowing that he or she was not a victim or filed the action knowing that the person upon whose behalf the filing was made was not a victim of unlawful conduct, and (3) initiated the action for an improper purpose to harass the defendant. Provides that failure to comply with the procedural requirements in GS Chapter 50B cannot be the basis for a finding that the party was not a victim.

**Summary date:** Jul 11 2013

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

Amends the long title.

Deletes proposed changes made in Section 1 of the act concerning GS 50B-2 involving civil actions, emergency relief, and temporary custody/orders, in lieu of changes that provide, in compliance with the federal Violence Against Women Act, no court costs or attorneys' fees will be assessed for the filing, issuance, registration, or service of a protective order or petition for a protective order or witness subpoena, except as provided in GS 1A-1, Rule 11.

Amends GS 50C-2(b), deleting previous proposed changes and providing that no court costs or attorneys' fees will be assessed for the filing or service of the complaints or the service of any orders, except as provided in GS 1A-1, Rule 11.

**Summary date:** Sep 3 2013

AN ACT TO AMEND PROCEDURES, CLARIFY COSTS AND ATTORNEYS' FEES PROVISIONS APPLICABLE WHEN RELIEF IS NOT ORDERED IN CHAPTER 50B PROTECTIVE ORDER AND CHAPTER 50C NO CONTACT ORDER CASES, AND TO PROVIDE FOR ATTORNEYS' FEES UPON THE GRANT OF RELIEF IN CHAPTER 50C CASES. Enacted August 23, 2013. Effective October 1, 2013.
UI LAWS ADMINISTRATIVE CHANGES.

Bill S 420

Summary date: Mar 26 2013

Amends GS 96-9.2, clarifying that taxable wages, from which contributions to the Unemployment Insurance Fund are calculated, are determined in accordance with GS 96-9.3. Describes how an employer's contribution rate is determined and classified. Provides for the determination of the experience rate and rating as well as how they are calculated. Makes technical and clarifying changes. Adds language establishing that the standard beginning rate for an employer and its account is 1%. Changes contribution rate to experience rate and makes technical changes.

Deletes language describing "total insured wages." Deletes table demonstrating employer's base rates and their contribution rates. Creates new table establishing UI Trust Fund Balance as Percentage of Insured Wages and applicable contribution rates.

Summary date: May 7 2013

Senate committee substitute to the 1st edition makes the following changes. Amends GS 96-90.2 to reinstate the deleted provision that provides that an employers' reserve ration percentage is the employers' reserve ratio multiplied by sixty-eight hundredths. Makes clarifying changes.

Summary date: Jul 18 2013

House committee substitute to the 2nd edition deletes the provisions of the 2nd edition and replaces it with the following.

Amends GS 96-6(1), as amended, to require the Division of Employment Security to administer the Unemployment Insurance Fund solely for the payment of unemployment compensation (as defined in section 3306(h) of the Code), exclusive of expenses of administration, and for refunds of sums erroneously paid into the fund (was, administer the fund exclusively for the purposes of GS Chapter 96). Makes technical changes.

Amends GS 96-9.2, as amended, to add that taxable wages are determined in accordance with GS 96-9.3. Provides that the applicable contribution percentage for an employer is considered the employer's contribution rate and determined in accordance with this statute (was, determined by the employer's base rate and the balance in the Unemployment Insurance Fund as of the computation date). Sets the contribution rate for a beginning employer, until the employer's account has been chargeable with benefits for at least 12 months ending July 31 immediately preceding the computation date, at 1%. Requires the contribution rate for an experienced rated employer who does not qualify as a beginning employer to be the amount set out in specified table (same as in current law, except removes reference to 1% contribution rate for standard beginning rate) and then rounded to the nearest .01%. Adds that an
employer’s experience rating is computed as a reserve ratio in accordance with GS 96-9.4, with the reserve ratio percentage being the employer’s reserve ratio multiplied by sixty-eight hundredths.

Amends GS 96-14.1 to add that temporary unemployment benefits are payable on the basis of service, to which section 3309(a)(1) of the Code applies, performed for a governmental entity, a nonprofit, and an Indian tribe in the same amount, on the same terms, and subject to the same conditions as compensation payable on the basis of other service. Also provides that an individual who is disqualified from receiving benefits may have the disqualification removed by filing a valid claim based on employment with a bona fide employer that employed the individual subsequent to the employment that resulted in disqualification. Allows an individual who had a prior disqualification removed to be determined to be disqualified based on the reason for separation from employment, and the individual must be otherwise eligible for employment. Provides that benefits are not payable for services performed by individuals who performed services described in existing (e)(1) (instructional, research, or principal administrative employees of educational institutions) or (e)(2) (employees who provide services in any other capacity for an educational institution) in an education institution while in the employ of an educational service agency. Makes clarifying and technical changes.

Amends GS 96-14.2(c), requiring the amount of benefits payable to an individual be reduced as provided in specified Code section, to provide that it does not apply to social security retirement benefits.

Amends GS 96-14.9 to provide that an individual who is otherwise eligible may not be denied benefits for any week because of the application to any such week of requirements related to availability for work, active search for work, or refusal to accept work if the individual is attending an approved training program (was, an individual has satisfied the work search requirements for any given week for one or more of the three specified occurrences applied).

Amends GS 96-14.11(c), as amended, to provide that an individual is disqualified for any remaining benefits if it is determined that the individual is unemployed (was, the individual, at the time a claim is filed, is unemployed) because the individual, without good cause and after receiving notice, refuse to return to work under specified circumstances.

Amends GS 96-16(g) to provide that all benefits paid to a seasonal worker must be charged according to GS 96-11.2.

Amends GS 96-32 to change the name of the Division of Labor and Economic Analysis to the Labor and Economic Analysis Division.

Effective July 1, 2013. Provides that changes made by the act to unemployment benefits apply to claims for benefits filed on or after June 30, 2013, with changes to the determination and application of the contribution rate applicable to contributions payable for calendar quarters beginning on or after January 1, 2014.

Amends the act's titles.

**Summary date:** Sep 3 2013
AN ACT TO MAKE TECHNICAL, ADMINISTRATIVE, AND CLARIFYING CHANGES TO THE UNEMPLOYMENT INSURANCE LAWS. Enacted August 23, 2013. Effective July 1, 2013. Changes made by this act to the determination and application of the contribution rate apply to contributions payable for calendar quarters beginning on or after January 1, 2014.

**SL 2013-392**

**NO BEER/WINE IF PERMIT REVOKED OR SUSPENDED.**

**Bill S 470**

**Summary date:** Mar 27 2013

Amends GS 18B-300 by creating a new subsection GS 18B-300(a1), providing that it is illegal to consume or for an owner/agent/employee to allow the consumption of malt beverages or unfortified wine on the premises of any business when any on-premise permit issued to the owner of that business, which authorizes the sale and/or consumption of malt beverage or unfortified wine, has been suspended or revoked by the Alcoholic Beverage Control Commission.

Effective December 1, 2013.

**Summary date:** Apr 10 2013

Senate committee substitute makes the following changes.

Changes long title.

Makes clarifying and technical changes.

**Summary date:** Apr 11 2013

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

Provides that the prohibition in this act does not apply to the premises where the permitted business was located at the time the permit was suspended/revoked if the business ceases to operate in that location and the owner of the property is not the permittee, provided that the permittee is not engaged in any other business or other activity on the premises during the period of suspension or revocation.

**Summary date:** Jul 23 2013

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

Amends the short and long titles.

Deletes language in GS 18B-1000(1a)b that required a qualified, privately owned facility to be located within an area that has been designated as an Urban Redevelopment Area under Article 22 of GS
Chapter 160A to be considered a convention center when other conditions are also met. Effective when the act becomes law.

**Summary date:** Sep 3 2013

AN ACT TO PROHIBIT THE CONSUMPTION OF MALT BEVERAGES OR UNFORTIFIED WINE ON THE PREMISES OF ANY BUSINESS DURING THE PERIOD OF TIME WHERE ANY ON-PREMISES PERMIT ISSUED TO THE BUSINESS AUTHORIZING THE SALE AND CONSUMPTION OF MALT BEVERAGES OR UNFORTIFIED WINE IS SUSPENDED OR REVOKED BY THE ALCOHOLIC BEVERAGE CONTROL COMMISSION AND AMEND THE DEFINITION OF A CONVENTION CENTER FOR PURPOSES OF THE STATE'S ABC LAWS. Enacted August 23, 2013. Section 1 is effective December 1, 2013. The remainder is effective August 23, 2013.

**SL 2013-393**

HEALTH COST TRANSP/SPEAKER AND PPT STANDING.

Bill S 473

**Summary date:** Mar 27 2013

Names this act the Health Care Cost Reduction and Transparency Act of 2013.

Amends GS 90-413.2, which states the purpose of Article 29A of GS Chapter 90, to add that this Article is intended to improve transparency in health care costs by providing information to the public on the cost of the 50 most common episodes of care in (1) hospitals subject to the NC Hospital Licensure Act and (2) ambulatory surgical facilities subject to the NC Ambulatory Surgical Facility Licensure Act.

Enacts new GS 90-413.9 to direct the NC Health Information Exchange (NC HIE) to establish and maintain an Internet web site containing the most current information it receives from hospitals and ambulatory surgical facilities under new GS 131E-91.1 (*Disclosure of prices for most common episodes of care*) and new GS 131E-153 (*Disclosure of charity care information*), as enacted by this act. Instructs the NC HIE to present this information in a format that is easily understood by the public. Specifies minimum requirements that the provided information must meet.

Enacts new GS 131E-91.1 to require each hospital licensed under Article 5 of GS Chapter 131E to provide to NC HIE, annually beginning on January 1, 2014, and using electronic health records software, specific information regarding costs, payments, and reimbursements for the hospital's 50 most common episodes of care. Requires a hospital to provide this information in writing to any patient requesting it within 24 hours after receiving the request. Provides definitions for (1) *episode of care*, (2) *health insurer*, and (3) *public or private third party*. States that the disclosure requirements of this section are not to be construed as requiring a hospital licensed under Article 5 of GS Chapter 131E to participate in the voluntary statewide health information exchange network administered by NC HIE. Directs the NC Medical Care Commission (Commission) to adopt rules to ensure the proper implementation of this
section on January 1, 2014, and to insure that hospitals report the information to NC HIE in a uniform manner. Requires that the rules include (1) specific categories for grouping hospitals to disclose this information on the NC HIE Internet web site and (2) methods to insure that hospitals report the most common episodes of care from a cross-section of medical and surgical specialty areas identified by the Commission. Enacts new GS 131E-153.1 to provide substantively similar provisions as they apply to ambulatory surgical facilities, except defines episode of care to reflect services rendered by an ambulatory surgical facility.

Enacts GS 131E-91.2 to define charity care to mean the costs of a hospital of providing health care or other services to an uninsured patient or a patient who is otherwise unable to pay for all of the services provided. Directs each hospital operator, beginning January 1, 2014, and annually thereafter, to post conspicuously the hospital policy on charity care from the preceding calendar year (1) on the licensed premises in an area accessible to the public and (2) on the hospital's Internet web site where it is made available to the public. Enacts new GS 131E-153.2 to provide substantively similar provisions as they apply to ambulatory surgical facilities.

Recodifies GS 131E-91 in Part 4A of Article 5 of GS Chapter 131E (was, codified in Part 4 of Article 5 of GS Chapter 131E). Amends GS 131E-91 to require that all hospitals (was, all hospitals and ambulatory surgical facilities) licensed under Article 5 (was, under Chapter 131E) provide a discharged patient upon request with an itemized list of all charges to the patient. Makes conforming changes and stylistic changes. Enacts new GS 131E-153 in Part 4 of Article 6 of GS Chapter 131E to apply the same provisions regarding providing a discharged patient with itemized charges upon request for all ambulatory surgical facilities licensed in this Part.

Directs the Department of Health and Human Services to communicate the requirements in this act pertinent to hospitals to all hospitals licensed under Article 5 of GS Chapter 131E and the requirements in this act pertinent to ambulatory surgical facilities to all ambulatory surgical facilities licensed under Part 4 of Article 6 of GS Chapter 131E no later than July 1, 2013.

Amends GS 131E-97.3 to declare that competitive health care information does not include the information that hospitals are required to report under new GS 131E-91.1 or the information that ambulatory surgical facilities are required to report under new GS 131E-153. Amends GS 131E-99 to exclude the information required in new GS 131E-91.1 and new GS 131E-153 from the confidentiality requirements for health care contracts. Effective January 1, 2014.

Enacts new GS 131E-91.3 (applies to hospitals licensed under Article 5) to prohibit and make unlawful duplicate charges for certain radiology services. Includes definitions for the following terms as they apply in this section: (1) clinical labor, (2) multiple radiology session, and (3) technical components. Enacts new GS 131E-153.3 (applies to ambulatory surgical facilities licensed under Part 4 of Article 6) to prohibit and make unlawful duplicate charges for certain radiology services. Includes definitions for the following terms as they apply in this section: (1) clinical labor, (2) multiple radiology session, and (3) technical components. Effective July 1, 2013, and applies to outpatient radiology services provided, and contracts executed or renewed, on or after that date.
Amends GS 105A-2(9) (regarding debt set off collection) to exclude the following from the definition of a state agency: (1) any school of medicine, clinical program, facility, or practice affiliated with one of the constituent institutions of the University of North Carolina that provides medical care to the public and (2) the University of North Carolina Health Care System and other persons or entities affiliated with or under the control of the University Health Care System. Effective January 1, 2014, and applies to tax refunds determined by the Department of Revenue on or after that date.

Amends the definitions in GS 108A-121 (regarding the Hospital Provider Assessment Act) to make conforming and clarifying changes. Amends GS 108A-122, adding a new subsection (e) to provide that the assessment imposed on all licensed North Carolina hospitals becomes a liability on the part of the hospital for a debt owed to the state from the time the assessment is due and payable. Requires the Secretary of DHHS to report overdue assessments to the Secretary of the Department of Revenue, who is to collect the debt using the collection remedies under Article 9 of GS Chapter 105. Makes additional modifications to GS 108A-123 regarding the equity assessment amount and the Upper Pay Limit (UPL, the maximum ceiling imposed by the federal regulation on Medicaid payments under 42 CFR § 447.272 for inpatient services). Replaces the term "State’s Annual Medicaid Payments" with the term "Additional Amount" and prescribes that amount to be the sum of $43 million allocated between the equity assessment and the UPL assessment based in the gross amount of payments received by hospitals under GS 108A-124. Provides for an assessment limit declaring that the Secretary of Revenue is to reduce, if necessary, a hospital’s assessment so that it does not exceed the percentage of gross revenue that would result in imposing an impermissible health care-related tax, as defined under federal Medicaid law. Effective July 1, 2013.

Enacts GS 108A-124(a)(1) and (a)(2) regarding the use of the assessment proceeds. Requires that the assessment proceeds and all corresponding matching federal funds must be used to make the annual payments to the state and the hospitals: (1) payment of $50 million transferred to the State Controller and (2) allocation, by the Secretary of Revenue, of the remaining proceeds to the hospital providers with low average monthly total Medicaid costs. Retains quarterly payments as imposed under GS 108A-123, but simplifies the payment process to conform with the changes to subsections (a)(1) and (a)(2). Effective July 1, 2013.

Directs DHHS to file a state plan amendment incorporating the assessment payments and distributions consistent with the amendments made in this act to the provisions of Article 7 of GS Chapter 108A with the Centers for Medicare and Medicaid Services. Requires the Secretary of DHHS to work in conjunction with the Office of Budget and Management and the NC Community Care Networks Inc. to develop the payment methodology under GS 108A-124(a)(2), as enacted in this act. Requires the Secretary of DHHS to consult with the Joint Legislative Commission on Governmental Operations no later than October 1, 2013, prior to making any payments under GS 108A-124(a)(2), as enacted in this act.

Encourages North Carolina Community Care Networks Inc. (CCNC) to adjust its corporate governance by making changes to amend its articles of incorporation, its bylaws, or taking other appropriate action as indicated in this act. Prohibits DHHS from entering into a contract with CCNC unless CCNC makes the governance changes provided in this act.
Except as otherwise indicated, effective when this act becomes law.

**Summary date:** Apr 25 2013

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

Amends proposed GS 90-413.9 to specify that the information published by NC Health Information Exchange (HIE) on its Internet web site be published in a conspicuous manner, and that the information be the most current information available. Adds new subsection (b), which declares that any data disclosed by a hospital or ambulatory surgical facility to the NC HIE under the Health Care Cost Reduction and Transparency Act of 2013 (Act) remains the sole property of the facility submitting the data. Provides that any data or product derived from the data that was disclosed to NC HIE pursuant to the Act of 2013, including a consolidation or analysis of the data, remains the sole property of the state of North Carolina. Prohibits the North Carolina Community Care Networks., (CCNC), NC HIE, and all other entities that receive data disclosed by a hospital or ambulatory surgical facility under the Act from disclosing, selling, or exchanging the data, or from engaging in any consolidation, analysis, or product derived from the data, for a fee or consideration of any type.

Amends new GS 131E-91.1 to clarify that the term "episode of care" includes services by health care providers employed by the hospital (was, affiliated with the hospital). Amends the definition for "health insurer" to provide that the term does not include self-insured plans and group health plans as defined in section 607(1) of the Employee Retirement Income Security Act of 1974. Requires each hospital licensed under Article 5 of GS Chapter 131E to electronically provide to NC HIE, beginning on March 31, 2014 and quarterly thereafter, (was, annually beginning on January 1, 2014), specific information regarding costs, payments, and reimbursements for the hospital's 50 most common episodes of care. Adds to the list of specified information required that the list must include the average negotiated settlement on the amount that will be charged to a patient and that must be remitted in subdivision (1) of this subsection. Also clarifies that the total amount of Medicaid reimbursements for each episode of care includes claims and pro rata supplemental payments. Changes the required content of the rules adopted by the NC Medical Care Commission (Commission) to implement this section, providing that the rules must include (1) the 50 most common episodes of care on which the hospitals must report, and (2) specific categories by which hospitals are to be grouped for the purpose of disclosing this information to the public on the NC HIE Internet web site.

Amends GS 131E-91.2 to require that a hospital's posting of its policy on charity care, also include the amounts spent by the hospital on uncompensated care and bad debt in the preceding calendar year. Adds definitions for "bad debt" and "uncompensated care." Amends GS 131E-153.1 (was, 131E-153.2) to provide substantively similar provisions as they apply to ambulatory surgical facilities.

Amends GS 131E-153 (was, 131E-153.1) applying to the disclosure of prices for ambulatory surgical services. Modifies the definition for "episode of care" to include pharmaceuticals dispensed by the ambulatory surgical facility pharmacy or by a pharmacy owned or controlled by the ambulatory surgical facility. Requires that the rules adopted by the Commission include the 50 most common episodes of care on which the ambulatory surgical facilities must report.
Enacts new GS 131E-91.3 as new Part 4B of Article 5 of GS Chapter 131E (was, added as new section to Part 4A of GS Chapter 131E, Article 5). Adds a definition for "provider of radiology services." Defines provider of radiological services as a hospital, ambulatory surgical facility, a freestanding radiology services facility, or a physician's office that provides outpatient radiology services. Amends criteria for unlawful duplicate charges for outpatient imaging radiology services and extends the provisions to include providers of radiology services. Makes a conforming deletion of new GS 131E-153.3 having to do with prohibiting duplicate charges for certain radiology services from an ambulatory surgical facility or health care providers affiliated with the facility.

Deletes changes to GS 108A-121, definitions in Article 7, Hospital Provider Assessment Act, of GS Chapter 108A.

Amends GS 131E-91 to apply to fair billing and collections practices for hospitals and ambulatory surgical facilities. Includes provisions that require bills to be legible, easily understandable, and to included clear explanations when the use of medical codes and terms is unavoidable. Also identifies reasonable collection practices which hospitals and ambulatory surgical facilities must use. Prohibits the use of wage garnishment, a lien on a patient's primary residence, or a forced sale as a means of collecting an unpaid bill.

Enacts new GS 131E-147.1 (Fair billing and collections practices for ambulatory surgical facilities) providing that all ambulatory surgical facilities licensed under Part 4 of Article 6 of GS Chapter 131E will be subject to the fair billing and collections practices as set out in GS 131E-91.

Amends GS 58-3-245, changing section name to Provider directories; cost tools for insured (was, Provider directories) and requires that health benefit plans that utilize a provider network must ensure that a patient is provided accurate and current information about each provider's network status through both the telephone system and any electronic or online system. Adds new GS 58-3-245(d), establishing that health care providers must provide patients or prospective patients, upon request, with information regarding that provider's network status with a particular health benefit plan.

Delineates governance changes for the North Carolina Community Care Networks, Inc. (CNCC), including changes in the composition of its board. Adds that those changes include ensuring that no member or immediate family member is a registered lobbyist or employed by an entity lobbying for a health care provider association.

Summary date: May 8 2013

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

Changes the long title.

Deletes proposed changes to GS 90-413.2, Purpose, and GS 90-413.9, Disclosure of prices for most common episodes of care.
Enacts new Article 1B, Transparency in Health Care Costs, in GS Chapter 131E. Provides that the intent of the Article is to improve transparency in health care costs by providing information to the public on the costs of the most frequently reported diagnostic related groups (DRG) for hospital inpatient care and the most common surgical procedures and imaging procedures in hospital outpatient settings and ambulatory surgical facilities. Requires the Department of Health and Human Services (DHHS) to make available on its website the most current price information it receives from hospitals and ambulatory surgical facilities; sets out minimum requirements for that information. Requires each hospital, beginning with the quarter ending March 31, 2014, to provide DHHS six specified pieces of information about the 100 most frequently reported admissions by DRG for inpatients, including the total amount of Medicare reimbursements, and the total amount of payments made by the State Health Plan for Teachers and State Employees. Requires the NC Medical Care Commission (Commission) to adopt rules to ensure implementation of this requirement by January 1, 2014, and specifies information to be included in the rules. Requires each hospital and ambulatory surgical facility to provide DHHS information on the total costs for the 20 most common surgical procedures and the 20 most common imaging procedures along with related codes. Requires the Commission to adopt rules to ensure implementation of this requirement by March 31, 2014, and specifies information to be included in the rules. The information required may be provided to a patient upon request. Requires a hospital or ambulatory surgical facility required to file a Schedule H, federal form 990, to provide the public with access to its financial assistance policy and its annual financial assistance costs. Requires the information to be reported to DHHS annually and to be reported on the DHHS website and at the organization's place of business.

Directs the Department of Health and Human Services (DHHS) to communicate, not later than July 1, 2013, the requirements of Section 2 of the act to all hospitals licensed pursuant to Article 5 of GS 131E and Article 2 of GS 122C, as well as to all ambulatory surgical facilities licensed pursuant to Part 4 of Article 6 of GS 131E.

Amends GS 131E-97.3, providing that competitive health care information does not include the information that hospitals and ambulatory surgical facilities are required to report under GS 131E-214.6.

Amends GS 131E-99, excluding information a hospital or an ambulatory surgical facility is required to report under GS 131E-214.6 from the confidentiality requirements for health care contracts.

Enacts new GS 131E-273, Certain charges/payments prohibited, providing that it is unlawful for any provider of health care services to charge or accept payment for a health care procedure that was not actually performed or supplied.

Deletes Section 9 of the previous edition, which proposed a new section, GS 131E-91.3, Duplicate charges for certain radiology services prohibited.

Amends GS 131E-91, Fair billing and collections practices for hospitals and ambulatory surgical facilities, making organizational changes. Provides that a hospital or ambulatory surgical facility has 45 (was, 60) days from the time notice of overpayment is received to refund an overpayment resulting from specified circumstances. Amends GS 131E-91(d)(5), providing that for debts arising from the provision of care by a
hospital or ambulatory surgical facility, the doctrine of necessaries as it existed at common law will apply equally to both spouses, with specified exceptions. Provides further rules or regulations regarding debt owed to a hospital or ambulatory surgical facility. Also provides that hospitals or ambulatory surgical facilities that provide care to a minor cannot execute or force the sale of the principal residence of the custodial parent for a judgment obtained for the outstanding debt until the minor is either no longer residing with the parent or until the minor reaches the age of majority, whichever occurs first.

Repeals Article 2A of GS 131E, Garnishment for Debts Owed Public Hospitals.

Amends Part VI of the act, renaming it Governance of Entities to Manage Care and Control Costs Statewide, establishing that the governance of entities contracting with the state to provide centralized care coordination, cost containment, or management of care on a statewide basis for the Medicaid program is of significant importance. Further finds that the public has a profound interest in ensuring the quality of internal governance in regards to this contracting. As such, DHHS will not enter into a new contract with an entity to provide cost containment or management of care on a statewide basis for the Medicaid program unless the entity adheres to certain specified governance provisions.

Amends the enactment clause, providing that Sections 4 and 5 of this act become effective January 1, 2014. Section 6 of this act becomes effective December 1, 2013, and applies to health care procedures and services rendered on or after that date. Section 7 of this act becomes effective January 1, 2014, and applies to tax refunds determined by the Department of Revenue on or after that date. Section 8 of this act becomes effective October 1, 2013, and applies to hospital and ambulatory surgical facility billings and collections practices occurring on or after that date. The remainder of this act is effective when it becomes law.

**Summary date:** Jul 24 2013

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

Amends the long title.

Amends proposed GS 131E-214.6(b), which requires each hospital, beginning with the quarter ending March 31, 2014, to provide DHHS with specified pieces of information about the 100 most frequently reported admissions by DRG for inpatients, clarifying that they must provide information on the five largest health insurers providing payment to the hospital on behalf of teachers and State employees in addition to insureds (previously, only provided for information to be submitted on insureds). Adds new language providing that a hospital is not required to report the information required by GS 131E-214.6(b) when the reporting of such information could reasonably lead to the identification of the people that were admitted to the hospital in violation of HIPAA regulations. Changes the date by which the NC Medical Care Commission (Commission) must adopt rules to ensure implementation of this requirement to March 1, 2014 (was, January 1, 2014).

Requires each hospital and ambulatory surgical facility to provide DHHS information on the total costs for the 20 most common surgical procedures and the 20 most common imaging procedures along with
related codes beginning with the quarter ending September 30, 2014 (was, June 30, 2014). Provides that
information that would lead to the identification of people admitted to the hospital, in violation of
HIPAA regulations is not required to be submitted. Requires the Commission to adopt rules to ensure
implementation of this requirement by June 1, 2014 (was, March 31, 2014).

Directs the State Health Plan (SHP) for Teachers and State Employees to establish a workgroup to
examine the best way to provide teachers and State employees with greater transparency in regards to
health services costs under the SHP. Requires the SHP to report the workgroup's findings and
recommendations to the Joint Legislative Oversight Committee on Health and Human Services and the
Joint Committee on Governmental Operations on or before December 31, 2013, and annually through
December 31, 2016.

Directs the Department of Health and Human Services (DHHS) to communicate, not later than
September 1, 2013 (was, July 1, 2013), the requirements of Section 2 of the act to all hospitals licensed
pursuant to Article 5 of GS 131E and Article 2 of GS 122C, as well as to all ambulatory surgical facilities
licensed pursuant to Part 4 of Article 6 of GS 131E.

Amends GS 131E-273 by adding that if a procedure requires a patient's informed consent, the charge for
any component of the procedure performed before the consent is given does not exceed the actual cost
to the provider if the patient decides not to consent.

Amends GS 131E-91(d)(5), by amending a collection practice that must be used by hospitals and
ambulatory surgical facilities to provide that no lien arising out of a judgment for a debt owed a hospital
or ambulatory surgical facility under this section must attach to judgment debtors principal resident, or,
if the land upon which the residence is located is greater than five acres, then no lien attaches to the
residence and the surrounding five acres, held by them as tenants by the entireties.

Enacts new GS 90-413.3A, Required participation in NC HIE for some providers, requiring any hospital, as
defined in GS 131E-76(c) and that has an electronic health record system, to connect to the NC HIE and
submit individual patient demographic and clinical data on services paid for with Medicaid funds. Also
includes three specific findings by the General Assembly which provides the basis for requiring the
connection to the NC HIE. Effective January 1, 2014, but will not apply to administrative actions or
litigation filed before the effective date.

Provides that new GS 131E-273 does not apply to administrative actions or litigation filed before the
December 1, 2013 effective date.

**Summary date:** Jul 26 2013

House committee substitute makes the following changes to the 4th edition.

Deletes all the provisions of the 4th edition.

Provides that if House Bill 834, 2013 Regular Session becomes law, then this act amends GS 131E-273 as
enacted by House Bill 834 to provide that where informed consent is required for a procedure, the
charge for any part of the procedure performed prior to the patient giving consent cannot exceed the actual cost to the provider if the patient chooses not to consent. Effective December 1, 2013, and applies to health care procedures and services rendered on or after that date.

Provides that if House Bill 834, 2013 Regular Session becomes law, then this act also amends GS 131E-91(d)(5), as enacted by House Bill 834, to prohibit a lien arising out of a debt owed to a hospital or ambulatory surgical facility, when the land where the principal residence is located is greater than five acres, from attaching to the judgment debtor’s principal residence and the surrounding five acres. Effective October 1, 2013, and applies to hospital and ambulatory surgical facility billings and collections practices occurring on or after that date.

Enacts a new GS 1-72.2 to provide that the Speaker of the House of Representatives and the President Pro Tempore of the Senate jointly have standing to intervene on behalf of the General Assembly as a party in any judicial proceeding challenging a North Carolina statute or provision of the North Carolina Constitution.

Rewrites the long and short titles of the bill to reflect the changes in bill content.

**Summary date:** Jul 26 2013

House amendment to the 5th edition makes the following changes. Adds to GS 1-72.2 (Standing of legislative officers) that the procedure in state court will be that set forth in Rule 24 of the Rules of Civil Procedure.

**Summary date:** Sep 3 2013

AN ACT TO AMEND THE PROVISIONS OF HOUSE BILL 834 RELATED TO HEALTH CARE COST REDUCTION AND TRANSPARENCY AND FAIR HEALTH CARE BILLING AND COLLECTIONS PRACTICES; AND TO ALLOW THE SPEAKER OF THE HOUSE AND PRESIDENT PRO TEMPORE OF THE SENATE, AS AGENTS OF THE STATE, TO JOINTLY INTERVENE ON BEHALF OF THE GENERAL ASSEMBLY IN ANY JUDICIAL PROCEEDING CHALLENGING A NORTH CAROLINA STATUTE OR A PROVISION OF THE NORTH CAROLINA CONSTITUTION. Enacted August 23, 2013. Section 1 is effective December 1, 2013. Section 2 is effective October 1, 2013. The remainder is effective August 23, 2013.

**SL 2013-394**

**UNC CAPITAL IMPROVEMENT PROJECTS.**

**Bill S 480**

**Summary date:** Mar 27 2013

Authorizes the acquisition or construction of capital improvements specified in the bill, and financing of these projects with funds from non-state sources for the following constituent institutions of The
University of North Carolina: Appalachian State University, East Carolina University, North Carolina A&T University, North Carolina State University, The University of North Carolina at Chapel Hill, The University of North Carolina at Charlotte, The University of North Carolina at Greensboro, Western Carolina University, and Winston-Salem State University.

Authorizes Winston-Salem State University to construct and finance the Bowman Gray & Civitan Park Acquisition project notwithstanding the requirement under GS 116D-22(5) that the capital facility be located at the institution and to enter into the project either through direct ownership or a long-term agreement with the City of Winston-Salem.

Amends GS 18B-1006(a) to authorize the sale of beer and wine at events held at a UNC constituent university stadium that supports a NASCAR-sanctioned one-fourth mile asphalt flat oval short track where the event is not sponsored or funded by the UNC institution.

Summary date: Jun 27 2013

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

Amends act by adding new Section 2(b), which requires the Board of Governors of the University of North Carolina to prepare and report on, no later than October 1, 2013, an estimate to the Joint Legislative Commission on Governmental Operations before undertaking a project authorized by this act or the associated costs. Sets out four requirements of the report, including that it contain the total anticipated cost associated with each project and anticipated term, interest rate, structure, and debt servicing schedule of any financing of costs for each authorized project. Makes conforming changes.

Amends Section 5 of the act, specifying four conditions that are required to be met for the acquisition of the Bowman Gray & Civitan Park by Winston-Salem State University through participation in a long-term program agreement with the City of Winston-Salem, including (1) when the property that is the subject of the project is a stadium that supports a NASCAR-sanctioned one-fourth mile asphalt flat oval track, the stadium cannot be renamed and (2) when the property that is the subject of the project is a stadium that supports a NASCAR-sanctioned one-fourth mile asphalt flat oval track, no parking fees can be charged for racing events at the stadium.

Summary date: Jul 1 2013

Senate amendment to the 2nd edition makes the following changes. Deletes the authorization for South Road Bridge and Pedestrian Improvements.

Summary date: Jul 16 2013

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

Deletes the authorization for the Bowman Gray Stadium & Civitan Park Acquisition capital improvement project for Winston-Salem State University.
Makes conforming changes, deleting provisions which contained conditions and agreements related to the above, now deleted, acquisition project.

**Summary date:** Jul 18 2013

House amendment makes the following changes to the 4th edition.

Amends the long title.


Enacts new GS 161-8.1, *Office hours; Notice of hours*, providing that the register of deeds office will be open for public business during county office workdays and hours, as set by the board of county commissioners (board), pursuant to GS 153A-94(b). The register of deeds can set the hours for registration of real estate instruments to begin not more than 30 minutes after the office opens to the public and end not more than 30 minutes after the office closes. Allows the office to be closed temporarily with the prior approval of the board or county manager. Specifies the reporting and posting requirements for alerting the public to the schedule of the office and any temporary changes to that schedule or temporary closings. Effective December 1, 2013.

**Summary date:** Jul 23 2013

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

Amends the title to reflect changes in the bill content.

Adds Bowman Gray Stadium & Civitan Park Acquisition to the capital improvement projects authorized by this act for Winston-Salem State University. Indicates costs for this project as $7.5 million.

Deletes the repeal of GS 161-8, which authorizes the board of county commissioners to set office hours for the register of deeds in that county. Deletes new GS 161-8.1, which proposed a more formal schedule be set by the county commissioners for the office hours of the register of deeds in a county.

Provides criteria governing the development of Winston-Salem State University’s Bowman Gray & Civitan Acquisition project. Requires that the project support a NASCAR sanctioned one-fourth mile asphalt flat oval short track and meet all of an additional list of requirements in order for Winston-Salem State University to accomplish the construction, acquisition, and financing of the project either through direct ownership or by participation in a long-term agreement with the city of Winston-Salem.

Amends GS 18B-1006(a) to authorize the sale of beer and wine at events held at a UNC constituent university stadium that supports a NASCAR-sanctioned one-fourth mile asphalt flat oval short track where the event is not sponsored or funded by the UNC institution.

**Summary date:** Sep 3 2013

AN ACT TO AUTHORIZE THE ACQUISITION OR CONSTRUCTION AND THE FINANCING, WITHOUT APPROPRIATIONS FROM THE GENERAL FUND, OF CERTAIN CAPITAL IMPROVEMENTS PROJECTS OF THE
Effective August 23, 2013.

SL 2013-395

JORDAN LAKE WATER QUALITY ACT.

Bill S 515

Summary date: Mar 28 2013

Requires the Environmental Management Commission (EMC) to adopt a rule to replace the Riparian Buffer Rule (Rule); the rule will become effective as though 10 or more written objections have been received. The rule must be substantively identical to the following provisions. (1) The EMC must give primary implementation responsibility for the Rule to the Department of Environment and Natural Resources (DENR) unless a local government requests implementation authority. (2) The EMC must exempt nonelectric utilities impacting the riparian buffer with an other than perpendicular crossing when those impacts are limited to Zone Two of the buffer. (3) The EMC must add piping of streams as a new category of allowable use when the piping is allowed under a permit issued by the US Army Corps of Engineers.

Until the effective date of the revised permanent rule that the EMC must adopt, the EMC and DENR must implement the Rule as it is provided in the act. This requirement expires when permanent rules that meet the act's provisions are effective.

Summary date: May 14 2013

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

Changes the short title.

Deletes the provisions of the previous edition in their entirety and makes the following proposed changes.

Provides whereas clauses dealing with B. Everett Jordan Lake.

Establishes that the NC General Assembly intends to address the water quality in Jordan Lake and recognizes six items to be true, including that the lake was authorized, designed, and constructed by the federal government and, prior to impoundment, documentation shows that the federal government knew the lake would be an impaired body of water and that the design of the lake creates a situation of perpetual impairment regardless of upstream variables. Therefore, the state's existing nutrient management strategies regulating the lake basin will continue to have little or no effect on water quality improvement in the lake itself.
Directs the Environmental Management Commission (EMC), no later than October 1, 2013, to repeal the following administrative rules, 15A NCAC 02B .0262 through .0273 and 15A NCAC 02B .0311.

Repeals SL 2009-216, Part II of SL 2009-484, Section 14 of SL 2011-394, Section 12.1 of SL 2012-187, Subsections 9(c) through 9(g) of SL 2012-200, and Subsections 11(a) through 11(e) of SL 2012-201.

Establishes the Jordan Lake Study Subcommittee of the Legislative Research Commission to consider all the issues deemed relevant in addressing the water quality of Jordan Lake. Provides that five senators and five representatives will be appointed by their respective leaders to serve on the subcommittee. The subcommittee must undertake eight specified activities, including reviewing the history of Jordan Lake and its nutrient loading issues and considering the potential future conditions and uses of Jordan Lake. Findings and recommendations are to be submitted to the 2014 Regular Session of the 2013 General Assembly, Environmental Review Commission, and the Fiscal Research Division.

Directs DENR and the EMC to consult with the US Army Corp of Engineers and the US EPA to identify specified mitigation strategies.

Subsection 2(b) of this act becomes effective October 1, 2013. The remainder of this act is effective when it becomes law.

**Summary date:** May 15 2013

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

Makes technical punctuation and grammatical changes.

**Summary date:** Jul 18 2013

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

Amends the long title.

Amends the whereas clauses, deleting clauses related to the USACE Notice of Decision and adding clauses regarding the intent of the General Assembly.

Deletes Section 1 of the act, concerning the legislative intent of the General Assembly.

Deletes provisions that provided for the repeal of all of the Jordan Lake Rules and the Jordan Lake Session Laws.

Sets out the administrative rules that are to be considered "Jordan Lake Rules," including 15A NCAC 02B .0262 through .0267, .0270 through .0272, and .0311. Sets out the session laws that are to be considered "Jordan Lake Session Laws," including SL 2009-216, Part II of SL 2009-484, Section 14 of SL 2011-394, Section 12.1 of SL 2012-187, Subsections 9(c) through 9(g) of SL 2012-200, and Subsections 11(a) through 11(e) of SL 2012-201. Delays the implementation of the Jordan Lake Rules and Jordan Lake Session Laws that begin July 1, 2013, or later, for three years.
Deletes Section 3 of previous edition, LRC Study Jordan Lake Nutrient Loading Issues.

Provides for the modified implementation of the Protection of Existing Riparian Buffers Rule, as provided for and described in 15A NCAC 02B .0267, Jordan Water Supply Nutrient Strategy: Protection of Existing Riparian Buffers. Sets out the conditions and criteria for the implementation of the Buffer Rule. Requires this rule to remain effective until the effective date of the rule required to be adopted by the EMC below. Directs the EMC to adopt a rule consistent and substantively identical with the specified conditions and criteria for implementation.

Amends the enactment clause of the act, providing that the act is effective when it becomes law (previously, subsection 2(b) of the act was effective October 1, 2013, with the rest effective when the act became law).

Summary date: Sep 3 2013


SL 2013-396

ENERGY SAVINGS CONTRACTING AMENDMENTS.

Bill S 547

Summary date: Apr 1 2013

Amends the definitions in GS 143-64.17 to define qualified reviewer as an architect or engineer who is (1) licensed in the state and (2) experienced in the design, implementation, and installation of energy efficiency measures. Also amends the definition of qualified provider to mean a person or business experienced in the design, implementation, and installation of energy conservation measures who has been prequalified by the State Energy Office (SEO) according to the office's prequalification criteria.

Amends GS 143-64.17A (solicitation of guaranteed energy savings contracts) to provide that in the case of a governmental unit wishing to enter into additional performance contracts with the same qualified provider within five years of signing a performance contract, the unit may enter directly into a guaranteed energy savings contract with the same provider. Requires the SEO to review the agreement before it is executed. Adds that if after publication of the notice of request for proposals, fewer than two qualified providers attend the mandatory pre-bid meeting, the unit must publish notice of the request again as specified. Requires that a qualified reviewer evaluate proposals and provide the governmental unit with a letter report containing qualitative and quantitative evaluation of the proposal, but not make a recommendation for selection. Removes the requirement that the proposal
include specified cost estimates. Make conforming changes. Amends the criteria for selecting a provider. Establishes the process that the governmental unit is to use in selecting a provider.

Amends GS 143-64.17B (guaranteed energy savings contracts), to require a qualified provider entering into a guaranteed energy savings contract to provide security in the amount equal to 100% of the annual guaranteed savings for the term of the contract (was, 100% of the total cost). Requires that any guaranteed energy and operational savings be determined by using one of the measurement and verification methods specified. If the specified methods are not sufficient, the qualified provider must develop an alternative method.

Amends GS 143-64.17L to provide that on or after July 1, 2013, no constituent institution may implement an energy conservation measure without entering into a guaranteed energy savings contract under the statute. However, NC State University may continue to fulfill the terms of any financing agreement related to an energy conservation measure implemented on or before June 30, 2013.

Summary date: Apr 16 2013

Senate committee substitute makes the following changes to the first edition.

Amends GS 143-64.17A (Solicitation of guaranteed energy savings contracts), deleting language from the 1st edition that provided that in the case of a governmental unit wishing to enter into additional performance contracts with the same qualified provider within five years of signing a performance contract, the unit may enter directly into a guaranteed energy savings contract with the same provider.

Amends GS 143-64.17A(b), providing that the evaluating report required to be submitted to the governmental unit, per this section, can include a recommendation for selection, but the governmental unit is not obligated to follow it (previously, the report could not make any recommendation for selection).

Repeals GS 143-64.17L (Board of Governors may authorize energy conservation measures at constituent institutions) and GS 143-64.17M (Energy savings analysis required prior to implementation; post-implementation analyses required).

Amends GS 143-64.17F(b), GS 143-64.17H, and GS 142-64, making conforming changes as required by the above repealed sections.

Amends GS 143-63 (Authorization of financing contract), making required conforming changes and deleting language that provided that specified entities were authorized to execute and deliver a financing contract for the costs of the energy conservation measure. Also deletes the requirement that aggregate outstanding amounts payable by the state, under financing contracts pursuant to this Article, must not exceed $500,000 at any one time.

Provides that NC State University can continue to self-perform the Phytotron Energy Savings Performance Contract project and an energy conservation measure for which a request for proposal has been issued prior to December 31, 2013, with financing put in place by December 31, 2014. Projects are
subject to the requirements of GS Chapter 143, Article 3B, Part 2, including any of the requirements in the statutes repealed or amended by this section.

Makes technical changes throughout.

**Summary date:** May 1 2013

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

Amends GS 143-64.17A (*Solicitation of guaranteed energy savings contracts*), deleting a provision that required governmental units to publish second notices of requests for proposals if fewer than two proposals were received or fewer than two qualified providers attended the mandatory pre-bid meeting. Also deletes language that allowed the governmental unit to open the proposals and select a qualified provider if only one proposal is received only if, as a result of a second notice of the request for proposals, one or more proposals by qualified providers are received.

**Summary date:** Jul 17 2013

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

Deletes all of Section 4 of the act, which repealed GS 143-64.17L and GS 143-64.17M; amended GS 143-64.17F, GS 143-64.17H, GS 142-63, and GS 142-64, and allowed NC State University to continue to self-perform the specified projects.

Adds a new Section 4 to the act as follows. Amends GS 143-64.17L(e) to allow the Board of Governors to allow UNC Charlotte, in addition to NC State University, to implement an energy conservation measure without entering into a guaranteed savings contract. Amends GS 142-63 by deleting the provision that allowed a state governmental unit that has solicited a guaranteed energy conservation measure or the State Treasurer to execute and deliver a financing contract to finance the costs of the energy conservation measure, with a $5 million cap on the aggregate outstanding amount payable to the state under financing contracts entered into under the Article.

**Summary date:** Sep 3 2013


**SL 2013-397**

**LME/MCO ENROLLEE GRIEVANCES & APPEALS.**

**Bill S 553**

**Summary date:** Apr 1 2013
Enacts new GS Chapter 108D, Enrollee Grievances and Appeals of LME/MCO Managed Care Actions. Defines Local Management Entity/Managed Care Organization (LME/MCO) as an LME that has been approved by the Department of Health and Human Services to operate an MCO or PIHP in accordance with 42 CFR Part 438. Requires each LME/MCO to establish and maintain internal grievance and appeal procedures that (1) comply with the Social Security Act and 42 CFR Part 438, Subpart F, and (2) afford enrollees, and network providers authorized to act on behalf of enrollees, constitutional rights to due process and a fair hearing. Provides for the format of the grievance requests. Prohibits attempting to influence, limit, or interfere with an enrollee's right or decision to file a grievance, request for an LME/MCO level appeal, or a contested case hearing; also sets out activities that an LME/MCO is not prevented from doing. Prohibits an LME/MCO from taking punitive actions against a network provider for specified acts, including filing a grievance on behalf of an enrollee or supporting an enrollee's grievance.

Provides in new GS 108D-5 for the filing of a grievance and requires that an LME/MCO resolve the grievance as expeditiously as the enrollee's health condition requires, but no later than 90 days after receiving the grievance; affected parties must be given written notice of the grievance disposition within the 90 day period. Allows an enrollee, or a network provider acting on behalf of an enrollee, to request for an LME/MCO level appeal of a grievance disposition under GS 108D-6 as long as the described grievance procedure has already been exhausted. Provides further guidelines for a standard LME/MCO level appeal and for expedited LME/MCO level appeals. Allows an expedited appeal when the time limits for completing a standard appeal could seriously jeopardize the enrollee's life or health or ability to attain, maintain, or regain maximum function.

Specifies that the Office of Administrative Hearings (OAH) does not have jurisdiction over a dispute concerning a grievance or managed care action, except as set forth in the Chapter. Provides that GS 108D-8 (contested case hearings on disputed managed care actions) is the exclusive method for an enrollee to contest a notice of resolution issued by an LME/MCO. Provides that an enrollee, or a network provider acting on behalf of an enrollee, has the right to file a request for appeal to contest a notice of resolution as long as the entity has exhausted the grievance procedure in GS 108D-5, and if applicable, the appeal procedures in GS 108D-6 (standard LME/MCO level appeals) or GS 108D-7 (expedited LME/MCO level appeals). Sets out the procedure for appealing a notice of resolution. Requires an LME/MCO to continue the enrollee's benefits during the pendency of an appeal to the same extent as required under 42 CFR 438.420. Allows the chief administrative law judge of OAH to limit and simplify the administrative hearing procedures that apply to contested case hearings under the statute to complete the cases as expeditiously as possible. Sets out requirements to be met by any simplified hearing procedures. Provides that the enrollee has the burden of proof on all issues submitted to OAH for a contested case hearing and has the burden of going forward. Sets out requirements for the use of new evidence. Requires the administrative law judge, for each managed care action, to determine whether the LME/MCO substantially prejudiced the rights of the enrollee and whether the LME/MCO (1) exceeded its authority or jurisdiction; (2) acted erroneously; (3) failed to use proper procedure; (4) acted arbitrarily or capriciously; or (5) failed to act as required by law or rule. Requires that the written
decision notify parties of the decision and the right to seek judicial review of the decision under GS Chapter 150B, Article 4.

Amends GS 112C-3 to define LME/MCO just as it is defined in new GS Chapter 108D.

Makes conforming changes to GS 122-151.3 (Dispute with area authorities or county programs), and GS 122C-151.4 (Appeal to State MH/DD/SA Appeals Panel). Amends GS 84-2.1 (Practice law defined) to provide that the practice of law does not include representation of an LME/MCO by an employee or a contractor of the LME/MCO in a contested case hearing under GS 108D-8.

Effective July 1, 2013.

Summary date: May 2 2013

Senate committee substitute makes the following changes to the 1st edition. Amends GS 108D-5 to provide that an enrollee, or a network provider authorized in writing to act on behalf of an enrollee, receiving a grievance disposition has no right to the administrative appeal procedures described in GS 108D-6, GS 108D-7, and GS 108D-8 (previous edition allowed filing a request for an LME/MCO level appeal of a grievance disposition). Makes conforming changes throughout the act.

Amends GS 108D-6 to require an LME/MCO to provide an enrollee, at least 10 days before the effective date of the manage care action, with written notice of a managed care action and of the enrollee's right to appeal the managed care action (previous edition did not specify time frame for notice). Notice is not required for an enrollee's parent, guardian, or legal representative unless it has been requested in writing. Specifies 12 items that are to be included in the notice.

Amends GS 108D-8 to provide that the Office of Administrative Hearings (OAH) does not have jurisdiction over a dispute involving a managed care action except as expressly set forth in the chapter. Requires the LME/MCO be the respondent for purposes of the appeal. Allows the LME/MCO or enrollee to move for the permissive joinder of the Department of Health and Human Services (DHHS) under Rule 20; allows DHHS to move to intervene as a necessary party. Requires, in regards to contested case hearings, that an in-person hearing be conducted in the county that contains the headquarters of the LME/MCO, but allows the hearing to be conducted in the enrollee's county of residence, or a nearby county, for good cause. Good cause includes the enrollee's impairments limiting travel or the unavailability of the enrollee's treating professional witnesses. Provides that the simplified procedure may include requiring that all prehearing motions be considered and ruled on by the administrative law judge in the course of the hearing of the case on the merits (was, the judge must consider and rule on all prehearing motions before the scheduled date for a hearing on the merits). Adds that upon receiving an appeal request or a request for a hearing, OAH must immediately notify the Mediation Network of NC, which must contact the recipient within five days to offer mediation in an attempt to resolve the dispute. Sets out requirements if mediation is accepted. If the parties have resolved matters in the mediation, OAH must dismiss the case. Amends the burden of proof provision to provide that the enrollee has the burden of proof to show entitlement to a requested benefit or the propriety of requested action when the LME/MCO has denied the benefit or refused to take the particular action;
the agency has the burden of proof when the appeal is from a managed care action to impose a penalty or to reduce, terminate, or suspend a previously granted benefit.

Amends proposed language in GS 122C-3(20c) to provide that *local management entity/managed care organization* means an LME that has been approved by DHHS to operate the 1915(b)/(c) Medicaid Waiver (was, approved by DHHS to operate a managed care organization or prepaid inpatient health plan in accordance with 42 CFR Part 438).

Deletes proposed language in GS 122C-3 and instead provides that the statute does not apply to enrollee grievances or appeals subject to GS Chapter 108D.

Deletes proposed changes to GS 84-2.1 (practice law defined).

Amends GS 150B-23 to allow a Medicaid enrollee, or network provider authorized in writing to act on behalf of the enrollee, who appeals a notice of resolution to commence a contested case under the Article in the same manner as any other petitioner.

Requires DHHS, on or before December 1, 2013, to submit to the Centers for Medicare and Medicaid Services a Medicaid State Plan Amendment necessary to implement the act.

Makes the act effective June 1, 2014 (was, July 1, 2013), and makes it effective contingent on approval by the Centers for Medicare and Medicaid Services. Requires DHHS to report to the Revisor of Statutes when approval is obtained and the date of the approval.

Amends the act’s long title.

**Summary date:** Jul 10 2013

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

Changes the title of new GS Chapter 108D to *Medicaid Managed Care for Behavioral Health Services* (was, *LME/MCO Enrollee Grievances and Appeals*). Makes clarifying changes to the definitions in GS 108D-1, spelling out acronyms and defining a Local Management Entity/Managed Care Organization (LME/MCO) as defined in GS 122C-3(20c). Amends the definition for *network provider* to delete provision that the term also includes a provider of emergency services. Deletes the definition for *provider*.

Makes organizational, clarifying, and stylistic changes. Places LME/MCO enrollee grievances and appeals procedures in new Article 2, *Enrollee Grievances and Appeals*. Clarifies that there is no right to appeal the resolution of an LME/MCO grievance to the Office of Administrative Hearings (OAH) or any other forum.

Amends new GS 108D-6 to delete specifications regarding the content of a written notice of a managed care action to an enrollee and of the enrollee’s right to appeal the managed care action, instead requiring that an LME/MCO provide an enrollee with written notice of a managed care action via United States mail as required under 42 CFR Part 438, Subpart F.
Provides that an enrollee or a network provider with written authorization to act on behalf of an enrollee has a right to file a request for an LME/MCO level appeal of a notice of managed care action no later than 30 days after the mailing date of the notice of managed care action or the grievance disposition.

Makes a technical correction to new GS 108D-6 and GS 108D-7 to provide that the enrollee is to be provided with an appeal request form for a contested case hearing that meets the requirements of GS 108D-8(f).

Amends GS 108D-7, adding a new subsection (f) to require an LME/MCO to provide an enrollee with reasonable assistance in completing forms and taking other procedural steps necessary to file an appeal including providing (1) interpreter services and (2) toll free numbers with adequate teletypewriter/telecommunications devices for the deaf and interpreter capability. Re-letters subsections as necessary.

Amends GS 108D-8 to provide that in requesting an appeal, the enrollee must file the appeal request form in accordance with OAH rules. Provides that any simplified hearing procedures approved by the chief administrative law judge (ALJ) must comply with all of the specified requirements in GS 108D-8(h). Directs the ALJ assigned to hear the case to consider and rule on all pre-hearing motions before the scheduled date for a hearing on the merits of the case (was, may include such a requirement). Provides that the enrollee has the burden of proof on all issues submitted to the OAH for a contested hearing under this section and the enrollee has the burden of going forward (was, provided the enrollee has burden of proof to show entitlement to a requested benefit under specified circumstances and the agency has the burden of proof in an appeal from a managed care action to impose a penalty or to reduce, terminate, or suspend a previously granted benefit).

Deletes amendment to GS 122C-3, which defined LME/MCO as an LME approved by the Department of Health and Human Services (DHHS) to operate the 1915(b)/(c) Medicaid Waiver.

Amends GS 122C-151.3 and GS 122C-151.4 to clarify that these sections do not apply to specified LME/MCOs, enrollees, applicants, emergency service providers, or network providers subject to GS Chapter 108D. Amends GS 150B-23 to provide that an LME/MCO is considered an agency as defined in GS 150B-2(1a) only for the purposes of contested cases commenced as Medicaid managed care enrollee appeals under GS Chapter 108D.

Directs DHHS to take any action necessary to implement this act by September 30, 2013, including submitting to the Centers for Medicare and Medicaid Services a Medicaid State Plan Amendment with a retroactive effective date of July 1, 2013 (was, required DHHS to submit a plan to implement this act on or before December 1, 2013). DHHS is to report to the Joint Legislative Oversight Committee on Health and Human Services on the status of the implementation of this act on or before September 30, 2013.

Makes this act effective when it becomes law (was, effective June 1, 2014) and applies to grievances and managed care actions filed on or after that date.
Conference report makes the following changes to the 3rd edition.

Part I.
Amends GS 108D-8(h) by amending the information that the Office of Administrative Hearings must include in its notice of hearing, to include the circumstances in which a medial assessment may be obtained at the LME/MCO’s expense (was, at the Department of Health and Human Service’s expense).

Part II.
Enacts new Article 1B, Transitions to Community Living, in GS Chapter 122C.

Includes definitions for terms as they apply in this Article. Directs the Department of Health and Human Services (DHHS), in consultation with the NC Housing Finance Agency (HFA), to establish and administer the NC Supportive Housing Program (SHP), a tenant-based rental assistance program. Provides that the purpose of the SHP is to transition individuals who are diagnosed with serious mental illness and serious and persistent mental illness from institutional settings to more integrated community-based settings appropriate to meet their needs. Directs DHHS, in consultation with the HFA and LME/MCOs, to arrange for program participants to be placed in available housing slots through the program with all of the rights and obligations created by a landlord-tenant relationship.

Provides guidelines for the administration of housing subsidies for supportive housing and directs the Division of Aging and Adult Services to establish eligibility requirements the Supportive Housing Program. Designates DHHS as having ongoing responsibilities for developing and distributing a list of potentially eligible program participants for each LME/MCO by catchment area. Shifts responsibility for prioritizing this information upon receipt to each LME/MCO. Directs DHHS to annually determine the number of housing slots to be allocated to each LME/MCO as specified in this act. Directs the LME/MCO to develop a written transition plan that identifies certain needs of the individual and the available housing slots that meet the individual's needs.

Provides guidelines regarding transition services and tenancy support services. Directs DHHS to develop an application process for owners of housing units to participate in the program as landlords.

Requires DHHS to report annually on October 1 to the Joint Legislative Oversight Committee on Health and Human Services on the number of individuals within the catchment area who transitioned into housing slots available through SHP during the preceding calendar year. Specifies that the report is to contain a breakdown of all the funds used by the LME/MCO to transition these individuals into the housing slots. Provides that DHHS is not required to provide housing slots to individuals beyond the number that can be supported by funds appropriated for this purpose.

Requires that each LME/MCO transition at minimum 15 eligible individuals to community-based supported housing slots available through SHP no later than October 1, 2013.
Requires funds appropriated to DHHS for the 2013-15 biennium to develop and implement housing, support, and other services for people with mental illness under the Department of Justice settlement agreement be used in specified ways. Effective October 1, 2013.

Enacts new GS 122E-3A creating the Community Living Housing Fund (Fund) in the Housing Finance Agency (Agency) to pay for the transition of individuals diagnosed with severe mental illness or severe and persistent mental illness from institutional settings to community-based supported housing and to increase the percentage of targeted housing units available to individuals with disabilities for use in the NC Supportive Housing Program. Make the Agency, in consultation with DHHS, responsible for administering the Fund. Fund monies are available only upon an act of appropriation by the General Assembly and may only be used for the specified purposes. Terminates the Transitions to Community Living Fund on June 30, 2020, and reverts any remaining balance to the General Fund.

Part III.

Amends GS 108A-123(d), if Senate Bill 402 becomes law, to provide that the first $43 million of the state's annual Medicaid payment must be allocated between the equity assessment and the UPL assessment with the remaining portion of the payment allocated to the UPL assessment. Effective July 1, 2013.

Summary date: Sep 3 2013

AN ACT TO ESTABLISH GRIEVANCE AND APPEAL PROCEDURES FOR LOCAL MANAGEMENT ENTITY/MANAGED CARE ORGANIZATION (LME/MCO) MEDICAID ENROLLEES; TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO ESTABLISH A SUPPORTIVE HOUSING PROGRAM FOR INDIVIDUALS TRANSITIONING FROM INSTITUTIONAL SETTINGS TO INTEGRATED COMMUNITY-BASED SETTINGS, TO CLARIFY HOW FUNDS APPROPRIATED TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE ESTABLISHMENT AND OPERATION OF THIS PROGRAM SHALL BE USED, AND TO CREATE A COMMUNITY LIVING HOUSING FUND WITHIN THE HOUSING FINANCE AGENCY TO INTEGRATE INDIVIDUALS WITH DISABILITIES INTO COMMUNITY-BASED SUPPORTED HOUSING; AND TO MODIFY ALLOCATION OF STATE'S SHARE IN HOSPITAL PROVIDER ASSESSMENT TAX. Enacted August 23, 2013. Section 7 is effective October 1, 2013. Section 10 is effective July 1, 2013. The remainder is effective August 23, 2013.

SL 2013-398

TREASURER’S INVESTMENTS.

Bill S 558

Summary date: Apr 1 2013
Amends GS 147-69.2(b), providing that investments that were authorized by this subsection at the time the investment was made or committed, remain authorized by this subsection. Requires all investments pursuant to this subsection, for the purposes of computing market values, to be valued as of the last date of the most recent fiscal quarter. Amends GS 147-69.2(b)(1-9), making numerous technical and conforming changes. Adding asset-backed securities to the types of securities that the Retirement Systems’ assets can be invested in. Deletes various individual investment limitations in lieu of new limitations set forth in GS 147-69.2(b)(10a). Adds contractual arrangements, in which the investment manager has discretion and authority to invest in assets specified, to the types of assets that constitute the Retirement Systems’ assets. Provides that assets authorized under this subsection can be invested directly by the State Treasurer for the primary purpose of approximating the movements of a nationally recognized and published benchmark index within one-half percent (.50%) per annum (was, no more than one-half percent (1.5%) of the market value of the Retirement Systems’ assets that may be invested directly in the stock of a single corporation).

Creates new GS 147-69.2(b)(10a), providing investment limitations for specified market values and Retirement Systems’ assets.

Amends GS 147-69.7 (Discharge of duties to Retirement Systems), making a technical and conforming change.

Effective July 1, 2013.

Summary date: Jul 18 2013

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

Amends GS 147-69.2(b) to provide that the investments authorized under subdivision (6c) are not to exceed 7.5% of the market value of all invested assets of the retirement systems. Further amends this subsection to prohibit the investments authorized by subdivision (7) from exceeding 10% of the market value of all invested assets of the retirement systems (was, both subdivisions prohibited the respective investments authorized by each subdivision from exceeding the limitations set forth in new subdivision (10a) of this subsection). Amends subdivision (8) of this subsection to reinstate provision that limits the investment of retirement system assets in the stock of a single corporation to no more than 1.5% of the market value of the assets (was, provided that assets authorized under this subsection could be invested directly by the State Treasurer for the primary purpose of approximating the movements of a nationally recognized and published benchmark index within .50% per annum). Further amends subdivision (8), to reinstate language that investments under this subdivision are not to exceed 8.5% (was, 6.5%) of the market value of all investment assets of the retirement systems. Amends subdivision (9) to provide that the amount invested under this subdivision is not to exceed 8.75% of the market value of all invested assets of the retirement systems. Provides that the investments authorized under subdivision (9a) are not to exceed 7.5% of the market value of all invested assets of the retirement systems.

Amends subdivision (10a) to provide that with respect to the assets of the retirement systems, as defined in subdivision (8) of subsection (b) of GS 147-69.2, the market value of any of subdivision (6c) or
(7), sub-subdivision b of subdivision 8, or subdivision (9) or (9a) of this section, is not to exceed 10% of the market value of all invested assets of the retirement systems.

Makes this act effective when it becomes law (was, effective July 1, 2013).

**Summary date:** Sep 3 2013

AN ACT TO AMEND THE LAW GOVERNING THE STATE TREASURER'S INVESTMENT AUTHORITY WITH REGARD TO SPECIAL FUNDS HELD BY THE TREASURER. Enacted August 23, 2013. Effective August 23, 2013.

**SL 2013-399**

**AMEND PREDATORY LENDING LAW.**

**Bill H 692**

**Summary date:** Apr 11 2013

Amends GS 24-1.1A(a), regarding contract rates on home loans secured by first mortgages or first deeds of trust. Current law provides that parties to a home loan may contract in writing for the payment of interest based on the principal amount of the loan. Provides that the payment of interest may be at a rate agreed upon by the parties (1) if the principal is $20,000 (was, $10,000) or more or (2) if the principal is less than $20,000 (was, $10,000) and lender meets specified criteria. Provides that if the principal is less than $20,000 (was, $10,000) and lender does not meet the specified criteria, the parties may contract for the payment of interest not in excess of 16% per annum.

Amends GS 24-1.1E(a)(5), which defines *points and fees*. Amends the definition to provide that the term points and fees does not apply to (1) up-front fees collected and paid to the Federal Housing Administration, the Veterans' Administration, or the U.S. Department of Agriculture to insure or guarantee a home loan (was, a home loan that exceeded 1.25% of the total loan amount) nor to (2) any up-front private mortgage insurance premium, charge, or fee (was, that exceeded 1.35% of the total loan amount).

Amends the definition of *thresholds* (GS 24-1.1E(a)(6)) to mean the total points and fees as defined in GS 24-1.1E(a)(5) exceed 5% (was, 4%) of the total loan amount if the amount is $20,000, or more, or the lesser of 8% of the total amount or $1,000 if the total amount is less than $20,000.

Repeals GS 24-1.1F, regarding rate spread home loans.

Effective July 1, 2013.

**Summary date:** May 6 2013

House committee substitute makes the following changes to the 1st edition.
Deletes the changes to GS 24-1.1A(a) regarding contract rates on home loans secured by first mortgages or first deeds of trust.

Amends the definition of "points and fees" in GS 24-1.1E(a)(5) to exclude any up-front fees collected and paid to the Federal Housing Administration, the Veteran's Administration, or the U.S. Department of Agriculture to insure or guarantee a home loan, and eliminates references to the amount of the loan and to up-front payments for private mortgage insurance premiums.

**Summary date:** May 8 2013

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

Deletes the repeal of GS 24-1.1F, *Rate spread home loans*.

Instead, deletes GS 24-1.1F(a), (b), (c), and (d). Enacts new GS 24-1.1F(a1), (b1), (c1), and (d1). GS 24-1.1F(a1) provides that a rate spread home loan is a loan with an annual percentage rate (APR) that exceeds the limits set out in 15 USC 1639(c)(1)(B)(ii) and any additional regulations promulgated thereunder. GS 24-1.1F(b1) provides that making a rate spread home loan that violates 15 USC 1639(c) is declared as usurious in violation of the provisions of this Chapter. GS 24-1.1F(c1) provides that any prepayment penalty in violation of 15 USC 1639(c) will be unenforceable. GS 24-1.1F(d1) provides that a borrower is not entitled to recover twice for the same wrong. Allows the Attorney General, Commissioner of Banks, or any party to a rate spread home loan to enforce the statute. Provides that a mortgage broker who brokers a rate spread home loan that violates the statute will be jointly and severally liable with the lender.

**Summary date:** Jul 17 2013

The Senate committee substitute to the 3rd edition changes the effective date of the act from July 1, 2013, to October 1, 2013.

**Summary date:** Jul 18 2013

Senate amendment makes the following change to the 4th edition.

Makes a technical change to proposed GS 24-1.1F(b1), concerning rate spread home loans, deleting a citation referring to 15 USC § 1639c(c) and replacing it with 15 USC § 1639c(a).

**Summary date:** Sep 3 2013

AN ACT TO AMEND THE NORTH CAROLINA ANTI-PREDATORY LENDING LAW, AND TO LIMIT THE PROVISIONS OF STATE MORTGAGE LENDING LAW TO BEING NO MORE RESTRICTIVE THAN FEDERAL LAW. Enacted August 23, 2013. Effective October 1, 2013.
ALT. PROCEDURE FOR OBTAINING SALVAGE TITLE.

Bill H 727

Summary date: Apr 11 2013

Amends GS 20-109.1 (Surrender of titles to salvage vehicles), providing that if a salvage vehicle owner fails to assign and deliver the vehicle’s certificate of title to the insurer within 30 days of payment of the claim, the insurer, without surrendering the certificate of title, can request that the Division of Motor Vehicles (DMV) send a form on order to transfer the title of the vehicle to the person who buys the vehicle. Sets out the processes and procedures regarding obtaining and using the form. Issuance of this form extinguishes all existing liens on the vehicle.

Sets out the processes and procedures for a vehicle that the insurer did not take ownership of and directed the used motor vehicle dealer to release to the owner or lienholder and is subsequently abandoned by the owner or lienholder. Includes provisions which establish the notices and waiting periods required before a vehicle can be considered abandoned and assigned to the used motor vehicle dealer. Requires the issuance and utilization of the above form if the vehicle is to be bought from the dealer.

Amends GS 20-72(b), establishing that the provisions of this subsection do not apply to transfers pursuant to GS 20-109.1(b)(2) or (e1) and that transfers pursuant to GS 20-109.1(b)(2) or GS 20-109.1(e1) do not require the salvage title to be forwarded to the DMV.

Amends GS 20-75 (When transferee is dealer or insurance company), providing that transfers pursuant to GS 20-109.1(b)(2) or GS 20-109.1(e1) do not require the salvage title to be forwarded to the DMV.

Amends GS 20-78(a), establishing that after receipt of an application for transfer and payment of all proper fees, but no properly endorsed certificate of title has been received, the DMV will issue a salvage certificate of title, pursuant to GS 20-109.1(b)(2) or GS 20-109.1(e1).

Amends GS 20-85(a)(10), providing that a $15 fee is assessed for a salvage certificate of title by an insurer or by a used motor vehicle dealer, pursuant to GS 20-109.1(e1).

Amends GS 105-187.6(a)(1), providing that the tax imposed by this Article does not apply when a certificate of title is issued as the result of a transfer of a motor vehicle to a used motor vehicle dealer under GS 20-109.1 because the vehicle is a salvage vehicle that was abandoned.

Effective October 1, 2013.

Summary date: May 13 2013

House committee substitute makes the following changes to the 1st edition.
Amends (b)(2), *Transfer to Insurer* of GS 20-109.1, *Surrender of titles to salvage vehicles*, providing that in cases where a salvage vehicle owner doesn't give certificate of title to the insurer within 30 days of payment of the claim and the insurer seeks to transfer title to a buyer, if the records of the DMV show there is an outstanding lien against the vehicle immediately before the payment of the claim and if the payment was made to a lienholder or to a lienholder and the owner jointly, the proof of payment must include evidence that funds were paid to the first lienholder shown in the records of the DMV. Clarifies that notice is to be sent to the address on record with the DMV.

Provides that a request to have the DMV send the used motor vehicle dealer a form to transfer the title, in cases of abandoned vehicles, must be accompanied by a copy of the notice required by GS 20-109.1(e1) and proof of delivery of the notice sent to the owner and lienholder.

**Summary date:** Jul 24 2013

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

Amends GS 20-109.1(b)(2) to clarify that the salvage vehicle owner must act in accordance with the provisions of subdivision (b)(1) of this section in the assignment and delivery of the vehicle's certificate of title to the insurer. Adds new subsection (h) to this section, declaring that the Division of Motor Vehicles (DMV) is not subject to a claim under Article 31 of GS Chapter 143 that is related to the cancellation of a title under this section if the claim is based on reliance by the DMV on any proof of payment or notice submitted to the DMV by a third party under subdivision (b)(2) or subsection (e1) of this section.

Amends subdivision (10) of GS 20-85(a) to provide that the subdivision sets the fee for each application for a salvage certificate of title made by an insurer or by a used motor vehicle dealer under subdivision (b)(2) or subsection (e1) of GS 20-109.1 (was, under GS 20-109.1(e1)).

Makes a correction to punctuation.

**Summary date:** Sep 3 2013

AN ACT TO ALLOW THE DIVISION OF MOTOR VEHICLES TO ISSUE A SALVAGE CERTIFICATE OF TITLE TO AN INSURANCE COMPANY OR USED CAR DEALER IN CERTAIN SITUATIONS WHERE THE INSURANCE COMPANY OR USED CAR DEALER IS UNABLE TO OBTAIN THE ORIGINAL CERTIFICATE OF TITLE FROM THE OWNER OF THE MOTOR VEHICLE. Enacted August 23, 2013. Effective October 1, 2013.

**SL 2013-401**

**PUBLIC CONTRACTS/CONSTRUCTION METHODS/DB/P3.**

**Bill H 857**

**Summary date:** Apr 15 2013
Amends GS 143-64.31, expanding the types of services intended to be contracted out, as a matter of state public policy, to now also include design-build services and public-private partnership construction services. Makes conforming changes.

Amends GS 143-64.32, deleting subsection (b).

Amends GS 143-128(a1), adding subsections (6) and (7) expanding the list of authorized construction methods for which the state, a county, a municipality, or other public body must award contracts to erect, construct, or repair buildings to include design-build contracts and public-private partnerships construction contracts.

Enacts GS 143-128.1A authorizing design-build contracts, enumerating criteria for determining an appropriate design-build method, and requiring public notice of information about a government project for the purpose of fair and open competition. Sets out further design-build requirements.

Enacts GS 143-128.1B regulating contracts for capital improvement projects undertaken by a government entity and a private developer. The contract may provide that the private developer must be responsible for (1) construction of the entire public-private project, (2) reconstruction or repair of the public-private project or any part thereof subsequent to construction, (3) construction of any addition to the project, (4) renovation of the project, and (5) purchase of equipment for the project. A private developer and its contractors are required to make a good faith effort to recruit and select minority businesses for participation in contracts. Specifies bonding requirements. A cause of action exists for any claimant who performed work under a contract, has not been paid for that work, and 90 days has expired since the last performance of labor. Any person entitled to bring an action or any defendant in an action on a payment bond shall have the right to require the governmental entity or the private developer to certify a copy of the payment bond, development contract, and construction contracts covered by the bond. The prevailing party to a suit brought under the provisions of this subsection may be granted attorneys' fees. Sets out further requirements for programming requirements and for selecting developers.

Effective when the act becomes law and expires July 1, 2019.

Summary date: May 13 2013

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

Changes the long title.

Amends GS 143-64.31, providing that, for purposes of this Article, the definitions in GS 143-138.1B and GS 143-128.1C apply. Makes an organizational change.

Amends GS 143-64.32, establishing that projects with an estimated professional fee of less than $50,000 (was $30,000) can be exempt from the provisions of this Article.
Amends GS 143-128(a1), adding a new subsection, expanding the list of authorized construction methods for which the state, a county, a municipality, or other public body must award contracts to erect, construct, alter, or repair buildings to include design-build bridging contracts pursuant to GS 143-128.1B. Makes a technical change.

Amends GS 143-128.1A, making technical and conforming changes. Provides that a governmental entity must establish in writing the criteria for determining when the design-build method is appropriate. Enumerates criteria for determining an appropriate design-build method, including a new criteria requiring a good faith effort to comply with specified provisions and to recruit and select small business entities. Makes a technical deletion. Deletes clause stating that the purpose of requiring a public notice of information for government projects is for fair and open competition. Makes organizational changes. Deletes the requirement that a government entity must provide the state construction office with a copy of the public notice before or when it is issued. Makes various changes to the design-build evaluation and selection process.

Enacts new GS 143-128.1B, entitled Design-Build bridging contracts, providing the definitions for use in the section, including design-build bridging, design-builder, design criteria, design professional, first tier subcontractor, and governmental entity. Requires a governmental entity to establish in writing the criteria used for determining when it is appropriate to use a design criteria design professional for certain projects. Sets outs the minimum requirements for what the criteria must address, including any time constraints for the delivery of the project and the ability to ensure that a quality project can be delivered. Requires a governmental entity to select a design professional, prior to entering into a contract for design-build services, to serve as its representative for the procurement process. Sets out the duties and responsibilities of the design criteria design professional, including preparing a design criteria package equal to 35% of the completed design documentation. Sets out the other required parts of the design criteria package. Requires a public notice of the request for proposals and sets out 10 items of general information that must be included in the notice, including the project site and the project scope. Sets out further design-build contractor selection requirements.

Enacts new GS 143-128.1C, Public-private partnership construction contracts, which was previously included in the 1st edition as GS 143-128.1B, with technical, clarifying, and conforming changes. Adds and defines the terms state entity and state supported financing arrangement. Provides that a governmental entity, that is a public body, must determine that it has a critical need for a capital improvement project (CIP) in an open meeting of that public body. Also requires development contracts to specify the responsibility to put forth a good faith effort to comply with specified provisions regarding minority and small business entities. Specifies bonding requirements, including requiring a payment bond in the amount of 100% (was 125%) of the total anticipated amount of the construction contracts to be entered into between the private developer and the contractors to design or contract the required improvements. Provides that if a payment bond is obtained for a development contract and maintained throughout the public-private project, then the provisions of Article 2 of Chapter 44A will not apply to that public-private project.
Provides new provisions requiring a governmental entity to make a summary of the development contract terms available, with directions on how to obtain or access the complete development contract. Also sets out requirements for the approval and requirements of capital and operating leases. Establishes exceptions to the applicability of this section.

Amends GS 143-128.1, *Construction management at risk contracts*, incorporating good faith effort requirements for minority business participation and small business solicitation requirements into the section.

Provides that this act is effective October 1, 2013, and applies to projects bid on or after that date, and public-private development contracts entered into on or after that date. This act expires on July 1, 2019.

**Summary date:** May 15 2013

House committee substitute makes the following changes to the 2nd edition:

Revises GS 143-128.1A(c)(3) to clarify that it is the "anticipated" project budget for which information must be provided, and makes grammatical and clarifying changes to subdivision (c)(5); identical changes made to GS 143-128.1B(d)(3) and (d)(5).

Revises GS 143-128.1C(i) to require a public body to conduct a public hearing on a proposed development contract prior to that body's consideration of the contract; notice of the public hearing must be published in the same notice as advertisement of the terms of the contract as required under subsection (i).

Revises GS 143-128.1C(k)(2) to clarify that the approval requirements of that subdivision apply only to capital leases.

**Summary date:** Jun 11 2013

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

Amends GS 143-128.1B (a)(2) to expand the definition of *design-builder* to include a limited liability company. Amends subsection (e) to direct the governmental entity, following an evaluation of the qualifications of the design-builders, to rank those who have made responses to the request for proposals, grouping the top three without ordinal ranking. Requires the governmental entity to make a selection from the grouping of the top three design-builders, selecting the lowest, responsive bidder based on the cumulative amount of fees provided under subdivision (d)(10) of this section, and taking into consideration (1) quality, (2) performance, and (3) the time specified in the proposals for the performance of the contract.

Amends GS 143-128.1C(g)(2)b to provide that a claimant's service on a private developer of a claim of lien on real property or a claim of lien on funds as allowed by Article 2 of GS Chapter 44A, is deemed to be adequate notice under this section.
Amends GS 143-128.1C(g)(3) to indicate that there is an applicable exception provided in GS 44A-16(c) to the provision prohibiting commencing an action on a payment bond after one year from the day on which the last of the labor was performed or material was furnished by the claimant.

Amends GS 143-128.1C(g)(9) to provide that the obligations and liens set out in Article 2 of GS Chapter 44A apply to a project awarded under this section to the extent that a private developer holds any property interests in the project. Also provides that the private developer is to be deemed to be the owner to the extent of that private developer's ownership interest. Specifies that this subdivision is not to be construed to make the provisions of Article 2 of GS Chapter 44A apply to governmental entities or public buildings to the extent of any property interest held by the governmental entity in the building (was, this section provided that the provisions of this subsection were not to be construed to limit rights given to claimants under subsection (g)).

Amends GS 44A-16 to provide criteria for the discharge by a private developer of a claim of lien on real property or a claim of lien on funds for improvements performed in conjunction with a development contract under GS 143-128.1C and the surety on a payment bond issued under GS 143-128.1C(g)(1) in accordance with this subsection. Specifies procedures for the discharge of a claim of lien.

Summary date: Jul 17 2013

Senate committee substitute to the 4th edition makes the following changes.

Amends a whereas clause.

Amends GS 143-64.31 to add to the information that public entities contracting with a construction-manager-at-risk, design builder, or private developer under a public-private partnership must report to include a detailed explanation of why the particular delivery method was used in lieu of separate prime bidding, single prime bidding, or dual bidding, and the anticipated benefits to the public entity from using the delivery method. Adds that a public body letting a contract pursuant to construction-management-at-risk contracts, design-build contracts, design-build bridging contracts, or public-private partnership construction contracts must submit the required report no later than 12 months from the date that the public body takes beneficial occupancy of the project.

Amends new GS 143-128.1A to add to the criteria that a governmental entity must establish for determining the circumstances under which the design build method is appropriate the criteria used by the governmental entity, including a comparison of the costs and benefits of using the design-build delivery method for a project instead of separate prime bidding, single prime bidding, or construction-management-at-risk contracts.

Amends GS 143-128.1B to define first tier subcontractor as one who contracts directly with the design builder, (was, design builder or general contractor). Defines design builder as an appropriately licensed person, corporation, or entity that, under a single contract, offers to provide or provides design services and general contracting services where services within the scope of the practice of professional engineering or architecture are performed respectively by a licensed engineer or licensed architect and
where services within the scope of the practice of general contracting are performed by a licensed
general contractor. Adds to the criteria that a governmental entity must establish for determining the
circumstances under which engaging a design criteria design professional is appropriate for a project to
include a comparison of the costs and benefits of using the design build delivery method for a project
instead of separate prime bidding, single prime bidding, or construction-management-at-risk contracts.

Amends GS 115C-521 to allow a local board of education to use prototype designs from the
clearinghouse in GS 115C-521(e) that is a previously approved and constructed project by the School
Planning Division of the State Board of Education and other appropriate review agencies. Allows
contracting with the architect of record to changes and upgrades necessary for regulatory approval.

Establishes a Purchase and Contract Study Committee to study the issue of pre-qualification on public
non-transportation construction work for local and state government projects. Establishes four issues to
be studied. Requires a report to the General Assembly on or before the convening of the 2014 Session of
the 2013 General Assembly.

Changes the effective date of the act from October 1, 2013, to 30 days after the act becomes law.
Clarifies that the act does not supersede any prior enacted local act of the General Assembly enacted on
or before July 1, 2013.

Summary date: Jul 23 2013

House amendment makes the following changes to the 5th edition.

Amends GS 143-64.31, Declaration of public policy, providing in subsection (d) that in the event a public
body fails (previously, willfully fails) to submit the required reports of this section, the same public body
will be prohibited from utilizing certain delivery methods provided for in GS Chapter 143 until the
reporting requirement is met. Further amends the subsection to add that contracts entered into in
violation of this prohibition will not be deemed ultra vires, and remain valid and fully enforceable.
Provides for injunctive relief by persons, corporations, or entities that have submitted bids or responses
to a request for proposals by the public body that has not complied with the reporting requirement of
this section. No monetary damages will be awarded and attorneys' fees for the plaintiff or the defendant
will only be awarded as allowed pursuant to GS 1A-11 or GS 6-21.5. Actions seeking injunctive relief
must be filed within four years from the date that the owner took beneficial occupancy of the project for
which the report remains due.

Summary date: Sep 3 2013

AN ACT AUTHORIZING PUBLIC CONTRACTS TO UTILIZE THE DESIGN BUILD METHOD OR PUBLIC PRIVATE
PARTNERSHIP CONSTRUCTION CONTRACTS. Enacted August 23, 2013. Effective thirty days after August
23, 2013.
SL 2013-402

REMOVE AREA FROM COUNTY SERVICE DISTRICT.

Bill H 552

Summary date: Apr 3 2013

Enacts new GS 153A-303.1 allowing a board of commissioners, by resolution after holding a public hearing, to remove territory from a service district, upon finding that (1) 100% of the owners of real property in the territory to be removed have petitioned for removal; (2) the territory to be removed no longer requires the services, facilities, or functions financed, provided, or maintained for the district; and (3) the service district was created only to provide sewage collection and disposal systems or water supply and distribution systems, or both. Requires the board to file a report concerning the proposed changes before holding the public hearing. Contains notice requirements for the public hearing. Provides that the resolution reducing the district boundaries takes effect at the beginning of the fiscal year commencing after its passage.

Summary date: Jul 24 2013

Senate amendment makes the following change to the 1st edition.

Amends new GS 153A-303.1 to expand the standards upon which a board of commissioners may by resolution remove territory from a service district to include a finding that the service district does not have any obligation or expense related to the issuance of bonds.

Summary date: Sep 3 2013

AN ACT TO PROVIDE A PROCEDURE TO REMOVE AN AREA FROM A COUNTY SERVICE DISTRICT. Enacted August 23, 2013. Effective August 23, 2013.

SL 2013-403

AMEND REAL ESTATE APPRAISERS' LAWS/FEES.

Bill H 565

Summary date: Apr 4 2013

Amends GS 93E-1-3(a), providing that a registered trainee can prepare an appraisal report under the supervision of a certified real estate appraiser (previously, a registered trainee could prepare an appraisal report under the supervision of a licensed or certified appraiser). Makes changes throughout to remove reference to licensed appraisers.
Amends GS 93E-1-6 (*Qualifications for registration and certification; applications; application fees; examinations*), providing that an applicant for certification as a certified residential real estate appraiser or certified general real estate appraiser must hold a bachelor’s degree from an accredited college or university (or community college in the case of residential appraiser). Also requires an applicant to have satisfactorily completed a course of instruction in real estate appraisal principles; such courses must have been completed on or after January 1, 2008. Extends the experience period in which one must obtain a specified number of experience hours or the minimum requirement as imposed by the Appraisal Foundation to an eight-year period immediately preceding the date of the application (was, five-year period immediately preceding). Requires all applicants to consent to a criminal history record check, refusal of which can serve as grounds for denial of an application. Provides the policy, procedures, and processes for the record checks and safekeeping of confidential information.

Amends GS 93E-1-6.1 (*Trainee supervision*), requiring all trainees and any appraisers desiring to supervise a trainee to complete a course in trainee supervision, as required in rules adopted by the North Carolina Appraisal Board (Board).

Amends GS 93E-1-8 (*Education program approval and fees*), making technical and conforming changes.

Amends GS Chapter 93E by creating a new 93E-1-15 (*Payment of fees by electronic means*), providing that the Board may allow any of its fees to be paid through electronic means. A processing fee that does not exceed the actual cost to the Board for the processing can be charged.

Amends GS 93E-2-4 (*Qualifications for registration; duties of registrants*), providing that the registration issued by the Board to appraisal management companies will certify that the entity has established a trust or escrow account in which the portion of all receipts from the entity's clients that are to be paid to appraisers are deposited into the account when the fees are received from the entity's client. This certification will also include the name of the financial institution in which the account is established. Also requires that the trust or escrow account will be a demand deposit account in a federally insured depository institution conducting lawful business in North Carolina that agrees to make the institution's records of the appraisal management company's accounts available for inspection. Also requires that registered appraisal management companies ensure that appraisers receive fees within 45 days of the date the appraisal is transmitted.

Amends GS 93E-2-6 by adding a new subsection, GS 93E-2-6(d), providing that the Board may allow any of its fees to be paid through electronic means. A processing fee that does not exceed the actual cost to the Board for the processing can be charged.

Amends GS 93E-2-8 (*Disciplinary authority*), providing that if an applicant or registrant has commingled appraisal fees owed to appraisers with the appraisal management company's operating or other funds, or failed to maintain proper trust or escrow accounts, the Board can deny, suspend, revoke, or refuse to issue or renew the registration of an appraisal management company. Provides that all financial records related to the required trust or escrow account will be subject to audit for cause or random audit, subject to the discretion of the Board. Inspection of these records does not require prior notice. Written authorization will be given to the bank, allowing the bank to release any and all requested information.
relative to the accounts, to the parties authorized under this section to inspect those records. Provides the Board is exempt from the requirements of GS Chapter 53B, regarding subpoenas issued to compel the production of a licensee’s trust account records held by an appraisal management company.

Amends GS 93E-2-9 by adding a new subsection, GS 93E-2-9(c1), requiring every appraisal management company to maintain complete records showing the deposit, maintenance, and withdrawal of appraisal fees held in escrow or in trust for appraisers. The Board can require copies of these records to be sent to them. The CEO or financial officer of the appraisal management company will certify under oath to the veracity and accuracy of the copies. Expenses associated with these records will be borne by the company.

Amends GS 114-19.30 (Criminal history record check of applicants or registrants for registration as real estate appraisal management companies), changing title of the section to Criminal history record check of applicants for trainee registration appraiser certification, or registrants for registration as real estate appraisal management companies. Provides that the Department of Justice can also provide to the NC Appraisal Board, from the State and National Repositories of Criminal Histories, the criminal history of any applicant or registrant for registration under Article 1 of GS 93E (was, only applicants or registrants under Article 2 of GS 93E).

Effective July 1, 2014.

Summary date: Jun 13 2013

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

Amends GS 93E-1-6, concerning qualifications for registration and certification for real estate appraisers, deleting language referring to the licensure or to licensed real estate appraisers.

Amends GS 93E-1-9, changing title to Nonresident registration and certification, and GS 93E-1-11(a), deleting any mention of licensure or licensed real estate appraisers, in lieu of referring to registered or certified real estate appraisers.

Amends GS 93E-2-4, providing that in order to be registered as an appraisal management company, the registration must include, among other things, a certification that the entity has a trust or escrow account in which a portion of all receipts from the entity's clients are to be paid to appraisers are deposited into the account when the fees are received (previously, only required the entity to obtain a surety bond). Provides that registered appraisal management companies must ensure that appraisers receive fees within 45 days (was, 30 days).

Deletes provisions concerning the surety bond requirement and provides new language requiring the trust or escrow account of registered appraisal management companies to be a demand deposit account in a federally insured depository institution lawfully doing business in North Carolina that agrees to make the institution's records of the appraisal management company's trust or escrow account available for inspection by the Commission's representatives. Deletes language in GS 93E-2-6
that required each applicant for registration or renewal as an appraisal management company to pay
$500 into the Appraisal Management Company Recovery Fund.

Amends GS 93E-2-8, Disciplinary authority, deleting language regarding the maintenance of a surety
bond. Establishes that an appraisal management company can be disciplined for commingling the
appraisal fees owed to appraisers with the appraisal management company's operating or other funds
or for failure to maintain and deposit in a trust or escrow account in a bank as required. Adds language
that allows the Board to conduct financial audits of the trust or escrow accounts, without prior approval.
Requires the management company to provide written authorization to the bank to release such
information as needed to inspect those records. Establishes that the Board is exempt from the
requirements of GS 53B, which requires the issuance of subpoenas to compel the production of a
licensee's trust account records.

Deletes previously included new section GS 93E-2-12, Appraisal Management Company Recovery Fund.

Amends GS 93E-2-9, adding subsection (c1), requiring every appraisal management company to meet
specified recordkeeping requirements in regards to the trust and escrow account.

Deletes provision providing that persons previously certified or licensed by the Board are deemed to
have met specified requirements of this act.

Amends effective date to July 1, 2014 (was, January 1, 2014).

Summary date: Jun 27 2013

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

Deletes previous changes made to GS 93E-1-6(a), (2)a and (3)a, regarding requirements for certification
as a residential or general real estate appraiser.

Deletes Section 7 from the act, which contained a new proposed section, GS 93E-1-15, payment of fees
by electronic means.

Amends proposed section GS 93E-2-12, Appraisal Management Company Recovery Fund, making
clarifying changes to subsection (b). Makes organizational and clarifying changes to subsection (d) and
(e).

Summary date: Jul 17 2013

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

Amends 93E-1-6, now titled Qualifications for registration, licensure, and certification; applications;
application fees; examinations, providing for the licensure as a licensed real estate appraiser, requiring
written application to the Board on the forms prescribed by the Board, which sets forth the applicant's
qualifications for licensure. Provides that applicants desiring to be licensed real estate appraisers must
satisfy four requirements, (1) hold an associate's degree or higher from an accredited college,
community college, or university, (2) demonstrate to the Board that the applicant possesses the knowledge and competence necessary to perform appraisals of real property by having satisfactorily completed a course of instruction of at least 150 hours of classroom instruction, with specified subjects, completed on or after January 1, 2008, (3) present evidence of at least 2,500 hours, or the minimum required by the federal government if greater, of experience in real estate appraising within the immediately preceding eight-year period preceding the date of the application and over at least a two calendar year period, and (4) satisfy any additional criteria as may be imposed by the Board.

Provides that applicants that desire to become certified residential real estate appraisers must hold a bachelor's degree from an accredited college or university (previously, required a qualified associate's degree or provided for certain equivalencies to the requirement of a bachelor's degree).

Provides that applicants that desire to become certified general real estate appraisers must hold a bachelor's degree or higher from an accredited college or university (previously, provided for certain equivalencies to the requirement of a bachelor's degree).

Deletes proposed changes to sections GS 93E-1-9, concerning nonresident registration and certification, GS 93E-1-11(a), concerning specified duties of the Executive Director of the Board, and GS 93E-2-6, concerning fees and renewals.

Amends GS 114-19.30, making conforming changes, providing for criminal history record checks of applicants for appraiser licensure.

Deletes proposed section 93E-2-12, Appraisal Management Company Recovery Fund.

Authorizes the Legislative Research Commission to study issues relating to the NC Appraisal Board, limited to the advisability of establishing a recovery fund to provide restitution to appraisers. Sets out six items the Commission can study, including the need for the fund and whether a surety bond is adequate and conducting a cost benefit analysis of the recovery fund. Effective when the act becomes law.

Summary date: Sep 3 2013

AN ACT TO AMEND THE LAWS REGULATING REAL ESTATE APPRAISERS. Enacted August 23, 2013. Sections 10 and 11 are effective August 23, 2013. The remainder is effective January 1, 2014.

SL 2013-404

MODIFY JUDICIAL DISCIPLINE.

Bill H 652

Summary date: Apr 9 2013

Amends GS 29-19 and GS 30-17, as the title indicates. Applies to estates of persons dying on or after the date that the act becomes law.
House amendment to the 1st edition makes a technical and clarifying change.

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

Deletes all provisions of the 2nd edition and replaces it with the following.

Amends GS 7A-374.2 to modify the definition for public reprimand to mean a finding by the North Carolina Supreme Court based upon a written recommendation of the North Carolina Judicial Standards Commission (Commission) that a judge has violated the Code of Judicial Conduct (Code) and has engaged in minor misconduct that is prejudicial to the administration of justice (was, means a written action of the Commission issued upon a finding by the Commission that a judge violated the Code).

Amends GS 7A-376, concerning the powers of the Commission, to provide that the Supreme Court, based on a written recommendation by the Commission, has the power to issue a public reprimand to a judge, removing that power from the Commission. Changes the title of GS 7A-376 to Grounds for discipline by Commission; public reprimand, censure, suspension, or removal by the Supreme Court. Makes conforming changes.

Amends GS 7A-377, concerning the procedures of the Commission, providing that the Commission cannot recommend a justice or judge for a public reprimand unless she or he has been given a hearing affording due process of law. Provides that all records, investigations, recommendations, and hearings of the Judicial Standards Commission and hearings by the Supreme Court are confidential until the Supreme Court issues a public reprimand, censure, suspension, or removal (previously, they were not considered confidential). Makes conforming changes relating to the issuance of public reprimands by the Supreme Court, upon recommendation by the Commission.

Repeals GS 7A-378 regarding the censure, suspension, or removal of any justice of the North Carolina Supreme Court.

Changes the long and short title of this act to reflect the changes in bill content.


SL 2013-405

RETIREMENT ADMINISTRATIVE CHANGES ACT OF 2013.

Bill H 359
Amends GS 135-5(m2), allowing members of the North Carolina Public School Teachers' and Professional Educators' Investment Plan at any time coincident with or following retirement to make a one-time election to transfer any portion of the member's eligible accumulated contributions, not including any Roth after-tax contributions or earnings to the Teachers' and State Employees' Retirement System and receive a special retirement allowance, based on the member's transferred balance (previously, the Teachers' and Professional Educators' Investment Plan was not included under these provisions). Makes conforming, clarifying, and technical changes.

Amends GS 135-106(b), making conforming and technical changes.

Amends GS 135, by creating a new Article, Article 7 (Qualified Excess Benefit Arrangement for Certain Plans Administered by the Department of State Treasurer).

Creates GS 135-150, (Definitions), adding the definitions for terms as they are to be applied to this section. Includes Board of Trustees, Internal Revenue Code, payee, Qualified Excess Benefit Arrangement, and retirement systems.

Creates GS 135-151 (Qualified Excess Benefit Arrangement) (QEBA). QEBA is established and is effective January 1, 2014, placed under the management of the Board of Trustees, to provide the part of a retirement allowance or benefit that would otherwise have been payable by a Retirement System except for limitations under section 415(b) of the Internal Revenue Code (IRC). QEBA is intended to constitute a qualified excess benefit arrangement under section 415(m) of the IRC.

Eligibility to participate in the QEBA. Payees will participate in the QEBA effective as of January 1, 2014, for any calendar year during which he or she receives retirement allowance or benefit from one or more retirement systems that is reduced due to the application of the maximum benefit provision of section 415(b) of the IRC.

Supplemental benefit payable under the QEBA. Effective January 1, 2014, a payee will receive a monthly supplemental benefit equal to the difference between the amount of that payee's monthly retirement paid under the applicable system on or after January 1, 2014, and the amount that would have been payable if not for the reduction due to the application of section 415(b) of the IRC. The supplemental benefit will be computed and payable under the same terms, at the same time, and to the same person as the related benefit payable under the applicable retirement system. Supplemental payments cannot be deferred.

Funding of the QEBA. The QEBA will be unfunded within the meaning of the federal tax law. No payee contributions or deferrals can be made or allowed. The Board of Trustees, upon recommendation of the actuary engaged by the Board, will determine the employer contributions required to pay benefits due under the QEBA for each fiscal year. Required contributions will be paid by each employer with respect to which payee's benefit under QEBA is attributable. The required contributions will be deposited in a
separate fund. The benefit liability of the QEBA will be determined each fiscal year and assets will not be accumulated to pay benefits in future fiscal years.

**Treatment of unused assets.** Assets of the QEBA plan not used to pay benefits in the current fiscal year will be used for payment of the administrative expenses of the QEBA for the current or future fiscal years or will be paid to the appropriate Retirement System as an additional employer contribution.

**Assets subject to claims of creditor.** A payee or payee’s beneficiary or heirs have no right and no property interest in any assets held to support the liabilities under this Article. If any right to acquire and receive benefits under the QEBA exists, the right will be no greater than the right of any unsecured general creditor of the state of North Carolina or such other applicable employers.

**Administration.** The QEBA will be administered by the Board of Trustees. They will compile and maintain all records necessary for administration. They will have full discretionary authority to interpret, construe, and implement the QEBA and to adopt any rules or regulations necessary to implement the provisions of this section.

**No assignment.** Except as provided in other provisions or statutes, or court-ordered equitable distribution, supplemental benefits under this article will be exempt from levy and sale, garnishment, attachment, or any other process and will be unassignable, unless provided otherwise.

**Reservation of power to change.** The General Assembly reserves the right to modify or amend the provisions of the QEBA. No member of the Retirement System covered by this Article and no beneficiary of such a member will be deemed to have acquired any vested right to any supplemental payment under this Article.

Effective January 1, 2014

**Summary date:** May 9 2013

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

Changes long title.

Amends GS 135-106(b), making clarifying changes to provisions dealing with long-term disability, providing that the amounts payable are to be reduced by Social Security disability benefits to which the beneficiary may be entitled, effective as of the first of the month following the month of initial entitlement.

Amends title of GS Chapter 135, Article 7, changing it to *Qualified Excess Benefit Arrangement*.

Amends GS 135-150, *Definitions*, deleting a reference to GS 128-28 in the definition of *Board of Trustees*. Amends the definition of *Retirement Systems* to only refer to the Teachers’ and State Employees’ Retirement System; deletes references to the NC Local Government Employees’ Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System.
Amends GS 135-151, *Qualified Excess Benefit Arrangement*, making clarifying and conforming changes. Enacts new GS 135-151(j), establishing a sunset provision for participation in QEBA, which provides that no member of the Teachers' and State Employees' Retirement System retiring on or after January 1, 2015, will be eligible to participate in the QEBA.

Enacts new GS 128-38.10, *Qualified Excess Benefit Arrangement*, which amends the Retirement System for counties, cities, and towns to address QEBA. Establishes QEBA, effective January 1, 2014, and places it under the management of the Board of Trustees, with the sole purpose of providing part of the retirement allowance or benefit that would otherwise be payable by the NC Local Government Employees' Retirement System, except for the limitations under section 415(b) of the Internal Revenue Code (IRC). Sets out other provisions and regulations for the QEBA that apply to the NC Local Government Employees' Retirement System, which are identical to the provisions for the QEBA for the Teachers' and State Employees' Retirement System, including the above added sunset provision.

Amends GS 135-9, *Exemption from garnishment, attachment, etc.*, and GS 128-31, *Exemptions from execution*, providing that an Application for System approval of a domestic relations order dividing a person's interest under the Retirement System must be accompanied by an order consistent with the system-design template order provided on the System's website.

**Summary date:** Jun 26 2013

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

Amends GS 135-5(m2) to allow a member of the Teachers' and State Employees' Retirement System (TSERS) who became a member of the Supplemental Retirement Income Plan (SRIP) before retiring and who remains a member to make a one-time election to transfer eligible balances, not including any Roth after-tax contributions and earnings, from specified plans to SRIP, subject to applicable SRIP requirements, and then through SRIP to TSERS. Provides a list of the specified plans.

Provides that an individual who transfers an eligible retirement plan under subsection (m2) to TSERS is taxed for state income tax purposes on the special retirement allowance as if that special retirement allowance was paid directly by the eligible plan or the plan through which the transfer was made, whichever is most favorable to the member.

Prohibits an eligible plan from assessing a fee specifically related to a transfer of accumulated contributions, but does not prohibit other fees assessable under the plan. Requires each plan, contract, account, or annuity to fully disclose to any member participating in a transfer any surrender charges or other fees contemporaneously with the initiation of the transfer by the member.

Makes organizational changes to this section.

Amends new GS 135-151(c) to provide that the supplemental benefit paid under the Qualified Excess Benefit Arrangement (QEBA) is taxable under NC law in the same manner as the benefit paid under TSERS. Amends new GS 128-38.10 (providing for QEBA under the Local Governmental Employees'
Retirement System [LGERS]) to make identical provision regarding the taxability of the supplemental benefit paid under QEBA. Effective January 1, 2014.

Amends GS 135-3(8)d to provide that a beneficiary who retired on an early or service retirement allowance and then returns to service as a teacher or employee and earns at least three years membership service must have creditable service earned while receiving disability benefits under GS Chapter 135, Article 6, counted as membership service for purposes of computing the member's retirement allowance. Effective January 1, 2012, and applies to persons retiring on or after that date.

Amends GS 135-4(ff) pertaining to retroactive membership in TSERS. Provides that a member reinstated to service retroactively to the date of prior involuntary termination, with back pay, may be allowed membership service after submitting clear and convincing proof of the reinstatement, payment of the back pay, and restoration of associated benefits. Provides criteria for when the reinstatement is by court order and criteria when reinstatement is by settlement agreement. Makes identical amendments to GS 128-26(v) pertaining to retroactive membership service in LGERS.

Adds a severability clause to this act. Amends the title of the act to reflect changes to the content.

Except as otherwise indicated, this act becomes effective July 1, 2013 (was January 1, 2014).

Summary date: Jul 17 2013

Senate amendment to the 3rd edition makes the following changes. Makes Section 4 of the act (changes to statutes concerning exemption from garnishment, attachment, and execution) effective September 1, 2013 (was, July 1, 2013).

Summary date: Sep 3 2013

AN ACT TO MAKE CHANGES TO ADMINISTRATION OF THE STATE RETIREMENT SYSTEMS THAT WILL EXTEND THE TRANSFER BENEFIT OPTION TO PARTICIPANTS IN THE 403(B) SUPPLEMENTAL RETIREMENT PLAN, CLARIFY THE TIMING OF THE SOCIAL SECURITY OFFSET FOR LONG-TERM DISABILITY BENEFITS, ESTABLISH A 415(M) BENEFITS PRESERVATION ARRANGEMENT AS ALLOWED UNDER FEDERAL LAW, AND PROVIDE THAT DOMESTIC RELATIONS ORDERS DIVIDING INTERESTS UNDER THE RETIREMENT SYSTEM MUST BE SUBMITTED ON APPROVED FORMS, AND TO CORRECT AN OVERSIGHT IN THE DISABILITY INCOME PLAN, AND TO AMEND THE PROVISIONS FOR ALLOWANCE OF RETROACTIVE MEMBERSHIP SERVICE IN THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM AND THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM. Enacted August 23, 2013. Section 3 is effective January 1, 2014. Section 5 is effective January 1, 2012, and applies to persons retiring on or after that date. Section 4 is effective September 1, 2013. The remainder is effective July 1, 2013.

SL 2013-406

MODIFY INTERNAL AUDITING STATUTES.
Bill H 417

Summary date: Mar 26 2013

Amends GS 143-745 as follows. Amends the definition of agency head to also include the President of the Community College System, the State Controller, and other independent appointed officers with authority over a state agency and removes the Superintendent of Public Instruction. Also amends the definition of state agency to include all institutions, boards, commissions, and authorities that are a unit of the state executive branch; makes conforming changes and provides that the term does not include a unit of local government.

Deletes provisions of GS 143-746(c) and instead states that any state employee who performs the internal audit function must meet the minimum qualifications for internal auditors established by the Office of State Personnel. Amends GS 143-746(d), providing that the Director of Internal Auditing (Director) will report to (1) the agency head; (2) the chief deputy or chief administrative assistant; or (3) the agency governing board, if the board exists. States that the Director will be situated to avoid impairing independence. Makes other clarifying changes to GS 143-746.

Makes other clarifying changes to GS 143-147.

Enacts new GS 143-748 providing that internal audit work papers are confidential except as otherwise provided or upon subpoena. Provides that a published internal audit report is public record as long as the information is not confidential under federal or state law or would not compromise security of a state agency. Provides for the retention and inspection of audit reports and reports of other examinations, investigations, surveys, and reviews.

Effective for offenses committed on or after December 1, 2013, enacts new GS 143-749 making it a Class 2 misdemeanor for any state agency officer, employee, or agent to willfully make or cause to be made to an agency internal auditor or designee any false, misleading, or unfounded report in order to interfere with the performance of an audit, special review, or investigation, or to hinder or obstruct the auditor in performing the auditor's duties.

Summary date: Apr 22 2013

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

Amends GS 143-746 to require minimum qualifications for internal auditors established by the Office of State Personnel be developed in consultation with the Council of Internal Auditing.

Amends GS 143-747 to add the UNC President as a member of the Council of Internal Auditing.

Makes a technical correction to GS 143-748.

Summary date: May 15 2013

House committee substitute makes the following changes to the 2nd edition.
Amends GS 143-746 by adding new subsection (e) to require the Office of State Budget and Management to provide technical assistance to state agencies with insufficient personnel to comply with this section's provisions regarding internal auditing requirements.

Summary date: Jul 24 2013

Senate amendments make the following changes to the 3rd edition.

Amendment #1 amends GS 143-747 to remove the President of the University of North Carolina as a member of the Council of Internal Auditing.

Amendment #2 makes the following changes.

Amends GS 143-745(a)(1) to designate the State Board of Education as the agency head for the Department of Public Instruction.

Amends GS 143-746(d), which directs an agency head to appoint a Director of Internal Auditing (Director), to provide that the Director is to report to the agency head or other specified entities as designated by the agency head.

Summary date: Jul 25 2013

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

The House concurs in Senate Amendment #A1 and Senate Amendment #A2.

Summary date: Sep 3 2013

AN ACT TO MODIFY THE INTERNAL AUDITING STATUTES APPLICABLE TO LARGE STATE DEPARTMENTS AND THE UNIVERSITY SYSTEM. Enacted August 23, 2013. Effective August 23, 2013. GS 143-749, as enacted by this act, applies to offenses committed on or after December 1, 2013.

SL 2013-407

REWRITE UNDERGROUND DAMAGE PREVENTION ACT.

Bill H 476

Summary date: Mar 28 2013

Repeals Article 8 (Underground Damage Prevention) of GS Chapter 87.

Enacts new Article 8A (Underground Utility Safety and Damage Prevention Act) of GS Chapter 87. Provides that the act supersedes and preempts any city or county ordinance (1) requiring operators to obtain city or county permits to identify facilities; (2) requiring pre-marking or marking of facilities; (3) specifying the types of paint or other marking devices that are used to identify facilities; or (4) requiring
removal of unexpired marks, which will be the responsibility of the city or county. Defines a facility as an underground line, underground system, or underground infrastructure used for producing, storing, conveying, transmitting, identifying, locating, or distributing communication, electricity, gas, petroleum, petroleum products, hazardous liquids, water, steam, or sewage. Prohibits costs or expenses associated with an excavator's compliance with the Article from being charged to an operator and prevents the operator's costs or expenses of compliance from being charged to any excavator. Prohibits the Notification Center from imposing charges.

Requires the operators (any person, public utility, communications or cable service provider, municipality, electrical utility, or electric or telephone cooperative that owns or operates a facility in the state) to maintain a Notification Center (Center) to provide services required in the Article and to join the Center and use the Center's services to perform required acts. Sets deadlines for joining the Center based on the entity's number of customers. Sets the Center's duties and responsibilities, including establishing and operating a damage prevention training program for members. Requires the Center to receive notice from persons intending to excavate or demolish in the state and to transmit specified information to the appropriate operator.

Establishes information that the operator must provide to the excavator and specifies timelines by which the information must be provided. Sets out further provider responsibilities including preparing installation records for facilities installed in a public street, alley, or right-of-way dedicated to public use. Requires facilities installed on or after the effective date of the Article to be electronically locatable. Allows an operator to reject an excavation or demolition notice due to homeland security considerations.

Establishes excavator responsibilities, including providing notice to the Center of the intent to excavate or demolish. Provides timing requirements for different types of notice. Sets out information that must be included in the notices. Requires excavators to comply with 10 specific requirements including confirming a positive response system through the System before excavation or demolition that all operators have responded and that all facilities affected have been marked, planning the excavation or demolition to avoid damage or minimize interference with facilities, and giving the operator a reasonable time in which to remove or protect the operator's facilities before demolition commences.

Sets out exemptions from the notice requirements. Provides for notification to the Center in the case of emergency excavation or demolitions. Makes it a Class 3 misdemeanor to falsely claim that an emergency exists requiring an excavation or demolition.

Requires that notice be given upon discovering damage to a facility. Provides for notification in the instance of damage resulting in the discharge of electricity or the escape of any flammable, toxic, or corrosive gas or liquid.

Allows designers to submit design notice to the Center. Requires a response in a specified manner within 15 working days.
Provides that if an operator has been given notice by the Center and fails to respond or properly locate the facility, the person excavating may proceed with the excavation.

Provides for civil penalties not to exceed $2,500 for each violation of the article. Includes other provisions concerning civil remedies. Includes a severability clause.

Effective October 1, 2014, and applies to all activities regulated by Article 8A, as enacted by the act, that occur on or after that date.

Summary date: May 2 2013

House committee substitute to the 1st edition makes the following changes. Amends the declaration of policy and purpose to clarify that it is necessary to protect from costly damage underground facilities used for distributing communication, among other items.

Amends GS 87-119 (Costs associated with compliance; effect of permit) to provide that the statute will not affect costs related to the operation of the Notification Center apportioned to an operator.

Amends GS 87-120 (Notification Center; responsibilities) to require the Notification Center to maintain information concerning receipt of notification of proposed excavation and demolition activities as provided in the Article and information received from operators concerning the location of the operators' facilities and the operators' positive responses to marking of the facilities. Provides that the Notification Center is not responsible for identifying or marking facilities for operators. Also provides that the Notification Center is not an agency of the state or any of the state's political subdivisions and is not subject to the provisions of GS Chapters 132 or 133. Amends the definition of Notification Center in GS 87-117 to remove these same provisions from the definition. Also amends GS 87-120 to require each engineering division of the Department of Transportation established under GS 136-14.1 to join the Notification Center by October 1, 2016. Requires all operators who do not meet one of the specified criteria in this statute (was, in the statute and Divisions 1-14 in the Department of Transportation, Transportation Program and Asset management function), to join no later than October 1, 2016.

Makes a clarifying change to GS 87-123.

Amends GS 87-128 to require the Office of the State Fire Marshall to submit a report detailing a violation of the Article by any contract locator, excavator, locator, operator, or other person to the NC Utilities Commission, which must then hold a hearing to determine the severity of the violation and assess a civil penalty.

Enacts new GS 87-129 (and renumbers already proposed GS 87-129 as GS 87-130) to authorize the Office of State Fire Marshall (Office) to receive funds from the US Department of Transportation for the regulation of facilities. Requires operators to pay a fee to the Office to fund investigation of violations, with the fee based on the number of miles of facilities the operator owns, operates, or maintains in the state, not to exceed $1 per mile.

Summary date: Jun 19 2013
House committee substitute to the 2nd edition makes the following changes.

Amends GS 87-117 to change the definition of APWA to the American Public Works Association or its successors (was, or its successor organization or entity). Amends the definition of locator to require that the individual also be trained, with documentation. Amends the definition of Notification Center (Center) to also require that people be able to submit reports of alleged violations to the Center.

Amends GS 87-120 to add that the Center must also receive, maintain, and provide general administration of reports of alleged violations of the Article and responses. Provides that the Center is not responsible for resolving reports of alleged violations. Requires that the Center's board of directors develop a reasonable method of apportioning the costs of operating the Center among the member operators, which must be published to the member operators and approved by a majority of the member operators (was, the board must provide for a reasonable method of apportioning costs of operating the Center among the member operators). Amends the Center's duties to add (1) maintaining a record of reports of alleged violations for at least four years, including responses; (2) notifying a person against who reports of alleged violations have been made and maintain information submitted from those persons in defense against the allegations; and (3) prohibiting recovering damages from the Center arising out of the manner in which the Center receives, transmits, or otherwise administers a report of an alleged violation. Adds that the Center must contact persons against who reports have been filed to inform them of the alleged violation within 10 days of the filing of the report. Specifies information that the Center must maintain concerning alleged violations.

Amends GS 87-123 to exclude from specified notice requirements an excavation or demolition performed by a railroad entirely on land owned or operated by the railroad or, in an emergency, adjacent land. Provides that no provision of the Article applies to any railroad which owns, operates, or permits facilities under land which the railroad owns or operates.

Amends GS 87-126 to require a response within 10 (was, 15) working days after a design notice for a proposed project has been submitted to the Center. Amends one of the listed ways that an operator may respond to include providing to the person submitting the design notice the best available description of all facilities in the area designated by the design notice (was, all facilities in the area of the proposed excavation) and specifies what that may include.

Deletes proposed GS 87-128 (Investigations; enforcement; civil penalties) and proposed GS 87-129 (authorizing the Office of the State Fire Marshall to receive funds for the US Department of Transportation).

Enacts new GS 87-128. Requires the Center to establish an Underground Damage Prevention Review Board (Board) to review reports of alleged violations. Specifies qualifications of the 15 Board members, who are appointed by the Governor. Requires the Board to meet at least quarterly and to act as an arbitrator between the parties to a report. Requires the Board to notify an individual in writing upon determining that the individual has committed a violation and gives a violating party the chance to request a hearing before the Board. Allows a violating party to initiate an arbitration proceeding before the Utilities Commission, requiring a $250 filing fee. Allows for appeal after the conclusion of the binding
arbitration process. Provides that violations of the Article are subject to penalties. Penalties are as follows: (1) training, education, or both, when the violation was the result of an accident; (2) $1,000, training, education, or a combination, if the violation was due to ordinary negligence; and (3) $2,500, training, and education if the violation was the result of gross negligence or willful or wanton conduct.

**Summary date:** Jun 20 2013

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

Amends GS 87-120(b) to clarify that before adopting a method of determining the cost allocation for operating the Notification Center, the board of directors must publish the proposed method of cost allocation to the member operators, and the proposed allocation method must be approved by the member operators.

Enacts new GS 87-122.1 to require every person who is an excavator, locator, or operator due to engaging in these activities in the course of a business or trade to provide education and training to employees and provide documentation of such. Specifies what must be included in the training. Provides that the duty to provide education and training does not apply when the excavator, locator, or operator retains an independent contractor; requires independent contractors to provide employee training. Requires that excavation be conducted in accordance with OSHA Standard 1926 and under the direction of a competent person. Requires locators to be properly trained, with training documented.

Amends GS 87-123 to exclude from the notice requirements an excavation or demolition that involves tilling of soil for agricultural purposes (was, excavation or demolition that involves the tilling or plowing of soil less than 12 inches in depth for agricultural purposes). Also adds an exclusion from the notice requirements for an excavation or demolition performed by a farmer on his or her own property that does not encroach on any operator's right of way, easement, or permitted use.

Amends GS 87-128(b) to make clarifying changes and to add that the parties are responsible for selection and contracting with the arbitrator. Amends GS 87-128(c) to require that the Utilities Commission order issued upon the completion of the arbitration process include assessing the costs of arbitration to the non-prevailing party (was, include an award of the costs of arbitration to the prevailing party).

**Summary date:** Jul 2 2013

Senate committee substitute to the 5th edition changes the number of proposed GS 87-122.1 to GS 87-123 and makes conforming changes to the statute numbers.

**Summary date:** Jul 16 2013

Senate committee substitute to the 5th edition makes the following changes.

Amends the exemptions in GS 87-124 to provide that the notice requirements also do not apply to an excavation or demolition for agricultural purposes performed on property that does not encroach on
any operator’s right of way, easement, or permitted use, and to the excavation of a grave space, the
installation of a monument or memorial at a grave space, or an excavation related to the placement of a
temporary structure or tent by a cemetery that does not encroach on any operator’s right of way,
easement, or permitted use. Removes an excavation or demolition performed by a farmer on the
farmer’s own property from the list of exemptions. Amends the exemption for an excavation or
demolition performed by the owners of a single-family residential property on the owner’s own land to
no longer require that the excavation or demolition be less than 10 inches deep.

Amends GS 87-129 to provide that if a violation of the Article was the result of willful or wanton
negligence or intentional conduct (was, result of gross negligence or willful or wanton conduct), the
penalty is $2,500, required training, and required education.

Summary date: Sep 3 2013

AN ACT REWRITING THE LAWS REGULATING UNDERGROUND UTILITY DAMAGE PREVENTION. Enacted

SL 2013-408

ADJUST LANDFILL PERMIT FEE TIMING.

Bill H 135

Summary date: Feb 20 2013

Enacts new subsection (a2) to GS 130A-294 (concerning solid waste management program) to specify
that permits for sanitary landfills and transfer stations will be issued for (1) a design and operation phase
of five years or (2) a design and operation phase of ten years subject to a limited review within five years
of the permit issuance date. Amends GS 130A-295.8 (concerning permit fees) to add a definition for
major permit modification; adds new application fees for ten-year permits and clarifies that existing fees
apply to five-year permits. Makes a conforming change. Applies to permit applications submitted on or
after July 1, 2013.

Summary date: Jun 10 2013

House committee substitute to the 1st edition makes the following changes. Amends GS 130A-295.8(c)
to add the following permit fees: (1) $2,500 for ten year tire monofill permit; (2) $2,000 for ten year tire
monofill amendment; and (3) $625 for tire monofill, major modification.

Summary date: Sep 3 2013

AN ACT TO MAKE ADJUSTMENTS TO THE FEE SCHEDULE FOR PERMITS FOR SANITARY LANDFILLS AND
TRANSFER STATIONS TO REFLECT EXTENSION OF THE DURATION OF THESE PERMITS AS DIRECTED BY S.L.

**SL 2013-409**

**AMEND LOCAL SOLID WASTE PLANNING.**

**Bill H 321**

**Summary date:** Mar 14 2013

Amends GS 130A-309.09A to delete the requirement that a local government develop a comprehensive solid waste management plan. Requires that the local government's annual report to the Department of Environment and Natural Resources (Department) on solid waste management programs and waste reduction activities also include information regarding the prevention of illegal disposal and management of litter and a description of the disaster management program, the scrap tire disposal procedures, and the white goods management procedures.

Makes conforming changes to GS 130A-309.09B, GS 130A-309.09C, GS 130A-309.58, GS 130A-309.81, GS 130A-309.113, and GS 130A-309.137.

Amends GS 130A-309.137, *Electronics Management Fund*, to require that specified documentation, new plans, or revisions to plans must be submitted by December 31 to be eligible for funding during the Department's next distribution. Makes other technical and clarifying changes.

**Summary date:** Jul 2 2013

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

Makes conforming changes to GS 130A-294 (regarding the authority of the Department of Environment and Natural Resources to establish and regulate a statewide solid waste management program) to reflect the repeal of the authority of local governments to develop comprehensive solid waste management plans.

Makes additional technical, clarifying, and organizational changes.

**Summary date:** Jul 2 2013

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

Adds a new subdivision to GS 130A-294(b1) to exempt certain sanitary landfills from having to obtain a franchise to operate from a local government. Provides that a landfill is exempt from the requirement if (1) the property on which the landfill is located is incorporated within a local government's boundaries by an act of the General Assembly and (2) the landfill was validly operating in another jurisdiction before the legislative act became effective. Limits the application of this subdivision to sanitary landfills for
disposing of construction and demolition debris that had a permit from the Department of Environment and Natural Resources to operate the landfill on January 1, 2008.

Amends GS 130A-294(a)(4) to make a technical correction.

Amends the bill title and renumbers the bill sections accordingly.

**Summary date:** Jul 9 2013

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

Amends proposed new GS 130A-294(b1), concerning the exemption for certain sanitary landfills from obtaining a franchise from a local government to operate a sanitary landfill if, among other things, the property on which the landfill is located is incorporated within a local government's boundaries by an act of the General Assembly after 1997 (was, if the property on which the landfill is located is incorporated within a local government's boundaries by an act of the General Assembly).

**Summary date:** Jul 23 2013

Conference report makes the following changes to the 4th edition.

Amends the long title.

Deletes Section 9 of the act, proposed GS 130A-294(b1)(6), which provided that no franchise for the operations of a sanitary landfill can be required from a local government if certain criteria are met.

**Summary date:** Sep 3 2013


**SL 2013-410**

GSC TECHNICAL CORRECTIONS 2013.

**Bill H 92**

**Summary date:** Feb 12 2013

Amends GS 14-17(a) to clarify that a person under the age of 18 at the time of a first-degree murder committed by means as specified in subsection (a) is to be punished in accordance with Part 2A of Article 81B of GS Chapter 15A (Sentencing for Minors Subject to Life Imprisonment Without Parole).

Amends GS 15A-1340.17(c) to specify that on the Prior Record Level chart, a Class A felony includes life imprisonment with parole or without parole, or death as established by statute (was, without parole or death).
Amends GS 74-54(b), GS 74-54.1(c), and GS 74-67, deleting references to the North Carolina Mining and Energy Commission and replacing them with Commission, referencing the Interstate Mining Commission.

Makes additional technical changes and corrections to various provisions in the General Statutes.

**Summary date:** May 8 2013

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

Amends GS 13-1 to clarify that a convicted person's rights are automatically restored upon the unconditional discharge by the agency of the state having jurisdiction of that person (was, by the Division of Adult Correction of the Department of Public Safety).

Amends GS 15A-145.5 to provide that a person may file a petition for expunction of a nonviolent conviction if the person has no other misdemeanor or felony convictions, other than a traffic violation (was, and was also convicted of a nonviolent misdemeanor or nonviolent felony that is eligible pursuant to (b)).

Amends GS 20-183.2(a1) to exempt from safety inspection historic vehicles described in GS 20-79.4(b)(88) [was, defined in GS 20-79.4(b)(63)].

Amends GS 28A-2-6(e) to make a technical correction to a rule number.

Amends GS 115D-12 to make a clarifying change.

Amends GS 122C-22 to make a technical format change.

Amends GS 143B-1100 to provide that the Governor’s Crime Commission of the Department of Public Safety consists of 37 (was, 36) members and five (was, six) nonvoting members.

**Summary date:** May 13 2013

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

Changes the long title.

Enacts new subsection, GS 83A-3(c), providing that the Board of Architecture (Board) has the power to acquire, hold, rent, encumber, alienate, and otherwise deal with real property in the same manner as a private person or corporation, subject only to approval of the Governor and the Council of State. Provides that collateral pledged by the Board for an encumbrance will be limited to the assets, income, and revenues of the Board.

**Summary date:** Jun 24 2013

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

Amends the act's long title.
Amends GS 19A-2 by referring to actions filed under the Article (Article 1, Civil Remedy for Protection of Animals) instead of under GS Chapter 19A and specifies that the venue is in the county where any violation is alleged to have occurred (removes the requirement that it be filed in superior court).

Amends GS 20-171.19(a) to clarify that a person is required to wear eye protection and a helmet when operating an all-terrain vehicle on a public street or highway or public vehicular area when such operation is otherwise legally permitted.

Amends GS 62-333 to make language gender neutral.

Amends GS 116-201(b)(1) to make technical and clarifying changes.

Amends GS 143B-721 to make the catchline gender neutral.

Amends Section 1(b) of SL 2013-1 to make a technical correction.

Amends Section 2 of SL 2013-26 to provide that the Charlotte Charter is located in SL 2000-26.

Amends Section 3 of SL 2013-55 to correct the number of the statute being amended to GS 47-29.1 (was, GS 47-29).

Provides that if House Bill 656 of the 2013 Regular Session becomes law, then GS 20-28.2(a1)(2) will be amended to provide that an innocent owner includes a motor vehicle owner that (1) is a rental car company as defined in GS 66-201(a), and the vehicle was driven by a person who is not listed as an authorized driver on the rental agreement, as defined in GS 66-201 or (2) a rental car company as defined in GS 66-201(a) and the vehicle was driven by a person who is listed as an authorized driver on the rental agreement as defined in GS 66-201 and if the offense resulting in seizure was an impaired driving offense, the rental car company has no actual knowledge of the revocation of the renter’s driver’s license at the time the rental agreement is entered, or if the offense resulting in seizure was a felony speeding to elude arrest offense, the rental agreement expressly prohibits use of the vehicle while committing a felony. Changes will become effective December 1, 2013.

Amends GS 83A-3(c) to provide that the NC Board of Architecture has the power to acquire, hold, rent, encumber, alienate, and otherwise deal with real property in the same way as a private person or corporation, subject only to approval of the Governor and the Council of State. Provides that collateral that is pledged by the Board for an encumbrance is limited to the assets, income, and revenues of the Board.

Provides that if House Bill 276 of the 2013 Regular Session becomes law, then GS 160A-388(b1) will be amended to provide for a technical and clarifying change, effective October 1, 2013.

Amends the enactment clause, clarifying that the act is effective when it becomes law except where otherwise provided.

Summary date: Jul 25 2013
Senate committee substitute makes the following changes to the 4th edition.

Amends the long title.

Makes a technical change to GS 97-29(g), correcting a cross-reference.

Makes a technical change to GS 115C-296(b)(1)c, inserting a missing comma. Effective July 1, 2017, and applies beginning with the 2017-18 school year.

Amends GS 115C-366(a3), making organizational changes and clarifying the school enrollment of military children. Provides that students not domiciled in the state are permitted to attend school if residing with an adult domiciled here if the student's parent or legal guardian was on active military duty and deployed. For the purposes of GS 115C-366(a3)(l)(g)1, the term "active duty" does not include periods of active duty for training purposes for less than 30 days. For GS 115C-366(a3)(l)(g)3, active duty is defined as found in GS 115C-407.5. Provides that assignment under GS 115C-366(a3)(l)(g) is only available if some evidence of deployment, medical discharge, retirement, or death is tendered with the required affidavits under subdivision (3) of the subsection.

Amends GS 116E-4(c), 122C-115(a), and 147-33.81(1), making technical changes.

Amends GS 160A-388(b1), making technical changes effective October 1, 2013.

Directs the Revisor of Statutes to replace the term "cash converter" with "currency converter" wherever it appears in the General Statutes.

Repeals Section 28 of SL 2013-129, concerning placement plans in juvenile cases, effective October 1, 2013.

Provides that Section 1(e) of SL 2013-284, concerning duties of the Treasurer, is repealed if Senate Bill 558 of the 2013 Regular Session becomes law.

Amends Section 2 of SL 2007-112, concerning Carteret County occupancy tax, if House Bill 14 becomes law, making conforming changes to a session law amended by two prior session laws, so that the final amendment reads as intended.

Amends GS 14-118.6(b), providing that no filing fee will be charged when filing a Notice of Denied Lien or Encumbrance Filing.

Amends GS 18B-1006(a) to allow special one-time permits, as described in GS 18B-1002(a)(5), to be issued to UNC-Chapel Hill for the Loudermilk Center for Excellence facility.

Enacts new GS 20-62.1(a)(1a)c, providing protection to the Department of Motor Vehicles (DMV) from liability if it reports a vehicle as not stolen based on available information.

Amends SL 2013-323 to direct the DMV to establish procedures and software solutions, including solutions with private entities for the tracking of salvage vehicles. Procedures and/or software solutions
are to be implemented on or before October 1, 2014, with updates on implementation being submitted to the Joint Legislative Transportation Oversight Committee.

Enacts new section GS 58-50-260, concerning the NC Health Insurance Risk Pool, providing that insurance operations of the Pool will sunset January 1, 2014. Directs the Commissioner of Insurance to submit for approval a dissolution plan on or before September 1, 2013. Sets out 10 issues the dissolution plan must address. Directs the Commissioner to approve the plan if it is found to be suitable to assure the fair, reasonable, and equitable dissolution of the Pool.

Repeals GS 58-50-225(c) effective January 1, 2015.

Repeals GS 58, Article 50, Part 6, Property and Casualty Actuarial Opinions, effective January 1, 2017.

Repeals GS 58-3-276, Notice relating to the North Carolina Health Insurance Risk Pool.

Amends GS 62-82(a), concerning notice of application for generating facilities, removing a reference to "daily" newspapers, allowing publication of notice in newspapers of general circulation without requiring them to be daily newspapers.

Amends GS 66-420(8), changing an "or" to "and," thereby excluding salvage yards from being considered secondary metals recyclers.

Amends GS 84-2.1, amending the definition of the "practice law" governing attorneys, to exclude the drafting or writing of memoranda of understanding or other mediation summaries by mediators at community mediation centers authorized by GS 7A-38.5, or by mediators of employment-related matters for UNC or constituent institutions or for an agency, commission, or board of the state of North Carolina.

Amends GS 93D-1, clarifying that a "hearing aid specialist" is a person licensed by the Board to engage in the activities within the scope of practice of a hearing aid specialist in North Carolina. Enacts new GS 93D-1.1, concerning the scope of practice of hearing aid specialists, setting out 17 activities that encompass the scope, including performing hearing aid repairs and providing hearing health education. Amends GS 93D-2, 93D-3(c)(6), 93D-5(a), 93D-6, 93D-8(a), 93D-11, 93D-12, and 93D-15, all concerning hearing aid specialists, making conforming changes.

Amends GS 97-26, concerning fees allowed for medical treatment, deleting provisions which previously provided a different schedule for payment of medical treatment for services rendered to workers’ compensation patients, now providing that such payment will be based on the Medicare payment methodology.

Amends GS 115D-67.2(b) to amend the membership of the Advisory Board to the North Carolina Center for Applied Textile Technology. Effective when the section becomes law and applies to appointments made for vacancies that arise, or upon the expiration of the existing terms, of members appointed by the NC Manufactures Association Inc., whichever occurs first, with specification as to who the first two and next two appointments are to be made.
Amends GS 116-43.10(c) to remove the requirement that the UNC Board of Governors provide a report on the Academic Common Market program each biennium.

Amends GS 120-133 to provide that nothing in GS Chapter 120 or 132 is construed as a waiver of the common law attorney-client privilege nor of the common law work product doctrine with respect to legislators.

Amends GS 153A-76 to remove the provision excluding a board that has exercised the powers and duties of an area mental health, developmental disabilities, and substance abuse services board as of January 1, 2012, from the prohibition on a board consolidating an area mental health, development disabilities, and substance abuse services board into a consolidated human services board and on abolishing a board, except as provided in GS Chapter 122C.

Amends GS 136-189.10 to amend the definition of \textit{regional impact projects} to specify that rail lines spanning two or more counties that are not included in (1) of the statute, do not include short line railroads. Also specifies that commuter rail, intercity rail, and light rail are included under public transportation services that span two or more counties and that serve more than one municipality. Amends the definition of \textit{division needs projects} to make similar changes. Amends GS 136-189.11(b) to exclude Metropolitan Planning funds from the statute. Amends GS 136-189.11 to amend the provisions concerning the regional impact projects, the division need projects, and the criteria for nonhighway projects to require that Transportation Division Engineer local input scoring take into account public comments and adding other requirements concerning the public comments. Further amends the alternate criteria for division needs projects to include in the computation of each of the division equal shares a project required in support of a time-critical job creation opportunity which would be classified as transformation, provided that the total state investment in each fiscal year for all projects funded under the sub-subdivision does not exceed $10 million in the aggregate and $5 million per project. Amends GS 136-189.11 to clarify and add to the information that must be included on the Department’s website concerning the strategic transportation investments. Amends GS 136-89.199 to provide that the designation of lanes a high-occupancy toll or other type of managed tolls must not reduce the number of existing non-toll general purpose lanes (was, existing general purpose lanes). Amends GS 120-52 to require that the Joint Legislative Transportation Oversight Committee be funded by appropriations made from the Highway Trust Fund to the Department of Transportation. Amends Section 6.1 of SL 2013-183 to require that the formula implementation report also indicate differences between the criteria and weights for highway and non-highway modes between the workgroup recommendations and the final Department recommendations. Amends GS 136-189.11 to require the Department to endeavor to continually improve the method and criteria used to score highway and non-highway projects and methods to strengthen the data collection process. Requires continuation of the workgroup process to develop improvements to the prioritization process. Specifies a nonexclusive list of workgroup participants and sets out other requirements for the workgroup. Requires an annual report to the joint Legislative Transportation Oversight Committee, beginning December 1, 2016, on any changes made to the highway or non-highway prioritization process and the resulting impact on the State Transportation Improvement Program. Amends Section 6.2 of SL 2013-183 to add that the state transportation improvement program transition report must also include recommendations to...
restructure maintenance operations and funding to improve efficiency, achieve greater cost effectiveness, and streamline operations to best apply limited resources to the state's maintenance needs.

Provides that if Senate Bill 485 (UNC/Report/E-Commerce/Improvements) becomes law, then GS 143-64.70 (reporting requirements for personal service contracts) is amended to delete the provision exempting the University of North Carolina from the statute.

Provides that if Senate Bill 315 (Municipal Services) and House Bill 857 (Public Contracts/Construction Methods/DB/P3) become law, then S 315, Section 5 (allowing Durham County to contract for the design and construction or design, construction, and operation of water treatment and wastewater treatment plant projects to provide services throughout the county without being subject to the specified requirements), is repealed.

Provides that if Senate Bill 402 (Appropriations Act) becomes law, then GS 143B-426.52(d) is amended to clarify that the NC Industrial Commission must adopt rules for the determination of eligibility and the processing of eugenics compensation claims in accordance with GS 150B-21.1. Adds that the rules expire on the earlier of the date all claims are finally adjudicated or June 30, 2018.

Amends GS 160A-424 to clarify that a city may not adopt or enforce an ordinance requiring any owner or rental property manager to get a permit or permission to lease or rent residential real property, except for those individual rental units (was, those properties) that have described violations.

Amends Section 1 of SL 2007-86, as amended, to provide that electronic notice of public hearings may be in lieu of traditional publication methods.


Amends SL 2013-199 to make Section 20 (amending the definition of private passenger motor vehicle to include a pickup truck or van owned by an individual or by husband and wife or individuals in the same household if it has a gross vehicle weight of less than 14,000 and is used for specified purposes) of the act effective January 1, 2014 (was, January 1, 2015).

Provides that if House Bill 74 (Regulatory Reform Act of 2013) becomes law, Section 12, concerning child care providers' criminal history checks, is repealed.

Provides that if House Bill 269 (Children with Disabilities Scholarship Grants) becomes law, Section 7 is amended to add that a child who meets the requirements of GS 115C-112.2(a)-(e) who is also eligible for enrollment in kindergarten or first grade during the 2013-14 school year is eligible to receive a scholarship grant for the spring semester of the 2013-14 school year.

Amends GS 20-4.01, clarifying and amending the definitions for an all-terrain vehicle or ATV and utility vehicle.
Unless otherwise provided, provisions are effective when the act becomes law.

**Summary date:** Jul 25 2013

Senate amendment #1 makes the following changes to the 5th edition.

Amends GS 90-113.75(c), as amended by SL 2013-152, to clarify that the immunity provision in this section applies to a person or an entity (was, an entity).

Clarifies that this act amends GS 122C-115(a), as amended by Section 4(a) of SL 2013-85, effective January 1, 2014.

Deletes changes to GS 66-420(8), regarding a secondary metals recycler. Instead, amends Part 3 of Article 45 of GS Chapter 66 by adding a new GS 66-420.1, which declares that GS Chapter 66 does not apply to a salvage yard regulated under GS Chapter 20 unless the salvage yard is (1) engaged in the business of gathering or obtaining ferrous or nonferrous metals that have served their original economic purpose and (2) in the business of performing the manufacturing process that converts ferrous or nonferrous metals into raw material products consisting of prepared grades and having an existing or potential economic value.

Clarifies that the provisions of new GS 93D-1.1 apply to the scope of practice of a hearing aid specialist who is regulated under GS Chapter 66 (was, provisions applied to the scope of practice of a hearing aid specialist). Provides that the scope of practice for a hearing aid specialist regulated under this chapter includes performing hearing evaluations (was, performing comprehensive hearing evaluations, including administering otoscopy and performing tympanometry). Additionally provides that the scope of practice includes (1) providing counseling and rehabilitation services related to hearing aids and (2) providing community services for individuals. Deletes providing assistive technologies for public and private school classrooms, individuals, and vocational needs from the scope of practice for a hearing aid specialist regulated under GS Chapter 93D.

Amends GS 93D-2 to provide an exception to the provision making it unlawful for any person to engage in any activity within the scope of practice of a hearing aid specialist with regards to an apprentice working under the supervision of a registered sponsor or who is otherwise authorized by law to engage in activity within the scope of practice of another regulated profession.

Exempts the Industrial Commission from the certification requirements of GS 150B-19.1(h) and the fiscal note requirement of GS 159B-21.4 in developing the fee schedules required under Section 33.(a) of this act.

Deletes Section 41 of this act, which amends GS 160A-424(c) regarding prohibitions that restrict a city from implementing certain regulations regarding rental property.

Effective August 1, 2013, Charles Johnson is appointed to the Board of Trustees for the State Health Plan for Teachers and State Employees.
Contingent on House Bill 669 becoming law, amendment makes technical changes to appointments for the NC Wildlife Resources Commission and the Disciplinary Hearing Commission. Appoints Alan Hawkes and Paul Norcross to the NC Charter School Advisory Board. Appoints Roger B. Moore Jr. to the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services (was, Tara Fields).

Repeals Section 2.47 of House Bill 669 if it becomes law.

Changes the expiration date for terms of some members serving on the State Personnel Commission on July 1, 2013 (was, January 1, 2013), making those terms expire on July 31, 2013 (was, June 30, 2013).

If House Bill 834 becomes law, Section 4.6 of the bill will become effective when it becomes law (was, June 30, 2013).

Repeals GS 90-294(c), concerning licensure for Speech and Language Pathologists and Audiologists.

Enacts new subsection GS 90-294(c1), which provides applicability exceptions to the provisions of the article.

Amends GS 90-295, concerning requirements to be eligible for a license to be a speech and language pathologist or an audiologist, adding a requirement that an applicant must exercise good moral conduct.

Amends GS 90-296(a) to require an applicant for licensure (was, permanent licensure) as a speech and language pathologist or an audiologist to pass a written exam approved or established by the Board.

Amends GS 90-298(b) to provide that a temporary license is required when an applicant for licensure as a speech and language pathologist or an audiologist has not completed the required supervised experience and passed the required exam (was, required a person holding a temporary license during a supervised experience to take and pass the required exam before the end of the temporary license period).

Amends GS 90-301 regarding grounds for suspension or revocation of a license as a speech and language pathologist, to clarify that the grounds apply to fraud or deceit in connection with services rendered as an audiologist or speech and language pathologist and to add immoral conduct or failure to exercise good moral conduct as grounds for disciplinary action.

Amends GS 90-302(2) to clarify that the provision applies to the practice of audiology or speech or language pathology.

Amendment #2 adds that if House Bill 74 (Regulatory Reform Act of 2013) becomes law, then it is amended to provide that Section 59.1 becomes effective when it becomes law and (1) GS 130A-295.6(a) (concerning applications for landfills) applies to applications for new permits submitted on or after that date and (2) GS 130A-295.6(h2) applies to new landfills for which a permit is issued on or after that date.

Amendment #3 deletes Section 37 of the act, amending GS 153A-76 (Board of commissioners to organize county government).
Amendment #4 amends Section 2(e) of SL 2013-318 (Pitt County Board of Education) to amend the effective date of the section to specify districts from which the three members are to be elected in 2014 to serve a two-year term. Provides that only the qualified voters of each combination of districts shall elect the one member from that combined district.

**Summary date:** Sep 4 2013

AN ACT TO MAKE TECHNICAL CORRECTIONS TO THE GENERAL STATUTES AND SESSION LAWS, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, AND TO MAKE ADDITIONAL TECHNICAL AND OTHER CHANGES TO THE GENERAL STATUTES AND SESSION LAWS. Enacted August 23, 2013. Effective August 23, 2013, except as otherwise provided.

**SL 2013-411**

**AMEND INTERLOCUTORY APPEALS/FAMILY LAW.**

**Bill H 122**

**Summary date:** Feb 19 2013

Enacts GS 50-19.1, allowing appeals from an order or judgment arising from claims for absolute divorce, divorce from bed and board, child custody, child support, alimony, or equitable distribution when the order or judgment can otherwise be considered final, as described in GS 1A-1, Rule 54(b), but for other pending claims in the same action. This right to appeal is not forfeited if a party fails to immediately appeal. Appeals pursuant to this section do not prevent the trial court from retaining jurisdiction over other claims in the action.

Amends GS 7A-27(d), making conforming and technical changes related to the enactment of GS 50-19.1 as well as creating an appeal of right directly to the Court of Appeals for actions or proceedings that are described in GS 50-19.1.

**Summary date:** Feb 28 2013

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

Makes an organizational change to GS 7A-27, (Appeals of right from the courts of the trial divisions), deleting subsections (c), (d), and (e), and rewriting subsection (b) to incorporate the deleted subsections as subdivisions one through four under GS 7A-27(b). Provides that an appeal of right lies directly to the Court of Appeals from any interlocutory order or judgment of a superior court or district court in a civil action or proceeding which determines a claim prosecuted under GS 50-19(a).

Also deletes new subsection (d)(5) proposed in the 1st edition. Makes a technical change.

**Summary date:** Jun 6 2013
Senate committee substitute makes the following changes to the 2nd edition.

Changes the long title.

Amends GS 7A-374.2 and GS 7A-376, concerning the powers of the Judicial Standards Commission (Commission), providing that the Supreme Court, based on a written recommendation by the Commission, has the power to issue a public reprimand to a judge, removing that power from the Commission. Changes the title of GS 7A-376 to *Grounds for discipline by Commission; public reprimand, censure, suspension, or removal by the Supreme Court*. Makes conforming changes.

Amends GS 7A-377, concerning the procedures of the Commission, providing that the Commission cannot recommend a justice or judge for a public reprimand unless she or he has been given a hearing affording due process of law. Provides that all records, investigations, recommendations, and hearings of the Judicial Standards Commission and hearings by the Supreme Court are confidential until the Supreme Court issues a public reprimand, censure, suspension, or removal (previously, they were not considered confidential). Makes conforming changes relating to the issuance of public reprimands by the Supreme Court, upon recommendation by the Commission.

Amends GS 7A-378, modifying the procedure for determining whether a justice of the Supreme Court should receive a public reprimand, censure, suspension, or removal. Establishes that instead of the Court of Appeals making the determination it would be made as follows:

1. The Governor, President Pro Tempore of the Senate, and the Speaker of the House of Representatives will be required to appoint a three-judge panel, with each appointing one judge, to review the recommendation and the record of the Judicial Standards Commission.

2. If the three-judge panel determines the Commission’s recommendation should be made to the Supreme Court, the Supreme Court will determine whether a public reprimand, censure, suspension, or removal should be issued.

3. If the three-judge panel determines the recommendation should not be made to the Supreme Court, the record would be returned to the Commission and no further proceedings will be conducted on the same record.

**Summary date:** Jun 13 2013

Senate committee substitute makes the following change to the 3rd edition. Repeals GS 7A-378 regarding the censure, suspension, or removal of any justice of the North Carolina Supreme Court (was, amended this provision in a previous edition to also cover public reprimand of a Supreme Court justice).

**Summary date:** Jul 25 2013

Conference report makes the following changes to the 4th edition.

Removes provisions that modify the laws regarding discipline for judges, deleting changes to GS 7A-374.2 *(Definitions)*, GS 7A-376 *(Grounds for discipline by Commission; censure, suspension, or removal by*
AN ACT TO AMEND THE LAWS PERTAINING TO INTERLOCUTORY APPEALS AS RELATED TO FAMILY LAW.

SL 2013-412
MORTGAGES/S.A.F.E. ACT.
Bill H 293

Summary date: Mar 13 2013

Amends GS 53-244.050 to provide that each individual applicant for licensure as a mortgage loan originator or qualifying individual must have passed the test required under GS 53-244.080 within the five years (was, three years) immediately preceding the date of the application for a license. Provides that if an applicant for a mortgage broker license (1) meets the licensing requirements for a mortgage broker and (2) is also a licensed mortgage loan originator, but is not an employee per GS 53-244.030(10) and does not meet the experience requirements of GS 53-244.050(b)(2)a., that individual may be licensed as an exclusive mortgage broker upon successfully completing the pre-licensing education required under GS 53-244.070 (deletes the requirement that the applicant also complete a 16-hour residential mortgage lending course).

Amends GS 53-244.080 to provide that a licensed mortgage loan originator who fails to maintain a valid license for five years or longer (was, three years or longer) has to retake the mortgage loan originator's test.

Amends GS 53-244.102 to allow a licensed loan originator to receive credit for a continuing education course taken before the end of the reinstatement period under GS 53-244.101(d) (was, could only receive credit for a continuing education course in the year in which the course was taken) with exceptions under GS 53-244.070(a) and subsection (e) of this section.

Amends GS 53-244.114 regarding the authority of the North Carolina Commissioner of Banks to deny, suspend, revoke, restrict or limit, or refuse to issue or renew a license under Article 19B of GS Chapter 53. Deletes consideration of actions by the loan officer or limited loan officer and adds loan originator in making a determination about licensure. Provides that the Commissioner may invoke authority to revoke or otherwise encumber a license if any of the specified persons in subdivision (2) of this GS 53-244.114 is the subject of an order entered within the past five years by the authority of any state or federal agency (was, state) with jurisdiction over the mortgage brokerage, lending, or servicing industry.
Amends GS 53-244.116(b) to expand the Commissioner’s disciplinary authority to include prescribing a time period in which any person who surrenders a license is ineligible to submit an application for licensure or to obtain a license under Article 19B.

Repeals the following statutes: (1) GS 53-244.117, which authorized the Commissioner under certain circumstances to notify the clerk of superior court to suspend foreclosure proceedings and (2) GS 45-21.16B, which directed the clerk of superior court to suspend foreclosure proceedings for 60 days upon notice from the Commissioner. Makes a conforming change to GS 45-94.

Summary date: Jul 23 2013

Senate amendment to the 1st edition makes the following changes. Adds that if House Bill 616 (Transitional Mortgage Loan Originator) becomes law, then the change to GS 53-244.114(a)(2)e by that bill is repealed.

Summary date: Sep 3 2013


SL 2013-413

REGULATORY REFORM ACT OF 2013.

Bill H 74

Summary date: Feb 5 2013

Amends GS 150B-21.2(c) to provide that readopting a rule to keep the rule from expiring, without making substantive changes to the existing rule, exempts the notice of the proposed text of a rule from having to include the text of the proposed rule.

Enacts new GS 150B-21.3A to set the expiration dates for permanent rules except those readopted under GS 150B-21.2 and approved by the Rules Review Commission (Commission) under the provisions of GS Chapter 150B, Article 2A, Part 3. Directs the Commission to set a timeline for submitting rules subject to expiration after consulting with the adopting agency. Requires the Codifier of Rules to provide annual notice to agencies as to the rules that will expire within the next two years.

Summary date: May 9 2013

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

Amends GS 150B-21.2(c) to require the notice of proposed text of a rule to include the text of the proposed rule, unless the rule is a readoption without substantive change to the existing rule proposed
Amends proposed GS 150B-21.3A by deleting the language proposed in the 1st edition and replacing it with the following. Provides that any rule for which the agency that adopted the rule has not conducted a review in accordance with the statute will expire on the date set in the schedule established by the Rules Review Commission (Commission) pursuant to the statute. Requires each agency subject to Article 2A to conduct a review of the agency’s existing rule at least once every ten years in accordance with the following specified process. Requires the agency to analyze each existing rule and decide whether the rule is necessary with substantive public interest, necessary without substantive public interest, or unnecessary. The determination is to be posted and open to public comment. After reviewing and assessing the merits of the public comments, the agency must report to the Commission. The Commission must review the reports and if there is a comment on a rule the agency has determined to be necessary and without substantive public interest or unnecessary, the Commission must decide whether the comment has merit; if the comment does have merit, the rules must be designated as necessary with substantive public interest. Requires the Commission to report final determinations to the Joint Legislative Administrative Procedure Oversight Committee (Committee) for consultation. Provides that the final determination report does not become effective until that agency has consulted with the Committee. Provides for when the Committee does not hold the consultation meeting within 60 days and for the role of the General Assembly when the Committee disagrees with a determination.

Requires the Commission to establish a schedule for the review of existing rules according to the statute on a decennial basis by assigning each title of the Administrative Code a date by which the review must be completed. Provides that if the agency does not conduct the review by the set date, the rules in that title will expire.

Allows an agency to subject a rule that it determines to be unnecessary to review under the statute at any time by notifying the Commission that it wants to be placed on the schedule for the current year.

Repeals GS 150B-19.2 (review of existing rules).

Summary date: Jul 18 2013

Senate committee substitute to the 2nd edition makes the following changes. Much of the new language added to the bill is also found in the 6th edition of S 112 (Create Jobs Through Regulatory Reform) and the 4th edition of H 94 (Amend Environmental Laws 2013).

Part I. Improve Rule Making Process

Amends GS 150B-2 to define policy as any nonbinding interpretive statement within the delegated authority of an agency that merely defines, interprets, or explains the meaning of a statute or rule.

Amends GS 150B-21.4 to require an agency to obtain certification that funds required by a proposed rule change are available from the Office of State Budget and Management before adopting a permanent rule change that would require the expenditure or distribution of funds subject to the State
Budget Act. Requires the agency to submit the text of the proposed rule change, analysis of the change, and a fiscal note on the change at the time the agency submits the notice of text for publication. Also requires that the analysis made to determine if the rule will result in increased DOT costs that must be done when an agency adopts a rule affecting environmental permitting of Department of Transportation (DOT) projects be conducted and submitted to the Board of Transportation when the agency submits the notice of texts for publication (was, before the agency publishes the proposed text). Makes conforming changes triggering other text and fiscal note submissions before an agency adopts a permanent rule change (was, before an agency publishes the proposed text). Changes the definition of \textit{substantial economic impact} to mean an aggregate financial impact on all persons affected of at least $3 million (was, at least $500,000) in a 12-month period.

Amends proposed GS 150A-21.3A from the previous edition by providing that the Rules Review Commission has broad authority to modify the schedule and extend the time for review in appropriate circumstances. Adds a new subsection to provide that rules adopted to conform to or implement federal law do not expire as provided in the act. Requires the Rules Review Commission to report annually to the Joint Legislative Administrative Procedure Oversight Committee on any rules that do not expire under the new subsection. Retains all other changes made by the previous edition of the act.

Provides that if GS 150B-21.3A becomes law, the Rules Review Commission must subject rules adopted by the Environmental Management Commission related to surface water quality and wetlands to review in the first year that the RRC establishes for the review of existing rules in accordance with GS 150B-21.3A.

Requires the Joint Legislative Administrative Procedure Oversight Committee to study the exemptions from rulemaking, including evaluating the continued need for each exemption and potential consequences of repeal. Requires a report to the 2014 Session of the 2013 General Assembly.

\textbf{Part II. State and Local Government Regulations}

Amends GS 153A-449 and GS 160A-20.1 (both concerning contracts with private entities) to add that a county or city may not require a private contractor under the statute to abide by any restriction that the city our county could not impose on all of its employers as a condition of bidding on a contract. Effective when the act becomes law and applies to contracts entered on or after that date.

Amends GS 153A-340 and GS 160A-381 to add that a zoning or unified development ordinance may not differentiate in terms of the regulations applicable to fraternities or sororities between those that are approved or recognized by a college or university and those that are not.

Amends GS 130A-247 to amend the definition of private club to include an organization that meets the definition of a private club in GS 18B-1000(5).

Amends GS 136-133.1 to allow the Department of Transportation, at the request of the selective vegetation removal permittee, to approve plans for the cutting, thinning, pruning, or removal of vegetation outside of the cut or removal zone along acceleration or deceleration ramps if the view to
the ad will be improved and the total aggregate area of cutting or removal does not exceed the maximum allowed in the statute. Allows tree branches within a highway right of way that encroach into the zone created by points A, B, D. and E (was, points A, C, and D).

Enacts new GS 136-131.2 to prohibit a city, county, local or regional zoning authority, or other political subdivision from, without paying just compensation, regulating or prohibiting the repair or reconstruction of any outdoor advertising for which there is in effect a valid DOT permit as long as the square footage of the advertising surface area is not increased.

Requires the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services to amend its Records Retention and Disposition Schedule Manual to provide that if a Medicaid service has been eliminated by the state, the provider must retain records for three years after the last date of the service, unless a longer period is required under federal law. Allows records to be destroyed or transferred, at the termination of that time period, to a state agency or contractor identified by the Department of Health and Human Services.

Requires the Joint Legislative Program Evaluation Oversight Committee to include in the 2013-14 Work Plan for the Program Evaluation Division a study to evaluate the structure, organization, and operation of the various independent occupation licensing boards. Specifies issues to be included in the study. Requires the Program Evaluation Division to report to the Joint Legislative Program Evaluation Oversight Committee and the Joint Legislative Administrative Procedure Oversight Committee at a time to be determined.

Enacts new GS 160A-204 and GS 153A-145.1, both titled Transportation impact mitigation ordinances prohibited, providing that no city or county can enact or enforce an ordinance, rule, or regulation that requires an employer to assume financial, legal, or other responsibility for the mitigation of the impact of their employees' commute or transportation to or from the workplace that may result in the employer being subject to a fine, fee, or other monetary, legal, or negative consequences.

Part III. Business and Labor Regulations

Amends GS 130A-247, concerning bed and breakfast establishments, adding and defining a bed and breakfast home, a new category, as a business in a private home of not more than eight guest rooms that offers bed and breakfast accommodations for a period of less than one week. Also sets out four criteria that must also be met for a business to be considered a bed and breakfast home, including not serving food or drink to the general public for pay and serving breakfast, lunch, and dinner, or a combination, only to overnight guests in the home. Amends GS 130A-248(a2), making conforming changes and directing the Commission for Public Health to adopt rules to govern the sanitation of bed and breakfast homes as well as bed and breakfast inns, ensuring that they do not unreasonably interfere with the business operations thereof. Effective October 1, 2013.

Amends GS 110-90.2 (mandatory child care providers’ criminal history checks) to add that the check of the state and national repositories for the criminal history of a person required to be conducted by the statute and directed to the SBI must be completed with 15 calendar days of the receipt of the request
from the Department of Health and Human Services (DHHS). Requires the criminal history check of a
person required to be conducted by DHHS by the statute be completed within 15 calendar days of the
receipt of the application from the child care provider.

Amends GS 58-36-105(b) to provide that workers' compensation, or employers' liability insurance in
connection with a policy of workers' compensation insurance, cancellation is not effective unless written
notice is given to the insured no less than 15 days before the proposed effective date of the
cancellation. Allows the notice to be given (was, required to be given) by registered or certified mail,
return receipt requested. Adds that notice of cancellation, termination, or nonrenewal may also be
given by any method permitted for service of process under Rule 4 of the NC Rules of Civil Procedure.
Enacts new GS 58-2-255 to provide that when any insurance law of the state, except for cancellation,
termination, or nonrenewal of workers' compensation under GS 58-36-105(b) requires a communication
to be provided to a party in writing, signed by a party, provided by means of a specific delivery method,
or retained by an insurer, those requirements are met if the insurer complies with Article 40 of GS
Chapter 66. Provides that verification of communications delivered by electronic means constitutes
proof of mailing in civil and administrative proceedings and under the state's insurance laws. Provides
that a recording of an oral communication between an insurer and a party that is reasonably stored and
reproduced by an insurer constitutes an electronic communication or record. Amends GS 97-19 to
prohibit any principal contractor, intermediate contractor, or subcontractor who sublets any contract
for the performance of work from being held liable to any employee of such subcontract if (1) the
subcontractor has a worker's compensation insurance policy in effect on the date of the injury or (2) the
policy expired or was cancelled before the date of the injury if the principal contractor, intermediate
contractor, or subcontractor obtained a certificate at any time before subletting the contract to the
subcontractor and was unaware of the expiration or cancellation. Above changes are effective when the
act becomes law and apply to insurance policies and certificates of insurance in effect on or after that
date.

Enacts GS 95-28.4, concerning veterans' preference for employment in North Carolina, providing that a
private, nonpublic employer in North Carolina can provide a preference to a veteran for employment.
Also allows spouses of honorably discharged veterans that have service-connected permanent and total
disability to also receive the preference for employment. Provides that this preference does not violate
any state or local law.

Amends GS 95-79, concerning certain illegal agreements between employers and labor
unions/organizations, making organizational changes and enacting a new subsection (b), which provides
that provisions that directly or indirectly condition the purchase of agricultural products or the terms of
the agreement on an agricultural producer's status as a union or nonunion employer or willingness to
enter into an agreement with a labor union/organization is invalid and unenforceable as against public
policy. Defines agricultural producer as any producer engaged in any service or activity included within
specified federal provisions.

Enacts new GS 97-5.1 to create a rebuttable presumption that any person who operates and has an
ownership or leasehold interest in a passenger motor vehicle that is operated as a taxicab is an
independent contractor for purposes of GS Chapter 97 and not an employee as defined in GS 97-2. Provides that the presumption that taxicab drivers are independent contractors is not rebutted solely (1) because the operator is required to comply with rules and regulations imposed on taxicabs by the local governmental unit that licenses companies, taxicabs, or operators or (2) because a taxicab accepts a trip request to be at a specific place at a specific time. However, declares that the presumption can be rebutted by application of the common law test for determining employment status. Defines passenger motor vehicle that is operated as a taxicab according to passenger capacity and services provided and also defines the terms lease and leasehold as they are used in this section. Effective when the act becomes law and applies to causes of action arising on or after that date.

**Part IV. Environmental and Public Health Regulations**

Amends GS 130A-309.57 to prohibit permitted scrap tire collectors from contracting with a scrap tire processing facility unless the processing facility can document that it has access to a facility permitted to receive the scrap tires (was, required the Commission to adopt a rule to implement this prohibition).

Current law provides that the North Carolina State Building Code (Code) may contain provisions requiring the installation of carbon monoxide detectors in every dwelling unit with a fossil-fuel burning heater, appliance, or fireplace, and any dwelling unit with an attached garage. Amends GS 143-138 to require that the Code also contain requirements for installing electrical carbon monoxide detectors at lodging establishments. Provides that violations under this subsection are punishable in accordance with subsection (h) of this section and GS 143-139. Adds to the specified criteria for carbon monoxide detectors installed in dwelling units and in lodging establishments.

Amends GS 130A-248(g), *Regulation of food and lodging establishments*, to require all hotels, motels, tourist homes, and other establishments that provide lodging for pay to have carbon monoxide detectors installed in specified locations. Sets out four specifications that installed carbon monoxide detectors must meet, including receiving primary power from the building’s wiring and receiving power from a battery when primary power is interrupted. Provides that detectors can be combined with smoke detectors if the combined detector meets the specifications and requirements of this subdivision. Amends GS 130A-248(b), providing that the permit required by this subsection can only be issued once all of the requirements of subsection (g), as described above, are satisfied, effective October 1, 2013.

Provides that the definitions in GS 143-212, 15A NCAC 02T .0103 and 15A NCAC 02T .1302 apply to Section 20 of this act, regarding the lagoon closure rule. Directs the Environmental Management Commission (EMC) and the Department of Environment and Natural Resources (DENR) to implement the closure requirements of 15 NCAC 02T .1306 as provided in Section 20(c) of this act until the effective date of the revised permanent rule that the EMC is required to adopt under Section 20(d) of this act. Provides criteria regarding permit rescission in Section 20(c) of this act. Provides for additional rule-making authority for the EMC in Section 20(d) of this act, directing the EMC to adopt a rule to amend 15 NCAC 02T .1306 (closure requirements) consistent with Section 20(c) of this act. Provides that Section 20(c) of this act expires on the date that the rules pursuant to Section 20(d) of this act become effective.
Directs the EMC and DENR to implement 15A NCAC 02T .1302 (definitions) as provided in Section 21(b) of this act until the effective date of the revised permanent rule that the EMC is required to adopt under Section 21(c) of this act. Directs the EMC to adopt a rule to amend 15A NCAC 02T .1302 that is consistent with Section 21(b) of this act. Provides that Section 21(b) of this act expires on the date that rules adopted under Section 21(c) of this act become effective.

Provides that the definitions set out in GS 143-212 and 15A NCAC 02U .0103 apply in Section 22 of this act. Requires the EMC and DENR to implement 15A NCAC 02U .0701 (setbacks) as provided in Section 22(c) of this act, until the effective date of the revised permanent rule that Section 22(d) requires the Commission to adopt. Provides additional criteria regarding implementation and conferring additional rule-making authority on the EMC. Provides that Section 22(c) of this act expires on the date that rules adopted under Section 22(d) of this act become effective.

Directs the Commission for Public Health (CPH) to amend and clarify its rules for the implementation of a smoking ban in restaurants and bars no later than January 1, 2014. Requires that the rules ensure consistent interpretation and enforcement and declares that the rules must specifically clarify the definition of enclosed areas for purposes of implementation. Exempts rules adopted under this section from the requirements of GS 150B-21.4, provides that they are not subject to Part 3 of Article 2A of GS Chapter 150B, and makes them effective as provided in GS 150B-21.3(b1). Requires the EMC to report on its progress in clarifying and amending the rules to the Joint Legislative Oversight Committee on Health and Human Services no later than November 1, 2013.

Directs the Environmental Review Commission to study the statutory models for establishing, operating, and financing certain organizations that provide water and sewer services in the state and to determine whether, how, and to what extent the number of statutory models should be reduced and consolidated. Requires the Commission to consider and address any impacts such reduction and consolidation would have on ongoing operation and financing of existing organizations. Requires the Commission to report its findings and recommendations to the 2014 Regular Session of the 2013 General Assembly upon its convening.

Part V. Amend Environmental Laws

Directs the Environmental Management Commission (EMC) to repeal administrative rule 15A NCAC 02D .1009 (Model Year 2008 and Subsequent Model Year Heavy-Duty Vehicle requirements) on or before December 1, 2013. Further provides that, until the repeal of this rule is effective, no entity or political subdivision of the state will implement or enforce the administrative rule.

Directs DENR to study and examine whether all of the counties covered under the emissions testing and maintenance program pursuant to GS 143-215.107A are needed to meet and maintain the current and proposed federal ozone standards in North Carolina. DENR will report its interim findings to the Environmental Review Commission on or before April 1, 2015. The final report, including legislative recommendations, will be submitted on or before April 1, 2016.
Amends GS 143-215.109(a), providing that the EMC can, but is not required to, establish criteria for controlling the effects of complex sources on air quality (previously, the EMC was required to establish such criteria).

Exempts open burning for land clearing or right-of-way maintenance under certain circumstances from various rules regulating air quality permits and amends GS 130A-294(a) by adding a new subdivision (4)d. exempting land clearing debris burning from the permitting requirements of that statute. Requires adoption of comparable rules.

Amends GS 143-215.108, concerning the control of sources of air pollution, providing that a third party who is dissatisfied with a decision of the EMC can commence a contested case by filing a petition under GS 150B-23 within 30 days after the EMC notifies an applicant or permittee of its decision (previously, only allowed dissatisfied permit applicant or permittee to commence a contested case).

Amends the permit application requirements in GS 113A-119, providing that applications for minor permits pursuant to this section do not require notice of the application to be published in a newspaper of general circulation. Deletes the requirement that notice of an application or modification pursuant to GS 113A-121 must be published in a newspaper of general circulation at least seven days before final action. Further deletes language that stated (1) that public notice under this subsection is mandatory and (2) certain modifications or permits were exempt.

Amends GS 113-391(a)(5)h. providing that the Mining and Energy Commission and DENR can review, but not possess or take ownership of, data and information related to the chemicals and constituents used in hydraulic fracturing fluids that are designated as trade secrets. Directs the Commission to develop rules for the public disclosure through an online registry in regards to the applicable chemical families or other similar descriptions of the chemicals used in hydraulic fracturing. Defines chemical family for use in the subsection. Provides that notwithstanding subsection (m) of Section 2 of SL 2012-143, the Mining and Energy Commission is required to adopt the rules noted above no later than December 1, 2013. Such rules when adopted will become effective as provided in GS 150B-21.3(b1) as though 10 or more written objections had been received as provided by GS 150B-21.3(b2).

Provides that the Mining and Energy Commission, EMC, and the Commission for Public Health are exempt from the provisions of GS Chapter 150B, requiring the preparation of fiscal notes for rules proposed for the creation of a modern regulatory program for the management of oil and gas exploration and development activities, including horizontal drilling and hydraulic fracturing.

Amends GS 113A-64 (penalties under the Sedimentation Pollution Control Act) to clarify the procedure for appealing a notice of assessment issued by a local government. Directs the penalty proceeds to the Civil Penalty and Forfeiture Fund (rather than the local government's general fund).

Requires the Commission for Public Health to adopt a new rule exempting wastewater systems from certain sewage flow rates where the system can achieve lower flow rates through an engineering design that utilizes low-flow fixtures and low-flow technologies and the design is sealed by a professional engineer; daily flows of less than 3,000 gallons do not require state review.
Amends GS 87-97, concerning private drinking water wells, to delete language that required the local health department to issue a construction or repair permit if it determines a private drinking water well can be constructed, repaired, and operated in compliance with the rules and provisions of this Article. Directs the local health department to, within 30 days of receipt of an application to construct or repair a well, determine whether the proposed private drinking water well can be constructed or repaired and operated in compliance with this Article and rules adopted pursuant to this Article, issuing or denying a permit accordingly. Further amends the section to provide that if a local health department fails to act within 30 days, the applicant can treat the failure to act as a denial of the permit and can challenge the denial as provided for in GS 150B. Further amends GS 87-97 to provide that the Commission for Public Health must adopt rules governing permits for private drinking water wells for circumstances where the local health department has determined that the proposed well site is located within 1,000 feet of a known source of release of contamination. The rules must provide for notice and information of the known source of release and any known risk of issuing a permit. Changes to GS 87-97 are effective when the act becomes law and (e), as amended, applies to applications to construct or repair a private drinking water well received by a local health department on or after that date.

Amends Section 11.6(a) of SL 2011-394 to provide that all underground storage tank systems installed after January 1, 1991, and before April 1, 2001, are not required to provide secondary containment until January 1, 2020.

Amends the definition of fish under GS 113-129(7) to mean finfish, shellfish, and crustaceans (removing reference to marine mammals and all other fishes); also amends GS 113-189 to expand protection of marine and wildlife resources by citing federal law conferring protection on various species, clarifying that the prohibitions under this statute include taking, harming, and disturbing protected species, and adding finfish, marine mammals, and migratory birds to the species protected under the statute.

Amends GS 14-417 to make technical changes; also amends GS 14-419 to require consultation with the NC Museum of Natural Sciences or the NC Zoological Park in cases of suspected violations of prohibitions against mishandling certain reptiles and authorizing euthanasia in the case of a venomous reptile for which antivenin is not readily available. Provides an exception to the requirement to consult with the NC Museum or NC Zoological Park in cases in which law enforcement or animal control determines there is an immediate risk to public safety.

Amends GS 150B-21.1(a)(7) to include provisions for the manner of take and other conditions required to implement a hunting or fishing season under the Wildlife Resource Commission’s temporary rule-making authorization.

Amends GS Chapter 133 by adding a new Article 4 (GS 133-40) that would prohibit public entities, defined as the State and the Community College System, from acquiring an ownership interest in real property that contains a known contamination (as defined in GS 130A-310.65(5)) without first obtaining approval from the Council of State. Sets out the procedures and requirements for obtaining such approval. Properties acquired involuntarily (such as through bankruptcy or tax delinquency) are exempt.
Effective September 1, 2013, and applies to a purchase or acquisition of interest in real property occurring on or after that date.

Amends GS 143-138, providing that building permits are not required for routine maintenance on fuel dispensing pumps or other dispensing devices. Routine maintenance includes the repair or replacement of hoses, O-rings, nozzles, or emergency breakaways.

Amends GS 143B-289.44, providing that the Secretary of DENR can adopt a schedule of fees for the aquariums and piers operated by the NC Aquariums, including gate admission fees, facility rental fees, and fees for educational programs. Effective when the act becomes law.

Repeals GS Chapter 153B (Mountain Resources Planning Act).

Amends GS 153A-349.4 and GS 160A-400.23 to provide an exemption from the 25 acre or more size requirement for local governments to enter into development agreements allowing the development of properties of any size provided the property is subject to an executed brownfields agreement.

Directs the DOT to adopt rules for the selective pruning within highway rights-of-way for vegetation that obstructs a motorist's view of properties on which agritourism activities occur. Exempts the DOT from preparing fiscal notes, pursuant to GS 150B, for any rule proposed pursuant to this section.

Amends GS 143-215.1 (Control of sources of water pollution; permits required) to require any person subject to the statute who must obtain an individual permit for a disposal system to have a compliance boundary, which may be established by rule or permit for various categories of disposal systems, and beyond which groundwater quality standards may not be exceeded. Requires the location of the compliance boundary to be the property boundary. Requires that when operation of a permitted disposal system results in an exceedance of the groundwater quality standards adopted in accordance with GS 143-214.1 (Water; water quality standards and classifications; duties of Commission), the exceedances within the compliance boundary must be remedied through cleanup, recovery, containment, or other response only when (1) the violation of any water quality standard in adjoining classified waters of the state occurs or can be reasonably predicted to occur; (2) there is an imminent hazard or threat to the environment, public health, or safety exits; or (3) there is a violation of any standard in groundwater occurring in the bedrock other than limestones, unless it can be shown that the violation will not adversely affect, or have the potential to adversely affect, a water supply well. Requires exceedances to be remedied through clean-up, recovery, containment, or other directed response where operation of a permitted disposal system results in exceedances of the groundwater quality standards at or beyond the compliance boundary. Provides that with respect to exceedances of groundwater quality standards within a compliance boundary and related remedy requirements, new GS 143-215.1(j) applies instead of the restricted designation directives in 15A NCAC 2L .0104(d) and (e) until DENR has revised the rules to comply with this act.

Amends GS 143-151.74, as amended, to also exempt radio towers that were erected to temporarily replace those damaged by a natural disaster, provided that the specified conditions are met.
Amends Section 15.1 of SL 2012-187 to clarify how the Commission for Public Health must adopt rules pertaining to sanitary landfill development permits. Repeals the changes if Senate Bill 328 becomes law.

Amends GS 130A-22 to require consideration of 11 specified factors in determining the amount of a solid waste penalty, including the type of waste involved, potential effect on public health and the environment, and damage to private property.

Amends GS 130A-309.09A by adding a new subsection (h) requiring local governments to encourage storage, retention, and use of nonhazardous recycled materials and prohibiting local government regulations that impede use of recycled products through regulation of the height of recycled materials stockpiles, except when the facilities are located within 200 yards of residential districts.

Amends GS 143-214.7 to define *built-upon area*, for the purposes of implementing stormwater programs, to mean impervious surface and partially impervious surface to the extent that the partially impervious surface does not allow water to infiltrate the surface and into the subsoil. Repeals SL 2006-246, Section 2(7), which defined *built-upon area*. Repeals SL 2008-211, Section 2(a)(3), which defined *built-upon area*. Requires the Environmental Management Commission to amend its rules to be consistent with the definition of *built-upon area* in this act. Effective when the act becomes law and (b2) of GS 143-214.7 applies to projects for which permit applications are received on or after the effective date of the act.

Exempts freshwater ponds from various riparian buffer rules adopted by the Environmental Management Commission when (1) the property the pond is located on is used for agricultural purposes, (2) the use of the property is in compliance with all other water quality and water quantity statutes and rules applicable to the property before the adoption of the Riparian Buffer Rules, and (3) the pond is not a component of an animal waste management system. Requires the adoption of comparable rules. Effective when the act becomes law and applies to ponds used for agriculture that were either in existence on or constructed after July 22, 1997.

Amends GS 143-215.1 to provide that a third party who is dissatisfied with a decision of the Environmental Management Commission regarding a water quality permit may file a contested case under the Administrative Procedure Act within 30 days.

Repeals Article 4A (*Vehicular Surface Areas*) of GS Chapter 113A.

Amends GS 113-229(d) to provide that notice to adjoining property owners of a dredge or fill permit may be satisfied by obtaining a signed statement from each property owner indicating no objection to the project or sending a copy of the permit to each property owner by certified mail. Makes clarifying and conforming changes.

Allows public water systems with authorizations for deactivated water treatment plants that expired within the last ten calendar years of the effective date of the act to obtain new authorizations allowing the system to withdraw surface water from the same water body and at the same rate as approved in
the expired authorization and provides that the new authorizations do not have to prepare an environmental document.

Combines the Division of Water Quality and the Division of Water Resources into a new Division of Water Resources. Makes conforming changes to statutes throughout GS Chapters 74, 90A, 106, 113A, 136, 143, 143B, 159G, and various session laws.

Amends GS 89C-19, Public works; requirements where public safety involved. Prohibits the state and any of its political subdivisions, in the course of conducting a technical review, from requiring revisions to the parts of an application or plan that constitutes the practice of engineering and has been supervised and sealed by a professional engineer, unless the employee or official requesting the revision is also a professional engineer or an engineering intern with the appropriate supervision. Such approved revisions must be provided by written notice, on agency letterhead, signed by the professional engineer reviewing the submission, including his or her state license number, and then provided to the permit applicants or the person that submitted the plan for approval.

Part VI. Legislative Research Commission Studies

Allows the Legislative Research Commission to study: (1) disciplinary hearings and the right to counsel under Part 3 of Article 1 of GS Chapter 116; (2) state personnel status of Deputy Commissioners of the Industrial Commission; (3) preemption of certain local government ordinances; (4) child care provider criminal background checks; (5) regulatory requirements applicable to sanitary landfills; (6) spirituous liquor sales by distilleries to tour patrons; (7) regulation of digital dispatching services; and (8) the Professional Employer Organization Act.

Part VII. Severability Clause and Effective Date

Include a severability clause.

Act is effective when it becomes law, unless otherwise indicated.

Amends the act's titles.

Summary date: Jul 25 2013

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

Part II. State and Local Government Regulations

Amends GS 153A-348 (counties) and GS 160A-364.1 (cities) to provide that if a use existed prior to the adoption of the zoning or unified development ordinance making that use a violation, and that use is provided grandfathered status and subsequently terminated for any reason, then the respective county or city must bring an enforcement action within 10 years of the date of the termination of the grandfathered status, unless the violation poses an imminent hazard to health or public safety.
Amends Part 3 of Article 1 of GS Chapter 116, adding new GS 116-40.11 to provide for a right to representation by a licensed attorney or non-attorney advocate, at the student's own expense, for any student enrolled at a constituent institution of the University of North Carolina who is accused of a violation of the disciplinary or conduct rules of the constituent institution. Provides an exception to the right to be represented (1) if the constituent institution has implemented a "Student Honor Court" which is fully staffed by students to address such violations and (2) for any allegation of "academic dishonesty" as defined by the constituent institution. Provides similar provisions applicable to any student organization, officially recognized by a constituent institution, that is accused of a violation of the disciplinary or conduct rules of the constituent institution. Specifies that nothing in this section is to be construed to create a right to be represented at a disciplinary proceeding at public expense. Effective when the section becomes law and applies to all allegations of violations occurring on or after that date.

Requires each constituent institution to track certain data on the disciplinary proceedings and to report the data to the Board of Governors of the University of North Carolina. Directs the Board of Governors to submit a combined report to the Joint Legislative Education Oversight Committee and the House and Senate Education Appropriations Subcommittees by May 1, 2014.

Provides that a city or county may not enact an ordinance to regulate a field that is also regulated by a state or federal law enforced by an environmental agency or that regulates a field that is also regulated by a rule adopted by an environmental agency. Provides an exception to allow a city or county to enact an ordinance that regulates a field that is also regulated by state or federal law enforced by an environmental agency or regulates a field that is also regulated by a rule adopted by an environmental agency if the ordinance is approved by a unanimous vote of the members present and voting. Applies to ordinances enacted on or after the effective date for this section (effective when it becomes law). Provides that this section expires October 1, 2014. Defines environmental agency for the purposes of this section.

Directs the Environmental Review Commission to study the circumstances under which cities and counties should be authorized to enact ordinances (1) that regulate fields already regulated by federal or state statute and (2) that are more stringent than state or federal statute or state rule. Requires the Commission to report its findings and recommendations to the 2014 Regular Session of the 2013 General Assembly.

Part III. Business and Labor Regulations

Repeals GS 58-89A-5(8) which defines hazardous financial condition. Amends GS 58-89A-50 to change the surety bond requirement under subsection (a) from the existing formula based on the applicant's prior year compensation to a flat amount of $100,000 and authorizes the applicant to submit in lieu of a surety bond an irrevocable letter of credit from an FDIC-insured financial institution or a cash deposit. Deletes subsection (d) (which prohibited a licensee from requiring a client to contribute to the licensee's surety bond payment). Amends GS 58-89A-60(b) to change the standard applicable to the financial information submitted by a license applicant from demonstrating that the applicant is not in a hazardous financial condition to demonstrating that the applicant meets the financial requirements.
specified by the Commissioner of Insurance. Amends GS 58-89A-95. Requires the licensee to give written notice of the Professional Employer Organization (PEO) agreement to each employee assigned to a client company work site. Deletes subsection (c), which requires the licensee to give each employee written notice when the employee ceases to be an employee. Amends GS 58-89A-100 by deleting language in subsection (1) requiring the contract between a licensee and a client company to reserve to the licensee the right of direction and control over its own employees assigned to the client while allowing the client to retain sufficient control over the licensee's employees necessary to conduct the client's business. Deletes subsection (4) (which requires the contract to reserve to the licensee the right to hire, fire, and discipline its employees). Instead provides that a licensee has the right to hire, discipline, and terminate an assigned employee as necessary to fulfill the licensee's responsibilities under this Chapter and a PEO agreement. Also provides that the client company has the right to hire, discipline, and terminate an assigned employee. Repeals GS 58-89A-155(a)(4) (which relates to a notice requirement under a different Article within Chapter 58). Provides that this section becomes effective October 1, 2013.

Amends GS 110-90.2 to provide that the required criminal history for a child care provider must be completed within 15 business days (was, 15 calendar days) of the receipt of the properly submitted request from the Department of Health and Human Services (DHHS). Provides that if the check reveals no criminal history, DHHS is to make a determination of the fitness of the childcare provider within 15 calendar days of receiving the results of the criminal background check. However, if the check reveals that the provider has a criminal history as defined by subdivision (a)(3) of this section, then DHHS has 30 business days from the receipt of the criminal background check to make a determination of the fitness of the provider.

Amends GS 160A-194 (cities) and GS 153A-134 (counties) to prohibit cities and counties from regulating and licensing digital dispatching services for prearranged transportation services for hire. Also amends GS 160A-304 to specify additional transportation for hire related activities and practices which a city is prohibited from adopting an ordinance to regulate.

Part IV. Environmental and Public Health Regulations

Amends GS 130A-248(g) to require that all hotels, motels, tourist homes and other establishments that provide lodging for pay to install either a battery operated or electrical carbon monoxide detector in every enclosed space meeting specified conditions. Effective October 1, 2013, and expires October 1, 2014. Further amends subsection (g), effective October 1, 2014, to require all hotels, motels, tourists homes, and other establishments that provide lodging for pay to have carbon monoxide detectors installed in every enclosed space meeting identified conditions and adds the requirement that the carbon monoxide detectors must receive primary power from the building's wiring where the wiring is served from a commercial source and receive power from a battery when the primary power source is interrupted.

Directs the Building Code Council, DHHS, and the Commission for Public Health to jointly study the requirements for installing carbon monoxide detectors in lodging establishments to determine whether
the requirements enacted in this act are adequate to protect the public health and safety of the traveling public. Requires that the findings and recommendations of the study be reported to the General Assembly no later than April 15, 2014.

Part V. Amend Environmental Laws

Deletes Sections 31 and 32 of this act, dealing with regulations applicable to the Mining and Energy Commission.

Amends GS 87-97(e) to provide that if a local health department fails to respond to an application to construct or repair a well within 30 days, the permit to construct or repair the well is to be automatically issued and the local health department may challenge the issuance of the permit as provided in GS Chapter 150B.

Amends GS 143-215.1(j)(3) to clarify that a violation of groundwater quality standards includes a violation occurring in limestone aquifers in Coastal Plain sediments.

Directs the Environmental Review Commission to study state stormwater programs and to report its findings and recommendations to the 2014 Regular Session of the 2013 General Assembly.

Deletes proposed changes to GS 89C-19, concerning public works and safety requirements.

Directs the Department of Environment and Natural Resources (DENR) in conjunction with the Department of Transportation and DHHS, as well as local governments operating delegated permitting programs on behalf of the state departments, to study their internal processes for review of applications and plans submitted for approval. Sets out four specific areas that the entities should examine, including the mechanisms in place to ensure that staff who are not professional engineers are not engaged in the unauthorized practice of engineering. Findings and recommendations are to be submitted to the Environmental Review Commission (ERC) no later than January 1, 2014. The ERC, in consultation with specified entities, will study the matter and report its findings and recommendations to the 2014 General Assembly.

Part VI. Solid Waste Reform Provisions

Amends GS 130A-294(a)(4)c.9 to make a clarifying change, providing this subdivision applies only to the extent required by federal law.

Amends GS 130A-295.6(a), concerning requirements for sanitary landfills, providing that an applicant for a proposed sanitary landfill must contract with a qualified third-party, approved by DENR, to conduct a study of the environmental impacts of any proposed sanitary landfill, in conjunction with its application for new permits pursuant to GS 130A-295.8. Requires the applicant for a sanitary landfill to pay all costs incurred by complying with the public notice and public hearing requirements of this subsection. Makes a clarifying change to GS 130A-295.6(d). Amends GS 130A-295.6(h), concerning leachate collection lines, providing that remote camera inspections of leachate collection lines must occur upon the completion of construction of any sanitary landfill and at least once every five years (previously, cleaning was
required at least once a year, with a few exceptions). Requires the cleaning of leachate collection lines to the point necessary to ensure proper functioning of the lines and to address the buildup of leachate over the landfill liner. Enacts new requirements regarding the requirements for daily cover at sanitary landfills, providing that when DENR has approved the use of an alternative method of daily cover for use at landfills, that alternative method will be approved for use at all landfills located in the state. Sets out new requirements that provide for the study, research, and development of alternative disposal techniques and waste-to-energy matters by landfills that are authorized to receive more than 240,000 tons of waste per year, including researching the development of alternative disposal technologies by providing access to nonproprietary information and site resources to local community or state colleges and universities and other parties and the performance of a feasibility study of landfill gas-to-energy and other waste-to-energy technology.

Provides that the Commission for Public Health cannot require vehicles or containers used for the collection and transportation of solid waste to be leak-proof; however, they can require the design of these containers to be leak-resistant according to industry standards. Requires the Commission to adopt a rule identical to this provision to replace the Collection and Transport Rule and for purposes of this act and implementation can be found at 15A NCAC 13B .0105. Upon adoption of a permanent rule by the Commission, the provisions of this section will expire.

Amends GS 20-116(g), concerning the size of vehicles and their load, providing, for the purposes of this subsection, the terms "load" and "leaking" do not include water accumulated from precipitation.

Amends GS 130A-290 by adding a new subdivision which defines leachate as meaning a liquid that has passed through or emerged from solid waste and contains soluble, suspended, or miscible materials removed from such waste. Provides that the term "leachate" does not include liquid adhering to tires of vehicles leaving a sanitary landfill and transfer stations.

Amends GS 153A-292(b) and GS 160A-314.1, concerning fees for collection of solid waste, to clarify that, except as provided in these subsections, a fee for use of a disposal facility may not exceed the cost of operating the facility. Provides that the fee can exceed costs if the city or county enters into a contract with another county or city to accept the other entity's solid waste and the city or county by ordinance levies a surcharge on the fee, which can be used for any purpose for which the county or city can appropriate funds.

Amends GS 160A-314 to authorize cities and counties to transfer excess funds from a utility or public service enterprise fund used for the operation of a landfill in order to be used to support other services provided for by the city or county's general fund.

Amends GS 130A-294(b1), providing that local governments can elect to include a surcharge on other local governments' waste as part of a franchise agreement entered into with a private landfill owner or operator. Applicable to franchise agreements executed on or after the effective date.

Effective August 1, 2013.
Part VII. Industrial Commission

Amends GS 97-78(b), deleting language that provided that the administrator and executive secretary appointed pursuant to this subsection were subject to the State Personnel System. Amends GS 97-79(b), providing that deputies appointed pursuant to this subsection will not be considered hearing officers within the meaning of GS 126-5(d)(7). Effective July 1, 2015.

Also makes technical corrections and additional clarifying changes to this act.

Summary date: Sep 3 2013

AN ACT TO IMPROVE AND STREAMLINE THE REGULATORY PROCESS IN ORDER TO STIMULATE JOB CREATION, TO ELIMINATE UNNECESSARY REGULATION, TO MAKE VARIOUS OTHER STATUTORY CHANGES, AND TO AMEND CERTAIN ENVIRONMENTAL AND NATURAL RESOURCES LAWS. Enacted August 23, 2013. Effective August 23, 2013, except as otherwise provided.

SL 2013-414

REV LAWS TECHNICAL, CLARIFYING, & ADMIN. CHG.

Bill H 14

Summary date: Jan 30 2013

Makes technical, clarifying, and stylistic changes to various statutes in GS Chapter 105, as title indicates. Amends GS 105-129.84(c) to clarify that the standard carryforward period (was, five-year period) applies to specified credits granted to growing businesses.

Effective for tax years beginning January 1, 2012, amends GS 105-134.6 to update references to adjusted gross income. Makes conforming changes. Recodifies specified provisions of GS 105-134.7 (concerning transitional adjustments) in GS 105-134.6, and repeals the remainder of GS 105-134.7. Clarifies, in GS 105-151.18, that NC taxable income is defined in GS 105-134.5 for purposes of credits for persons with disabilities.

Sets out the definition for school instructional material and clarifies the definition for storage in GS 105-164.3 (definitions for sales and use tax provisions). Amends GS 105-164.4(a)(3) to clarify that a facilitator must send a retailer any sales price and tax due for an accommodation rental no later than 10 days after the end of each calendar month (rather than within three days of receiving notice). Amends GS 105-164.6(c) to clarify when a credit is allowed against the complementary use tax. Revises the exemptions from sales and use tax for certain types of computer software and certain types of personal property sold by a retailer. Amends GS 105-164.14(b) to provide that a listed hospital is allowed a refund of sales and use taxes paid for over-the-counter drugs (was, medicines and drugs). Also grants this refund to a single member LLC that is disregarded for income tax purposes and that meets specified conditions. Repeals GS 105-164.35 (concerning excessive payments).
Authorizes the Secretary of Revenue to develop a matrix showing the taxability of certain items and permits taxpayers to rely on the matrix. States that a retailer is not liable for an underpayment of tax due to a rate change under specified circumstances. Clarifies, in GS 105-187.51, that a privilege tax is imposed on certain manufacturing plants (was, a manufacturing industry or plant). Amends GS 105-236.1(a) to grant revenue law enforcement officers authority to enforce GS 14-113.20 (identity theft violations) and GS 14-133.20A (trafficking in stolen identities). Clarifies, in GS 105-259(b), the purposes for which tax information may be disclosed. Modifies the confidentiality provisions for information received from administering the unauthorized substances tax.

Modifies the license requirements in GS 105-113.4A for licenses obtained to distribute tobacco products. Amends GS 105-113.4B to modify the reasons for canceling such a license. Deletes the investigation provision in GS 105-113.13; specifies that a bond also includes an irrevocable letter of credit. Effective July 1, 2013.

Adds a definition for advertising and promotional direct mail in GS 105-164.3 (sales and use tax definitions), and makes conforming changes to GS 105-164.4B. Removes the sunset date on modifications to certain register of deeds fees.

Summary date: Jul 1 2013

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

Amends GS 105-164.13 to add prepared food to items that are exempt from sales tax when it is sold not for profit by school cafeterias, served to students in dining rooms operated by the educational institution or student organizations, or sold by a church or religious organization not for profit where the proceeds are used for religious activities. Adds that the exemption for fuel and electricity sold to a manufacturer for use in connection with the operation of a manufacturing facility does not apply to electricity used at a facility where the primary activity is not manufacturing. Amends GS 105-164.13A by making conforming changes to include prepared food.

Amends GS 105-164.14(b) to add that sales and use tax liability indirectly incurred by a nonprofit through reimbursement to an employee of the entity for the purchase of tangible personal property and services other than electricity, telecommunication service, and ancillary services for use in carrying on the work of the nonprofit is considered a direct purchase by the entity.

Amends GS 105-164.27A to add that a person who purchases direct mail may apply for a direct pay permit for the purchase of the direct mail. Specifies that the permit does not apply to any purchase other than the purchase of direct mail.

Deletes proposed changes to GS 105-187.51(a) and to GS 105-242.2(b).

Makes Section 22 of the act, concerning a tobacco distributor’s licenses, effective September 1, 2013.

Amends GS 105-164.4B(d) to make a conforming change. Also amends the statute to remove the provision stating that direct mail is sourced to the location indicated by an address for the purchaser.
that is available from the business records of the seller maintained in the ordinary course of business when use of the address does not constitute bad faith when other provisions do not apply.

Amends GS 62A-54(a) to make a technical change.

Amends GS 66-255 to provide that a specialty market operator or operator of an event where space is provided to a vendor must keep a daily registration list of all specialty market or other vendors selling or offering goods for sale. Makes conforming changes. Adds that the daily registration lists must be made available to the Secretary of Revenue or the Secretary's agent. Provides that the exemptions in GS 66-256 do not apply to the registration list.

Amends GS 105-129.16H to provide that the statute is repealed as of the date that GS 105-129.16A is repealed. Provides that the repeal applies to donations made for renewable energy property placed in service on or after the date the section is repealed.

Amends GS 105-129.26(c) so that the forfeiture provision applies only to major recycling facilities (was, large or major).

Amends GS 105-130.5 to delete from the additions that are to be made to federal income when determining state income outdated provisions as well as other provisions concerning accelerated depreciation deductions; adds in the amount required to be added under GS 105-130.5B when the state decouples from federal accelerated depreciation and expensing, as well as the amount allowed as a deduction under GS 105-130.5B as a result of an add back for federal accelerated depreciation and expensing. Effective for taxable years beginning on or after January 1, 2013.

Enacts new GS 105-130.5 to require a taxpayer taking a special accelerated depreciation deduction for specified property to add to their taxable income 85% of the amount taken for that year under the specified Code provisions. Allows a taxpayer to deduct 20% of the add back in each of the first five taxable years following the year the taxpayer is required to include the add back in income. Includes special provisions for taxpayers placing property in service during the 2009 taxable year when the taxable income for 2009 reflected a special accelerated depreciation deduction. Requires a taxpayer who places section 179 property in service during taxable year 2010 through 2013 to add to the taxpayer's federal taxable income 85% of the amount by which the taxpayers' expense deduction under section 179 exceeds the specified dollar and investment limitations. Allows a deduction of 20% of the add back in each of the first five taxable years following the year the taxpayer is required to include the add back in income. Allows a taxpayer that transfers an asset where the basis of the asset transferred carries over from the transferor to the transferee for federal income tax purposes to fully deduct the amount of accelerated depreciation added in a prior year unless any portion was previously deducted. Allows any unused portion of the amount of the accelerated depreciation to be fully deducted in one of two specified ways. Effective for taxable years beginning on or after January 1, 2013.

Amends GS 105-134.6 to delete from the items that a taxpayer may deduct, to the extent those items are included in the taxpayer's adjusted gross income, outdated provisions as well as other provisions concerning accelerated depreciation deductions; adds in the amount allowed as a deduction under GS
105-134.6A as a result of an add back for federal accelerated depreciation and expensing. Amends the items that must be added when a taxpayer deducts the itemized deductions, to the extent those items are included in the itemized deduction amount, to remove outdated provisions as well as other provisions concerning accelerated depreciation deductions; adds in the amount required to be added under GS 105-134.6A when the state decouples from federal accelerated depreciation and expensing. Effective for taxable years beginning on or after January 1, 2013.

Enacts new GS 105-134A requiring a taxpayer taking a special accelerated depreciation deduction for specified property to add to their federal taxable income, or adjusted gross income, 85% of the amount taken for that year under the specified Code provisions. Provides that for taxable years before 2012, the amount must be added to the federal taxable income; for 2012 and after, the amount must be added to the taxpayer's adjusted gross income. Allows a taxpayer to deduct 20% of the add back in each of the first five taxable years following the year the taxpayer is required to include the add back in income. Includes special provisions for taxpayers placing property in service during the 2009 taxable year when the taxable income for 2009 reflected a special accelerated depreciation deduction. Requires a taxpayer who places section 179 property in service during taxable year 2010 through 2013 to add to the taxpayer's federal taxable income, or adjusted gross income, 85% of the amount by which the taxpayer's expense deduction under section 179 exceeds the specified dollar and investment limitations. Provides that for taxable years before 2012, the amount must be added to the federal taxable income; for 2012 and after, the amount must be added to the taxpayer's adjusted gross income. Allows a deduction of 20% of the add back in each of the first five taxable years following the year the taxpayer is required to include the add back in income. Allows a taxpayer that transfers an asset where the basis of the asset transferred carries over from the transferor to the transferee for federal income tax purposes to fully deduct the amount of accelerated depreciation added in a prior year unless any portion was previously deducted. Allows any unused portion of the amount of the accelerated depreciation to be fully deducted in one of two specified ways. Effective for taxable years beginning on or after January 1, 2013.

Allows a taxpayer subject to income tax under GS Chapter 104, Article 4, for taxable years beginning on or after January 1, 2007, and on or before January 1, 2012, that meets the requirements of GS 105-130.5B(d) or GS 105-134.6A(d) to apply for a refund of any excess tax paid. Requires requests to be made on or before January 1, 2014.

Amends GS 105-134.6(d)(23) to provide that for 2013, the taxpayer who elects to itemize deductions may deduct the amount that would have been allowed as a charitable deduction under section 170 had the taxpayer not taken the income exclusion. Provides that this deduction is not subject to the charitable contribution limitation and carryover provision but is subject to the overall limitation on itemized deductions.

Amends GS 105-130.6A to provide that the definitions in GS 105-130.2 (was, provisions if GS 105-130.6) govern the determination of whether a corporation is a subsidiary or affiliate of another.

Amends GS 105-151.26 to provide that for tax year 2013, the taxpayer's excess charitable contributions also include the amount by which the taxpayer's charitable contributions for the taxable year would
have been deductible under section 170 of the Code had the taxpayer not elected to take the income exclusion under section 408(d)(8) of the Code that exceed 2% of the taxpayer's adjusted gross income.

Provides that for the purposes of computing this tax credit, charitable contributions are not subject to the charitable contribution limitation and carryover provisions of section 170 of the Code.

Amends GS 105-159, federal corrections, to make the statute applicable to corrections to a taxpayer's adjusted gross income or federal tax credit (was, federal taxable income). Makes conforming changes.

Amends GS 105-163.3(d), providing that certain payers of contractors must file with the Secretary an annual report that compiles the information contained in each of the payer's statements to contractors and any other information required by the Secretary in the manner required by the Secretary. Amends GS 105-163.6(a), also providing that the returns required by this section must be filed with the Secretary in the manner required by the Secretary.

Amends GS 105-164.4(a)(6b), providing that the general rate of tax charged to retailers also applies to the sales price of digital property that is sold at retail.

Amends GS 105-164.4C(a2), providing that the sourcing principle in this subdivision applies to a product provided as an adjunct to mobile telecommunications service if the charge for the product is included within the term "charges for mobile telecommunications services."

Amends GS 105-164.14(c)(24), providing that the subsection applies to a public library created pursuant to an act of the General Assembly or established pursuant to GS 153A-270 (previously, only applied to a public library created by the General Assembly). Effective January 1, 2013, applying to purchases occurring on or after that date.

Amends GS 105-164.28, certificate of exemption, providing that, except as provided in subsection (b) of this section, a seller is not liable for the tax otherwise applicable if the Secretary determines that a purchaser improperly claimed an exemption or if the seller, within 90 days of the sale, meets specified new and amended requirements. Adds new subsection regarding substantiation requests, providing that if the Secretary determines that a certificate of exemption or the required data elements obtained by the seller are incomplete, then the Secretary can request substantiation from a seller. Provides that a seller is not required to verify that a certificate of registration number provided by a purchaser is correct. Provides that a seller is not liable for tax otherwise applicable to the seller who completes specified requirements within 120 days after a request for substantiation by the Secretary. Sets out specific times when relief from liability does not apply to a seller. Provides that the Secretary cannot require a seller to renew a blanket certificate or to update exemption certificate information or data elements when there is a recurring business relationship between the buyer and seller. Provides that a recurring business relationship exists when a period of no more than 12 months elapses between sales transactions.

Amends GS 105-164.28A, Other exemption certificates, providing that a seller is relieved of the liability for tax owed from a transaction involving an exemption certificate when the seller obtains the purchaser's name, address, type of business, reason for exemption, and exemption number in lieu of
obtaining an exemption certificate. Provides that GS 105-164.28A will be administered in accordance with GS 105-164.28. Provides that the Secretary can authorize in writing the Streamline Sales Tax Governing Board to contract on the behalf of the Secretary with a certified service provider for the purpose of collecting and remitting sales and use tax (previously, only the Secretary was authorized to contract).

Amends GS 105-164.44I, concerning the distribution of sales tax from video/telecommunications service, providing that the Secretary must first, from the amounts listed in this subsection, make the distribution required in subsection (b) of this section and then distribute the remainder in accordance with subsections (c) and (d) (previously, the Secretary was required to first distribute $2 million in accordance with subsection (b)).

Amends GS 105-197.51B, providing that a privilege tax is imposed on companies that are primarily engaged in specific activities at their establishments in lieu of companies labeled as a certain type of company. For example, a tax is imposed on a company primarily engaged at their establishment in research and development activities in lieu of a research and development company. Makes conforming changes throughout the subsection.

Amends GS 105-241.6(b), providing a new subsection dealing with contingent events and overpayment of taxes, establishing that if a taxpayer is subject to a contingent event and files notice with the Secretary, then the period to request a refund of an overpayment is six months after the contingent event concludes. Defines a contingent event as litigation or a state tax audit initiated prior to the expiration of the statute of limitations under GS 105-241.6(a), which prevents the taxpayer from possessing the information needed to file an accurate request for a refund of an overpayment. Provides that "notice to the Secretary" means a written notice filed with the Secretary prior to expiration of the statute of limitations noted above. Sets out what the written notice must state and identify. Provides that a taxpayer can solicit, by written request, the Secretary for an extension on the statute of limitations in regards to requesting an overpayment of taxes for events or conditions which are not considered to be contingent events. Sets out what the written notice must state and identify, including clear and convincing proof that the event or condition was beyond the taxpayer's control and that it prevented timely filing. Effective January 1, 2014, applying to a request for a refund of an overpayment of tax filed on or after that date.

Current law provides that the Secretary of Revenue (Secretary) may not determine the state net income properly attributable to a corporation's business carried on in the state under GS 105-130.5A, until a rule adopted by the Secretary under GS 105-262.1 becomes effective. Amends GS 105-262.1(d), which provides an expedited procedure for the adoption of rules needed to administer GS 105-130.5A, to allow a person to object to a rule and request a review by the Rules Review Commission (Commission) following the agency's adoption of the rule (was, prior to the adoption of the rule).

Amends GS 105-468 to direct that the administration and collection of the use tax authorized under Article 39 of GS Chapter 105 be done in accordance with Article 5 of GS Chapter 105. Deletes provisions
requiring a retailer engaged in business in the state and in the taxing county to collect the use tax levied under GS 105-164.6 and specifying that the use tax under this section is levied against the purchaser.

Amends GS 105-467(c) to provide that the sourcing principles in GS 105-164.4B apply in determining whether the local sales tax applies to a transaction, deleting the provision that the local sales tax applies to taxable transactions by retailers whose place of business is located within the taxing county.

Amends GS 105-561(d) to apply the provisions regarding a special tax district to a regional public transportation authority created under Article 26 of GS Chapter 160A.

Amends Section 27A.2(f) of SL 2009-451 to provide that the general state rate of tax in effect on or after July 1, 2011, applies to gross receipts received on or after July 1, 2011, under a lease or rental agreement entered into for a definite, stipulated period of time during the period between September 1, 2009, through June 30, 2011.

Amends Section 8 of SL 2011-122, to provide that the Department of Revenue may retain the cost of collection under this section that includes costs incurred prior to July 1, 2013.

Provides that the Department of Revenue allocates and distributes to cities and counties (1) the local sales and use tax under Subchapter VIII of GS Chapter 105 and (2) a portion of various state taxes under GS Chapter 105. Requires that if the Department of Revenue is unable to accurately calculate the amount of tax proceeds to be distributed to a county or city because of implementation issues with the Tax Information Management System (TIMS), the Department of Revenue must allocate and distribute an amount to a county and city that is equal to the average of the applicable tax proceeds allocated and distributed to the county or city for the same distributional period in the three preceding fiscal years. Effective when this provision becomes law and expires on July 1, 2015.

Amends various session laws to delete exemptions from the listed counties' levy of a room occupancy and tourism development tax on accommodations furnished by the following entities (as applicable): (1) religious organizations; (2) educational organizations; (3) any business that rents fewer than five units; (4) summer camps; or (5) charitable, benevolent, and other nonprofit organizations. Amends appropriate session laws affecting the following counties: Alamance, Alleghany, Buncombe, Carteret, Currituck, Dare, Forsyth, Johnston, Lenoir, Madison, Martin, Washington, and Richmond. Also deletes the exemptions for the occupancy tax levied by the Greensboro City Council, the Washington City Council, and the Kinston City Council.

Repeals the following to delete the exemptions on the room occupancy tax for the indicated counties: Section 3 of SL 1983-980, as amended (Craven); Section 3 of SL 1983-988 (Guilford); Section 3 of SL 1985-857 (Onslow); and Section 3 of SL 1987-950, as amended (Johnston).

Amends Section 22(d) of SL 2007-527, as amended, to make subsection (c) of this section, regarding the monthly transfer of interest collected on unpaid registration fees to the NC Highway Fund for technology improvements, effective July 1, 2013 (was, effective July 1, 2013, or when specified
conditions regarding establishing the operation of an integrated computer system for registration renewal and property tax collection, whichever occurred first).

Amends Section 24(c) of SL 2009-445, as amended, to provide that with the exception of amendments to GS 105-330.9 and GS 105-330.11, the remainder of subsection (a) of Section 24 and all of subsection (b) of Section 24 become effective July 1, 2013, and apply to combined tax and registration notices issued on or after that date and deletes the alternative option for becoming effective when the DMV and the Department of Revenue certify that the integrated computer system or registration renewal and property tax collection for motor vehicles is in operation. Provides that counties may continue to collect property taxes on motor vehicles for taxable years beginning on or before September 1, 2013, under Article 22A of GS Chapter 105 as those statutes are in effect on June 30, 2013. Makes identical changes regarding the respective stated effective dates for Section 8 of SL 2007-471, as amended, and Section 13 of SL 2005-294, as amended.

Repeals Sections 3.2 (amending GS 105-330.2), 3.3 (amending GS 105-330.3), and 3.4 (amending GS 105-330.4) of SL 2012-79, effective June 26, 2012.

Amends GS 105-330.2, as amended by Section 2 of SL 2005-294 and Section 24(a) of SL 2009-445, to provide that the owner of a classified motor vehicle may appeal the appraised value of the vehicle but not the taxability of the vehicle (was, appraised value or taxability). Provides that appeals filed under this subsection, (b1), are to proceed as provided in GS 105-312(d). Adds a new subsection (b2) to provide that an owner of a classified motor vehicle may appeal the vehicle's eligibility for an exemption or exclusion within 30 days of the initial decision. Provides that appeals filed under this new subsection are to proceed in the manner provided in GS 105-312(d). Effective July 1, 2013.

Amends GS 105-330.3, as amended by Section 24(a) of SL 2009-445, pertaining to the listing of unregistered classified motor vehicles for tax purposes. Provides criteria for taxing a classified motor vehicle that is required to be listed under subsection (a1) and that is registered before the end of the fiscal year for which it is required to be listed. Additionally, provides criteria for determining the tax on a vehicle for any months during which the vehicle was not taxed between the date the registration expired and the start of the current registered vehicle tax year and designates that the vehicle is to be taxed as an unregistered vehicle under the specified criteria. Provides that a vehicle that is required under this subsection to be listed and that is not listed by January 31 and is not registered before the end of the fiscal year in which it is required to be listed is subject to discovery under GS 105-312. Requires an owner of a classified motor vehicle claiming exclusion or exemption from tax to file an application for exempt status with the tax assessor within 30 days of the date on which taxes for the vehicle are due (was, did not specify a time period in which the application had to be filed). Effective July 1, 2013.

Amends GS 105-330.4, as amended, to provide that the registration of a classified motor vehicle may not be issued or renewed unless the taxes for the tax year that begins on the first day of the first month following registration have been paid (was, may not be renewed unless the taxes that are due have been paid). Adds that if the registration of a classified motor vehicle is renewed earlier than the date the
taxes are due, the taxes must be paid as if they are due. Specifies that interest accrues on unpaid taxes and registration fees at the rate of 5% for the remainder of the month following the date the registration renewal sticker expired (was, for the remainder of the month following the month the taxes are due). Specifies that interest accrues at the rate of 3/4% beginning the second month following the due date. Provides that the enforcement remedies in this subchapter do not apply to unpaid taxes on a registered classified motor vehicle for which the tax year begins on or after October 1, 2013. Effective July 1, 2013.

Amends GS 105-330.1(b), as amended, to add that motor vehicles owned by participants in the Address Confidentiality Program are not designated as a special class of property. Effective July 1, 2013.

Makes Section 5, 6, and 7 of the act effective for taxable years beginning on or after January 1, 2012. Except as otherwise provided, the remainder of the act is effective when it becomes law.

**Summary date:** Jul 8 2013

House amendment #1 makes the following changes to the 2nd edition.

Amends the effective dates for Section 34 of the act, concerning adjustments to state income taxes, providing that Section 34 will be effective for taxable years beginning on or after January 1, 2012 (previously provided that subsections 34(a) through (d) are to be effective for taxable years beginning on or after January 1, 2013, with the remainder of the section effective when it becomes law). Deletes language regarding the procedures for applying for a refund of any excess tax paid.

House amendment #2 makes the following changes.

Adds new section to the act, Section 54, amending GS 105-164.14(b), concerning nonprofit entities that are allowed a refund for certain taxes paid, providing volunteer fire departments and volunteer emergency medical services squads that are (1) exempt from income tax under the Code and/or (2) financially accountable to a city as defined in GS 160A-1, a county, or a group of cities or counties are allowed the refunds specified under GS 105-164.14 (previously, stated that volunteer fire departments and volunteer emergency medical services squads, if exempt from paying income tax under the Code, were allowed the refunds). Effective July 1, 2013, and applies to purchases made on or after that date.

**Summary date:** Jul 17 2013

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

Amends GS 105-236(a)(9) and GS 105-258(a), making technical changes.

Amends GS 105-263(b), concerning extensions for filing returns or reports, deleting any language regarding requesting an extension for the filing of reports with the Secretary of Revenue.

Amends GS 105-134.6(d), concerning modifications to adjusted gross income; GS 105-151(a), concerning tax credits for taxes paid outside North Carolina; and GS 105-160.2, concerning the imposition of taxes, updating statutory references to include references to GS 105-134.6A.
Amends GS 105-160.1, concerning tax definitions, providing that taxable income is meant to be used as defined in sections 641 through 692 of the Code (was, section 63 of the Code).

Recodifies the first sentence of GS 105-134.7(a)(3) as GS 105-134.6(c)(20) [previously, was recodified as GS 105-134.6(c)(17)].

Recodifies GS 105-134.7(a)(6) as GS 105-134.6(c)(21) [previously, was recodified as GS 105-134.6(c)(18)].

Recodifies GS 105-134.7(a)(7) as GS 105-134.6(d)(11) [previously, recodified GS 134.7(a)(7) as GS 105-134.6(d)(9)].

Recodifies GS 105-134.7(b) as GS 105-134.6(d)(12) [previously, recodified GS 134.7(b) as GS 105-134.6(d)(10)].

Amends GS 105-151.18(b), concerning credit for the disabled, providing that the amount of credit is determined by calculating the difference between the adjusted gross income and the correlating income amount in the included table (previously, utilized taxable income and not adjusted gross income in calculating the credit). Makes conforming changes.

Amends GS 105-164.6(c), making technical changes.

Amends GS 105-164.14(b) to add that sales and use tax liability indirectly incurred by a nonprofit through reimbursement to an authorized person (was, employee) of the entity for the purchase of tangible personal property and services other than electricity, telecommunication service, and ancillary services for use in carrying on the work of the nonprofit is considered a direct purchase by the entity.

Amends GS 105-164.27A, concerning direct payment of taxes, providing that a person who purchases direct mail under a direct pay permit must file a return and pay the tax due monthly or quarterly to the Secretary.

Amends GS 105-164.42L(c), concerning liability relief for erroneous information, changing one of the conditions required to be satisfied in order to qualify for liability relief providing the retailer’s failure to collect tax at the newly effective rate does not extend beyond 30 days after the date of enactment of the new rate or the effective date applicable under GS 105-164.15A (previously, only included if the failure does not extend beyond 30 days after the date of enactment).

Provides that the repeal of GS 105-256(a)(9) is effective when the act becomes law and applies to cases filed on or after January 1, 2012.

Amends GS 105-164.3, definitions for the sales and use tax article, adding a new definition, other direct mail, meaning any direct mail that is not advertising and promotional mail regardless of whether advertising and promotional direct mail is included in the same mailing. Makes technical changes.

Amends the provisions of GS 105-164.4B(d) regarding direct mail, to provide that the provisions of GS 105-164.4B(d) do not apply to direct mail that is sourced in accordance with GS 105-164.4E. Also amends the statute to remove the provisions stating that direct mail is sourced to the location where
the direct mail is delivered pursuant to a direct pay permit, when the purchaser provides the seller with information to show the jurisdictions to which the direct mail is to be delivered, and to the location from which the direct mail was shipped if it is advertising and promotional direct mail.

Enacts new section GS 105-164.4E, Direct mail, providing sourcing principles that apply to advertising and promotional direct mail, including the above deleted sourcing principles. Includes sourcing principles that apply to other direct mail as well as provisions detailing what the seller is relieved of in the absence of bad faith, including all obligations to collect, pay, or remit any tax on certain direct mail transactions.

Deletes Section 24 of the previous edition, which included the following proposed changes and amended provisions: SL 2011-296, concerning registers of deeds; SL 2012-79, deleting a sunset provision included in the lead-in language of Section 2.16 of the Session Law; the repeal of GS 161-11.4, fees for floodplain mapping; the repeal of GS 161-11.6, fees for archival of records; GS 143-215.56A, concerning the Floodplain Mapping Fund; and the effective date clause.

Amends proposed section GS 105-130.5B, concerning tax adjustments when North Carolina decouples from federal depreciation and expensing, deleting a subsection concerning the transfer of assets, which allowed a taxpayer that transfers an asset, where the basis of the asset transferred carries over from the transferor to the transferee for federal income tax purposes, to fully deduct the amount of accelerated depreciation added in a prior year. Further amends the proposed section by adding new subsections concerning a bonus asset basis, requiring the transferee of an asset transfer to add any remaining deductions to the basis of the transferred asset and depreciate the adjusted basis over any remaining life of the asset, and prior transactions, providing that for any transaction meeting specified requirements prior to January 1, 2013, the transferor and transferee can make certain elections regarding the tax adjustment allowed. Makes clarifying changes.

Amends GS 105-134.6, modifications to AGI, making technical changes.

Amends proposed section GS 105-134.6A, concerning tax adjustments when North Carolina decouples from federal accelerated depreciation and expensing, deleting a subsection concerning the transfer of assets, which allowed a taxpayer that transfers an asset, where the basis of the asset transferred carries over from the transferor to the transferee for federal income tax purposes, to fully deduct the amount of accelerated depreciation added in a prior year. Further amends the proposed section by adding new subsections concerning a bonus asset basis, requiring the transferee of an asset transfer to add any remaining deductions to the basis of the transferred asset and depreciate the adjusted basis over any remaining life of the asset, and prior transactions, providing that for any transaction meeting specified requirements prior to January 1, 2013, the transferor and transferee can make certain elections regarding the tax adjustment allowed. Also adds subsections regarding the tax basis, providing that for certain transactions AGI must be increased or decreased to account for any difference in the amount of depreciation, amortization, or gains or losses applicable to specified property; and definitions, which defines the terms transferor and owner in a transferor for use in this section. Changes the effective date
of the proposed changes of the section to being effective for taxable years beginning on or after January 1, 2013 (was, January 1, 2012).

Adds an effective date for the proposed changes to GS 105-134.6(d)(23) and to GS 105-151.26, **Credit for charitable contributions by nonitemizers**, providing that the changes are effective for taxable years beginning on or after January 1, 2013.

Amends GS 105-159, **Federal corrections**, making clarifying changes.

Amends GS 105-164.28(e), concerning certificates of exemption, making a clarifying change.

Amends GS 105-164.28A(b), concerning other exemption certificates, providing that this section does not apply to a direct pay permit or a certificate of exemption (previously, provided that it did not apply to direct pay permits or certificates of resale). Makes conforming changes.

Amends GS 105-241.7(b), concerning refunds of tax overpayment, providing that a taxpayer can request a refund of overpayment of taxes based on a contingent event as defined in GS 105-241.6(b)(5) only after the event is finalized and an accurate and definite request for the refund can be determined (previously, did not provide language regarding refunds based on contingent events).

Amends GS 105-134.5, **NC taxable income defined**, updating statutory references to include GS 105-134.6A.

Amends GS 105-242.2(b), providing that each responsible person in a business entity is personally and individually liable for the principal amount of taxes that are owed by the business entity and listed in this subsection. Makes clarifying and conforming changes. Changes effective when the act becomes law and applies to assessments proposed on or after that date.

Amends GS 20-79.4(b) to add a special registration plate for the North Carolina Paddle Festival (Festival). Provides that the plate may bear a phrase and logo representing the festival. Amends GS 20-79.7 to establish a special plate fee of $30. Distributes $10 of the fee amount to the Special Registration Plate Account and $20 to the Collegiate and Cultural Attraction Plate Account (CCAPA). Amends GS 20-81.12 to direct the Division of Motor Vehicles to make a quarterly transfer of the money in the CCAPA earned from the sale of these plates to the Friends of the Hammocks and Bear Island Inc. Provides that the development of the plate is contingent on receiving at least 300 plate applications. Authorizes the Revisor of Statutes to ensure that all of the special registration plates listed in GS 20-81.12(b2) are listed in alphabetical order and numbered accordingly.

Provides that if House Bill 998 (HB 998), **Tax Simplification and Reduction Act**, 2013 Regular Session, becomes law, then GS 105-153.6, regarding adjustments when the state decouples from federal accelerated depreciation and expensing as enacted by HB 998 is amended as follows. Amends subsection (d) to provide that the adjustments made in this section do not result in a difference in basis of the affected assets for state and federal income tax purposes, except as modified in new subsection (e) of GS 105-153.6. Adds four new subsections to this section: (1) Subsection (e), **bonus asset basis**, regarding an actual or deemed transfer of an asset occurring on or after January 1, 2013, where the tax
basis of the asset carries over from the transferor to the transferee for federal income tax purposes; (2) Subsection (f), prior transactions, providing that in any transaction meeting the requirements of subsection (e) of this section prior to January 1, 2013, the transferor and transferee can make an election to make the basis adjustment allowed in that subsection on the transferee's 2013 tax return subject to specified occurrences; (3) Subsection (g), tax basis, providing that for transactions described in subsections (e) or (f) of this section, adjusted gross income must be increased or decreased to account for any difference in the amount of depreciation, amortization, or gains or losses applicable to property due to the use of a different basis or rate for state income tax purposes than used for federal income tax purposes before the effective date of this section; and (4) Subsection (h), definitions, which defines the terms transferor and owner in a transferor for purposes of this section. Effective January 1, 2014, and applies to taxable years that begin on or after that date.

Provides that if HB 998 becomes law, GS 105-134.6A, 113A-256(g) (tax credit certification), and 160A-211(a) (city's authority to levy privilege license taxes), are repealed. If HB 998 becomes law, makes technical corrections to GS 105-153.3(9) and (12) as enacted by HB 998, defining limited liability company to reference a domestic or foreign limited liability company organized under GS Chapter 57D (was, 57C) and North Carolina taxable income as defined in GS 105-153.4. Provides that if HB 998 becomes law, GS 160A-211(a), regarding a city's authority to levy privilege license taxes, is amended to add GS 105-37.1, Amusements-Live entertainment and ticket resales, to the businesses, formerly taxed by the state under specified sections of Article 2 of GS Chapter 105, on which a city has the authority to levy privilege license taxes. Effective January 1, 2014, and applies to taxable years that begin on or after that date.

Amends GS 105-330.4, as amended, effective July 1, 2013, to prohibit issuing the registration for a classified motor vehicle unless (1) a temporary registration for the vehicle is issued under GS 20-79.1A or (2) the taxes for the motor vehicle's tax year that starts after the issuance of the registration are paid upon registration. Prohibits renewing the registration for a classified motor vehicle unless the taxes for the motor vehicle's tax year that begins after the registration expires are paid upon registration. Amends subsection (b) to provide that interest on unpaid taxes and registration fees for registered classified motor vehicles does not accrue for the first month following the due date. Amends subsection (c) to provide that the enforcement remedies in this Subchapter apply to unpaid taxes on a registered classified motor vehicle for which the tax year begins prior to October 1, 2013 (was, provided that the enforcement remedies did not apply to unpaid taxes on a registered classified motor vehicle for which the tax year begins on or after October 1, 2013).

Summary date: Jul 18 2013

Senate amendment makes the following changes to the 4th edition.

Amends the introductory language to Sections 58(a) and 58(b), making technical corrections, changing references to House Bill 988 to House Bill 998.
Amends proposed GS 105-153.6(e), Bonus Asset Basis, providing that when adding any remaining deductions allowed under GS 105-13.6(a), the transferee must depreciate the adjusted basis over any remaining life of the asset.

Amends proposed GS 105-153.6(f), Prior Transactions, providing that the limitations on future depreciation deductions also apply to the transferor in specified transactions, in regards to the transferor and transferee making an election to make the basis adjustment allowed on the transferee's 2013 tax return.

Amends GS 105-164.13, Retails sales and use tax, providing that state attractions, defined as a physical place supported with state funds that offers cultural, educational, historical, or recreational opportunities, and an item purchased by a professional motorsports racing team for which the team may receive a sales tax refund under GS 105-164.14A(5), are exempt from the tax imposed by GS Chapter 105, Article 5, Sales and Use Tax. Effective January 1, 2014, and applies to taxable years that begin on or after that date and to purchases on or after that date.

Summary date: Sep 3 2013

AN ACT TO MAKE TECHNICAL, CLARIFYING, AND ADMINISTRATIVE CHANGES TO THE REVENUE LAWS AND RELATED STATUTES, AS RECOMMENDED BY THE REVENUE LAWS STUDY COMMITTEE. Enacted August 23, 2013. Sections 5 through 7 are effective for taxable years beginning on or after January 1, 2012. The remainder is effective August 23, 2013, except as otherwise provided.

SL 2013-415

VARIOUS EMERGENCY MANAGEMENT CHANGES.

Bill H 15

Summary date: Jan 30 2013

Amends GS 20-125(b) to add vehicles owned or operated by the Division of Parks and Recreation or the NC Forest Service to the list of state vehicles that must display special lights or other emergency indicators. Makes other clarifying changes. Makes technical and conforming changes to GS 20-130.1. Amends GS 20-145 to provide that the speed limit does not apply to Division of Marine Fisheries, Division of Parks and Recreation, or NC Forest Service vehicles responding to an emergency or in pursuit. Amends GS 20-156(b) to require drivers to yield the right-of-way, and amends GS 20-157(a) to require drivers to move over for these vehicles. Effective October 1, 2013.

Directs the Department of Public Safety to study methods allowing inmates to contribute to cleanup efforts during states of emergency, and to report by October 1, 2013, to specified committees.

Summary date: Feb 13 2013
House committee substitute makes the following change to 1st edition. Makes a clarifying change.

**Summary date:** Jul 2 2013

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

Amends GS 20-130.1, which makes it unlawful to install, activate, or operate red or blue lights on any vehicle in this state, to expand the exceptions to this prohibition to include vehicles operated by official members or teams of REACT International Inc. to provide additional manpower authorized by law enforcement, firefighting, or other emergency response entities.

Amends GS 143-341(8)(i)7a, regarding the powers and duties of the Department of Administration (Department) to establish and operate a central motor pool and subsidiary related facilities to create an exception to the prohibition that the Department not assign any state-owned motor vehicle to be used for commuting other than those authorized by the procedure described in this subdivision. Provides an exception which allows the Department to assign a vehicle to an official elected to a statewide office who has statewide emergency response duties and to exempt the assignment from the payment of reimbursement for commuting under this subdivision.

Amends the title to more precisely reflect the bill content. Renumbers the bill sections accordingly.

**Summary date:** Jul 16 2013

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

Deletes proposed changes to GS 143-341 concerning assignment of state-owned motor vehicles. Makes a conforming deletion in the act's title.

**Summary date:** Sep 3 2013

AN ACT TO (1) FACILITATE THE USE OF VEHICLES EXCLUSIVELY FOR LAW ENFORCEMENT, FIREFIGHTING, OR OTHER EMERGENCY RESPONSE PURPOSES BY THE DIVISION OF PARKS AND RECREATION OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND THE NORTH CAROLINA FOREST SERVICE OF THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES; AND (2) DIRECT THE DEPARTMENT OF PUBLIC SAFETY TO STUDY METHODS OF ALLOWING PRISONERS TO CONTRIBUTE TO CLEANUP AND MITIGATION EFFORTS IN CONNECTION WITH STATES OF EMERGENCY DECLARED IN THIS STATE. Enacted August 23, 2013. Section 1 is effective October 1, 2013. The remainder is effective August 23, 2013.

**SL 2013-416**

**FOREIGN LAWS/PROTECT CONSTITUTIONAL RIGHTS.**

**Bill H 522**
Summary date: Apr 2 2013

Identical to S 545 filed on 4/1/13.

Amends GS 143-151.42, as the title indicates.

Summary date: May 15 2013

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

Deletes the provisions of the previous edition.

Amends GS 143-151.42(b), providing that the provisions of this section that require service and meters for each individual dwelling unit must be in the name of the tenant or other occupant of the apartment or unit do not apply in either of the two circumstances that follow:

(1) The Utilities Commission has approved an application under GS 62-110(h) or

(2) The tenant and landlord have agreed in the lease that the cost of the electric service or natural gas service or both will be included in the rental payments and the service will be in the name of the landlord.

Effective when the act becomes law and applies to leases entered into prior to, on, or after the effective date.

Summary date: Jul 18 2013

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


Defines the following terms as they are used in this act: (1) fundamental constitutional right, (2) foreign law, and (3) foreign venue or forum.

Recognizes that the US Constitution and the Constitution of North Carolina constitute the supreme law of this state. Declares that is the public policy of North Carolina to protect its citizens from the application of foreign law that would result in the violation of a fundamental right of a natural person.

 Declares that no court, administrative agency, arbitrator, mediator, or other entity or person acting under authority of state law may apply a law of another country if it would violate a legal or constitutional right of one or more natural persons who are parties to the proceeding. Prohibits a court, or any other entity or person acting under the authority of state law, from applying a foreign law in any legal proceeding involving, or recognize a foreign judgment involving, a claim for absolute divorce, divorce from bed and board, child custody, child support, alimony, or equitable distribution if doing so would violate a fundamental constitutional right of one or more natural persons who are parties to the proceedings.
Requires strict construction and modification of contracts involving choice of a forum venue or forum to protect constitutional rights. Provides for when a motion to transfer proceedings to a foreign venue or forum is to be denied. Makes null and void any contract provision or agreement that is incapable of being modified or amended under this article in order to preserve the legal and constitutional rights of the natural persons who are parties to the contract or agreement. Provides for the strict construction of waivers.

Declares that the provisions of this act will apply only to proceedings or matters under GS Chapters 50 and 50A.

Rewrites the long and short title of this act to reflect the change in bill content.

Provides that this act becomes effective September 1, 2013, and applies to agreements and contracts entered into on or after that date.

Summary date: Sep 3 2013

AN ACT TO PROTECT RIGHTS AND PRIVILEGES GRANTED UNDER THE UNITED STATES AND NORTH CAROLINA CONSTITUTION IN THE APPLICATION OF FOREIGN LAW. Enacted August 26, 2013. Effective September 1, 2013.

SL 2013-417

WARRANT STATUS/DRUG SCREEN PUBLIC ASSIST.

Bill H 392

Summary date: Mar 25 2013

Amends GS Chapter 108A, creating a new section, GS 108A-26.1 (Information sharing of outstanding arrest warrant of applicant for or recipient of program assistance), providing that a county department of social services will notify applicants for program assistance, under Part 2 or Part 5 of this Article, that confidential information from the applicant's record may be released if a felony or misdemeanor arrest warrant is issued against the applicant. County departments of social services will notify all recipients under programs of assistance at the time of renewal that the applicant's confidential information may not be protected in the instances described above.

As far as allowed by law, a county department of social services will conduct a criminal history check of an applicant or recipient of program assistance under Part 2 or Part 5 of this Article. If the record check reveals that a warrant has been issued for the commission of a felony or a misdemeanor, the department of social services must, within 24 hours or by the end of the next business day, notify local law enforcement. The information that can be released is limited to name, address, telephone number, Social Security number, birth date, and physical description; all other information will be kept confidential.
The Social Services Commission (Commission) will adopt rules regarding the sharing of information between county departments of social services and local law enforcement agencies, the accuracy of information shared, and other rules the Commission deems necessary.

Each county's department of social services is authorized to enter into a memorandum of agreement with the head of any law enforcement agency as defined in GS 90-95.2, in order to perform the functions described in this section.

Amends GS Chapter 108A by creating a new section, GS 108A-26.2 (Individual subject to felony charge; eligibility for program assistance; federal approval; review by department), providing that departments of social services will not grant public assistance under Part 2 or 5 of Article 2 of GS 108A if they receive information that the applicant or recipient is subject to arrest on an outstanding warrant arising from violating parole or probation or from a felony charge. However, this does not affect the eligibility for assistance of other members of the applicant or recipient's household. An applicant or recipient will be eligible to receive program assistance if all other criteria of the law are met when he or she is no longer subject to arrest under an outstanding warrant.

Amends GS Chapter 114 by creating a new section, GS 114-19.33 (Criminal record checks of applicants for or recipients of program assistance), providing that the Department of Justice can provide to a county department of social services, from the State and National Repositories of Criminal Histories, the criminal history of any person who applies for program assistance under Part 2 or 5 of Article 2 of GS Chapter 108A. The county department will provide to the Department of Justice, along with a request, a form signed by the applicant or recipient acknowledging receipt of notification required by GS 108Aa-26.1(a), any identifying information required by the State and National Repositories, and any other information needed by the Department of Justice. Except as provided by GS 108A-26.1, the department of social services will keep all information obtained pursuant to this section confidential.

Summary date: Apr 3 2013

Amends new GS 108A-26.1 to provide that the arrest warrant that triggers the duty of the county department of social services to notify local law enforcement of the existence of an arrest warrant for an applicant or recipient for Temporary Assistance to Needy Families or Food and Nutrition Services benefits may be for a probation or parole violation as well as for the commission of a felony or misdemeanor. Requires the county department of social services to notify law enforcement of the existence of the arrest warrant within 72 hours after receiving the information regarding the arrest warrant (was, within 24 hours or by the end of the next business day after receiving information as to the existence of the arrest warrant).

Directs each county department of social services to report annually on April 1 to the Department of Health and Human Services (DHHS) on the number of individuals denied benefits under this section and the number of referrals made to law enforcement agencies under this section during the preceding calendar year.
Directs DHHS to report, annually on May 1, to the Joint Legislative Oversight Committee on Health and Human Services of the General Assembly on the number of individuals denied assistance under this section and the number of referrals made by county departments of social services to law enforcement agencies in this section. Requires that the report include data divided by county.

Makes clarifying changes.

Summary date: Apr 9 2013

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

Changes the long title.

Enacts GS 108A-26.1(b), providing that a county department of social services will verify whether an applicant for public assistance is (1) fleeing to avoid prosecution, confinement, or conviction, etc., or (2) is violating a condition of probation or parole by ensuring the criminal history of the applicant is checked at time of renewal. County social services will conduct the check to the extent permitted by allocated county and state resources. Counties are not required to allocate funds for this program, but can do so on a voluntary basis.

Enacts GS 108A-26.1(f),(g), and (h) providing that the Secretary of the Department of Health and Human Services (Department) will promote cooperation between the State and local agencies to perform the functions of this section. The Department must also cooperate and collaborate with other specified State agencies to develop protocols that ensure the implementation of this section. Requires each county department of social services to report to the Department annually, on April 1, the number of individuals denied for benefits under this section for the preceding year. Requires the Department to report annually, on May 1, to the Joint Legislative Oversight Committee on Health and Human Services on the number of individuals denied assistance, by breakdown of each county.

Amends GS 108A-26.2, changing the title to "Fleeing felon, or parole or probation violator; eligibility for program assistance; federal approval; review by department".

Amends GS 108A-26.2(b), replacing a reference to the "department of social services" with the Department of Health and Human Services.

Changes the effective date to July 1, 2013, (was, effective when it became law).

Summary date: Jun 27 2013

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

Amends GS 108A-29.1 to delete the current requirements for identification and treatment and to instead require drug screening for each applicant or recipient of Work First Program (WFP) assistance when the Department of Health and Human Services (DHHS) reasonably suspects the person is engaged in the illegal use of controlled substances. Makes the person who is tested responsible for the cost of the drug screening. Directs DHHS to provide notice of drug screening to each applicant or recipient. Also
specifies that the applicant or recipient be advised that the drug screening may be avoided if the applicant or recipient does not apply for WFP assistance. Provides that dependent children under the age of 18 are exempt from the requirements of this section. Lists additional requirements which DHHS is to enforce under this section.

Provides that if an individual tests negative for controlled substances, DHHS is to increase the amount of the initial WFP assistance in an amount equal to the cost the applicant or recipient paid for the drug testing. Designates a person who tested positive for controlled substances as ineligible for WFP assistance for one year from the date of the positive drug test, except permits the ineligible person to reapply for WFP if the person can document the successful completion of a substance abuse treatment program offered by area mental health authorities and licensed by DHHS. Requires that the person reapplying pass a drug test. Provides that the cost of any drug testing and substance abuse program is the responsibility of the person being tested or receiving treatment. Provides additional guidelines regarding ineligibility for persons who test positive for controlled substances more than once.

Directs the Social Services Commission to adopt rules for the testing of applicants and recipients under this section.

Deletes provision that permitted the requirements of this section under current law to the waived or modified as necessary in the case of individual applicants or recipients to the degree necessary to comply with Medicaid eligibility provisions.

Provides that a criminal record check of a WFP applicant or recipient that shows a conviction, arrest, or outstanding warrant within three years before the date the check is conducted relating to illegal controlled substances constitutes reasonable suspicion that requires drug testing.

Requires that DHHS report to the General Assembly by July 1, 2014, on the implementation of the act.

Adds a severability clause to the act.

Changes the effective date of the act from July 1, 2013, to October 1, 2013.

Amends the act’s short and long titles.

**Summary date:** Jul 10 2013

Senate amendment makes the following change to the 4th edition.

Amends GS 108A-26.1 to include the Department of Justice (DOJ) and the State Bureau of Investigation among those entities with whom there is to be information sharing with the Department of Health and Human Services (DHHS) regarding the arrest warrant status of persons seeking public assistance.

Makes a technical change, recodifying new section GS 114-19.33 as GS 114-19.34. Amends GS 114-19.34 to clarify that the DOJ is to provide a county department of social services with the criminal history of any applicant or recipient of program assistance under Part 2 or Part 5 of Article 2 of GS Chapter 108A upon request from the county department of social services (county DSS). Requires the county DSS to
also provide the DOJ with the applicant or recipient's fingerprints, any additional information that the
DOJ requires, and a form signed by the individual to be checked consenting to the check of the criminal
record and to the use of fingerprints and other identifying information. Specifies that the fingerprints
are to be forwarded to the State Bureau of Investigation (SBI) to be checked against the state's criminal
history record file, and directs the SBI to forward the fingerprints to the FBI for a national criminal
history check. Authorizes the DOJ to charge a reasonable fee for conducting the criminal history checks
authorized by this section.

Deletes provision that required advising the applicant that the drug screening and testing could be
avoided if the applicant or recipient did not apply for Work First Program assistance.

Requires that an applicant or recipient who fails a drug test be provided with information on substance
abuse, substance abuse counseling, and substance abuse treatment options including a list of options
that may be available to that individual.

In addition to a criminal record check, provides that the following also constitute reasonable suspicion of
substance abuse and may be a basis for requiring an applicant or recipient to undergo drug testing as a
condition of receiving Work First Program assistance benefits: (1) a determination by a Qualified
Professional in Substance Abuse or a doctor certified by the American Society of Addiction Medicine
that an individual is addicted to illegal controlled substances, (2) a screening tool relating to substance
abuse that yields a result indicating that the applicant or recipient may be engaged in the use of illegal
controlled substances, or (3) other screening methods as determined by the Social Services Commission.

Summary date: Jul 24 2013

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

Amends the proposed language of GS 108A-26.1(a), clarifying that the release of confidential
information from the applicant's records may not be protected if there is an outstanding arrest warrant
against the applicant for program/public assistance (previously, if a warrant for arrest was issued).
Makes organizational changes to GS 108A-26.1(b). Provides additional guidelines for the criminal history
check, establishing that criminal history checks using accessible databases must be conducted by the
county department of social services, subject to GS 114-19.34, and to the extent permitted by allocated
county and state resources. Further provides that nothing in GS 108A-26.1 requires fingerprints to be
taken of every applicant for or recipient of a program of public assistance. Deletes language which
stated that the Secretary of DHHS must oversee the implementation of the rules the Social Services
Commission must adopt regarding the sharing of information between county departments of social
services and local law enforcement agencies. Also deletes language requiring rules for the accuracy of
information shared.

Makes several changes to proposed GS 114-19.34, concerning criminal record checks of applicants for
public assistance, providing that the NC Department of Justice (DOJ) will provide to county departments
of social services the criminal history from the State or National Repositories of Criminal Histories.
Deletes the requirement for social services to submit fingerprints to the NC DOJ. Requires the consent
form for background checks to also provide consent to the use of any necessary identifying information required by the State or National Repositories. Makes organizational changes.

Amends proposed GS 108A-29.1, concerning drug screening and testing for Work First Program applicants and recipients, deleting language that made the cost of the drug testing the responsibility of the individual tested. Adds language that states that an applicant or recipient that fails a drug test can take one or more additional tests at his or her own expense (previously, did not state that the costs of the additional tests were to be borne by the applicant/recipient). Deletes language that stated that those that pass drug tests will have the amount paid by the applicant/recipient added into the initial assistance amount. Provides than an applicant/recipient that is deemed ineligible can reapply for program assistance after the expiration of 30 days from the date of the positive drug test if the individual can document either the successful completion of or the current satisfactory participation in a substance abuse treatment program offered by approved providers (previously, did not provide a 30-day wait period and did not allow current participation in a treatment program to serve as approval to reapply). Adds new GS 108A-29.1(b2), providing that applicants/recipients that are deemed ineligible for the Work First Program assistance can reapply after 30 days from the date of the positive drug test if a qualified professional in substance abuse or a physician certified by the American Society of Addiction Medicine determines a substance abuse program is not appropriate for the individual and that individual has passed a subsequent drug test. Subsequent tests are at the cost of the individual being tested and applicants/recipients that reapply for Work First pursuant to this subsection can only do so once. Directs the Social Services Commission to adopt rules pertaining to the successful completion of, or the satisfactory participation in, approved treatment programs, including rules regarding the timely reporting of program completion. Provides that child-only cases are exempt from the requirements of GS 108A-29.1. Makes conforming and clarifying changes.

Directs the Social Services Commission to adopt rules implementing the act, allowing the issuing of temporary rules, in addition to its permanent rule-making authority in order to enforce this act. Requires the rules for the implementation of GS 108A-29.1 to be adopted no later than February 1, 2014.

Requires that DHHS report to the General Assembly by April 1, 2014 (was, July 1, 2014) on the implementation of GS 108A-29.1.

Provides that proposed GS 108A-29.1 will become effective August 1, 2014.

**Summary date:** Sep 4 2013

AN ACT REQUIRING A COUNTY DEPARTMENT OF SOCIAL SERVICES (DSS) TO VERIFY WHETHER AN APPLICANT FOR OR RECIPIENT OF TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) BENEFITS OR FOOD AND NUTRITION SERVICES (FNS) BENEFITS IS A FLEEING FELON OR A PROBATION OR PAROLE VIOLATOR, TO DIRECT INTERAGENCY COOPERATION AND INFORMATION SHARING IN ORDER TO VERIFY THE ELIGIBILITY STATUS OF AN APPLICANT OR RECIPIENT, TO DENY TANF OR FNS BENEFITS TO AN APPLICANT OR RECIPIENT WHO IS A FLEEING FELON OR A PROBATION OR PAROLE VIOLATOR, AND TO REQUIRE DRUG SCREENING AND TESTING FOR CERTAIN APPLICANTS AND RECIPIENTS OF WORK FIRST
PROGRAM ASSISTANCE. Enacted September 4, 2013. Section 4 is effective August 1, 2014. The remainder is effective October 1, 2013.

SL 2013-418
RECLAIM NC ACT.

Bill H 786

Summary date: Apr 17 2013

False Identification Documents. Amends GS 14-100.0 to make it unlawful to knowingly possess, manufacture, or sell a false or fraudulent form of identification for deception, fraud, or other criminal conduct. Makes it a I felony to violate the statute, except makes the following a Class 1 misdemeanor: (1) violation based on the mere possession of a false or fraudulent form of id; (2) violation by a person under age 21 for the purpose of purchasing alcohol; and (3) violation by a person under age 18 for the purpose of purchasing tobacco products or cigarette wrapping papers. Amends GS 20-30 to extend the provisions of the statute to include fraudulent restricted drivers permits, in addition to licenses, learners permits, and special identification cards. Makes violations of the statute a Class I felony, except (1) it is a Class H felony to sell or offer for sale any reproduction or facsimile or simulation of a drivers' license, learner's permit, restricted drivers permit, or special identification card, (2) a violation by a person under the age of 21 for the purposes of purchasing alcohol is a Class 1 misdemeanor, and (3) a violation by a person under 18 for the purpose of purchasing tobacco products or cigarette wrappers is a Class 2 misdemeanor. Makes organizational changes to the statute. Makes a conforming change to GS 143-341. Effective December 1, 2013, and applies to offenses committed on or after that date.

Rebuttable Presumption Against the Pretrial Release of Certain Undocumented Aliens. Amends GS 15A-533 to create a rebuttable presumption that no condition of release will reasonably assure the appearance of the person as required and the safety of the community if the person is unlawfully present in the US and a judicial officer finds that there is reasonable cause to believe the person committed (1) one or more of the following: a sex offense, a violent felony, a driving offense, a drug offense, or a gang offense; or (2) an offense not listed in (1) and the US Immigration and Customs Enforcement has guaranteed that, in all such cases, it will issue a detainer for the initiation of removal proceedings and agree to reimburse the state for the cost of incarceration from the time of the issuance of the detainer. Makes conforming changes. Effective December 1, 2013, and applies to offenses committed on or after that date.

Reimbursement of Cost of Incarcerating Undocumented Aliens. Enacts new GS 148-2.1 requiring an undocumented alien prisoner, as defined, to reimburse the state for the actual cost of incarceration, to be remitted to the General Fund. Provides that any reimbursement that is unpaid is a "debt" and may be set off against any state income tax refund, and allows collection of the debt through the setoff for at least 10 years from the time of release or termination, or until the debt is satisfied. Allows the judge to
include in the order a requirement that the individual pay an amount estimated to be sufficient to cover the total actual cost of incarceration over the entirety of the prisoner's incarceration. Amends GS 148-33.1 to make a conforming change. Effective December 1, 2013, and applies to offenses committed on or after that date.

**Immigration Status Checks for Certain Persons Lawfully Stopped, Detained, or Arrested.** Enacts new GS 15A-506 to allow a law enforcement officer or agency to make a reasonable attempt to verify the immigration status of a person lawfully stopped, detained, or arrested, where reasonable suspicion exists that the person is an alien unlawfully present in the US. Requires that the verification be made as soon as possible and within 24 hours of the stop, detention, or arrest. Sets out conditions under which the statute does not apply, including when verifying the person's immigration status may hinder or obstruct the investigation, and when the person can provide one the listed types of valid identification. Effective December 1, 2013, and applies to offenses committed on or after that date.

**Miscellaneous.** Enacts new GS 64-9 to specify permissible methods for verifying immigration status. Enacts new GS 64-10 allowing records relating to immigration status to be admissible in court without further foundation or testimony form a records custodian if the record is certified as authentic by the federal agency responsible for keeping records. Enacts new GS 64-11 to provide for the transportation of an unlawfully present alien by state or local law enforcement. Enacts new GS 64-12 to provide for the construction of the Chapter and to establish a severability clause.

**Prohibit Use of Certain Documents for Identification Purposes.** Enacts new GS 15A-306 to prohibit the use of the following documents in determining a person's actual identity or residency (1) matricula consular or similar document issued by another country, and (2) an identity document issued or created by any person, organization, country, city, or other local authority, except where expressly authorized by the General Assembly to be used. Amends GS 20-7 and GS 58-2-164, removing matricula consular and similar documents from those that are reasonably reliable indicators of residency. Amends GS 108A-55.3 (Verification of State residency required for medical assistance) to remove a document issued by a foreign consulate verifying the applicant's intent to live in the state or that the applicant is residing in the state to seek employment or with a job commitment, from the list of documents that may be used to prove state residency. Effective October 1, 2013.

**E-Verify.** The following changes are effective as follows: (1) October 1, 2013 for contractors that employ 500 or more employees as of that date, and their subcontractors, (2) January 1, 2014, for contractors that employ 100 or more employees but fewer than 500 as of that date, and their subcontractors, and (3) July 1, 2014, for all other contractors and subcontractors. Amends GS 153A-449 (counties) and GS 160A-20.1 (cities) to prohibit a county or city from entering into a contract unless the contractor and the subcontractors register and participate in E-Verify. Amends GS 143-129 (Procedure for letting of public contracts) to prohibit awarding contracts subject to the statute unless the contractor and subcontractors register and participate in E-Verify. Enacts new GS 143-48.5 requiring the use of E-Verify by contractors and subcontractors in contracts subject to Article 3 (Purchases and Contracts) of GS Chapter 143. Amends GS 147-33.95 to make contracts subject to Part 4 (Procurement of Information Technology) of Article 3D of GS Chapter 147 subject to the E-Verify requirement.
The following changes are effective when they become law. Amends GS 64-25 to exclude from the
definition of employee, an individual whose term of employment is customarily affected by the
seasonality of the industry in which the individual is employed, or less than year round. Repeals GS 64-
26(c), which exempted a seasonal temporary employee employed for 90 or fewer days during a
12-consecutive-month period from the E-Verify requirements. Enacts new GS 64-39 to prohibit penalties
against an employer if a violation or alleged violation of GS 64-26 (Verification of employee work
authorization) was with respect to an employee who possesses a valid restricted drivers permit or a
valid restricted identification card.

Require Undocumented Alien Drivers to Obtain Restricted Drivers Permits. Amends GS 20-4.01 to add
a definition of criminal history that includes a history of conviction of state or federal crimes,
misdemeanor or felony, that includes the (1) criminal offenses set forth in the specified Articles of GS
Chapter 14, including endangering executive and legislative officers, homicide, and public intoxication;
(2) possession or sale of drugs in violation of the NC Controlled Substances Act; and (3) alcohol-related
offenses. Amends GS 20-7(f)(3) to provide that the durations in the statute also apply to permits and
identification cards, in addition to licenses. Adds to the conditions upon which the durations do not
apply, a determination that a restricted drivers permit or a restricted identification card should be
issued pursuant to new (t); provides that a restricted drivers permit or restricted id card cannot expire
later than one year after the date of issuance. Amends GS 20-7(i) to add restricted drivers permits and
restricted identification cards to those subject to the fee schedule. Provides that the fee for an initial
one-year restricted permit or an initial one-year restricted id card is to be set by the Secretary of
Transportation. Sets a $25 fee for renewal of a restricted drivers permit or a restricted id card. Enacts
new GS 20-7(t) providing that the Division of Motor Vehicles will issue a restricted drivers permit or a
restricted id card to an applicant not lawfully present in the US who meets the four specified
requirements. Also requires that such an issued permit or id card meet specific format requirements
that distinguish it from other permits and cards, and requires the certain information be included.
Provides that when the laws refer to a drivers license, the term includes a restricted drivers permit,
except when the law confers a benefit, privilege, or right for which lawful presence is a prerequisite.
Amends GS 20-15 to require canceling and revoking the restricted drivers permit of a person convicted
of violation GS 20-313 (Operation of motor vehicle without financial responsibility a misdemeanor).
Effective October 1, 2013.

Impoundment and Sale of Vehicles for Driving while License Revoked, Driving Without a License, and
Allows a judge to determine whether a vehicle driven at the time of the underlying offense becomes
subject to an order of forfeiture and specifies times at which the determination may be made. Defines
an underlying violation as (1) driving while license is revoked under an impaired drivers license
revocation, (2) a violation of GS 20-313 (Operation of motor vehicle without financial responsibility a
misdemeanor), or (3) driving without a license or a restricted drivers permit. Requires the vehicle to be
subject to a forfeiture order if the greater weight of the evidence shows that the defendant is guilty of
an underlying violation, unless listed conditions are satisfied. Specifies requirement of notifying possible
innocent parties of the forfeiture. Provides for notification to the insurance company of damage caused

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to a vehicle while committing the underlying offense or incident to the seizure, and requires that claim proceeds be paid to the clerk of superior court. Sets out the procedure and hearing requirements for the disposal of a vehicle that has been ordered forfeited, and has not been released to an innocent owner. Provides for the process of releasing a motor vehicle to an innocent owner. Provides the process for releasing a forfeited vehicle to the lienholder. Orders authorizing the release of a seized vehicle must require the payment of towing and storage charges incurred because of the seizure and impoundment. Establishes the duties of an officer concerning seizing a vehicle and for providing notice of seizure. Sets out requirements for providing notice of impoundment to the Division of Motor Vehicles, any lienholder, and to an innocent owner. Requires additional specified notifications to lienholders.

Requires a magistrate to review the affidavit of impoundment presented by the seizing officer and order the vehicle to be held if the magistrate determines that the requirements of the statute have been met. If the magistrate determines that the requirements have not been met, an order must be made to release the vehicle. Provides for effecting an order of seizure. Provides procedures for the towing of a seized motor vehicle and for custody of the vehicle. Allows a motor vehicle owner, other than the driver at the time of the underlying offense, to apply for pretrial release of the vehicle and specifies the conditions under which the vehicle may be released. Also allows a nondefendant motor vehicle owner to petition for a pretrial determination that the petitioner is an innocent owner and sets out relevant procedures. Allows a lienholder to file a petition requesting the court to order pretrial release of a seized motor vehicle, and specifies the procedure for doing so.

Provides for the claiming and handling of insurance proceeds when the vehicle is damaged incident to the conduct that gave rise to the seizure of the vehicle. Provides for the expedited sale of seized vehicles in specified circumstances. Allows for the removal of personal property from the vehicle.

Requires notice to the attorney for the county board of education on all proceedings regarding underlying offenses related to a vehicle subject to forfeiture. Also gives the attorney the right to appear and be heard on all issues related to the seized vehicle.

If the driver is convicted of an underlying offense, the defendant is to be ordered to pay the costs paid or owing for the towing, storage, and sale of the vehicle to the extent the costs were not covered by the sale proceeds. Requires trials of underlying offenses to be scheduled on the seizing officer's next court date, or within 30 days of the offense, whichever is first. Prohibits continuing the case unless specified conditions are met. Provides for the release of the vehicle upon a dismissal or finding of not guilty. Includes further guidance on the sale of a forfeited vehicle, use of the sale proceeds, and retention of a vehicle. Provides that an order of forfeiture is stayed pending appeal.

Effective December 1, 2013, and applies to offenses committed on or after that date.

**Summary date:** May 2 2013

House committee substitute makes the following changes to the 1st edition.
Amends GS 15A-533(f), which creates a rebuttable presumption that no condition of release will reasonably assure the appearance of the person as required for the safety of the community if the person is unlawfully present in the US and there exists reasonable cause to believe that they committed a certain, specified offense, establishing that when the rebuttable presumption is based on a driving offense, it must be based on a driving offense that requires a mandatory drivers license revocation on a first conviction. Establishes that for a rebuttable presumption based on a drug offense, it must be a drug offense other than a violation for mere possession of a controlled substance. Also provides that the presumption applies if the person committed a violent felony or any criminal offense other than a violation of GS 14-33(a) that includes assault as any essential element of the offense or as an aggravating factor.

Creates new GS 15A-534.7 (Pretrial release of certain undocumented aliens), establishing that in cases in which the defendant is an alien that (1) is not lawfully present in the US, and (2) is charged with a felony or a Class A1 misdemeanor, the judicial official will require the defendant to execute a secured appearance bond as a condition of pretrial release.

Amends GS 148-2.1, providing that an undocumented alien prisoner will only be required to reimburse the state for the actual cost of incarceration after becoming convicted of a crime (previously, a conviction for a crime was not required to compel reimbursement).

Adds to the requirements that must be met in GS 64-10 for admitting a record relating to immigration status without further foundation or testimony. Provides procedure for when an attorney files or fails to file a written objection.

Amends GS 15A-306 (Certain documents not acceptable as identification), providing that a matricula consular or other similar document issued by a consulate or embassy of another country, except for a valid passport, is not acceptable in determining a person's actual identity or residency (previously, an exception for a valid passport was not provided).

Amends GS 153A-449(b), 160A-20.1(b), 143-129(j), 143-48.5, and 147-33.95(g), making a clarifying change, deleting language that required registering and participating in E-verify to verify the work authorization of new employees and replacing it with a requirement to comply with the requirements of Article 2 of GS Chapter 64 (provisions which require the use of E-verify).

Amends the definition of criminal history in GS 20-4.01 to exclude disturbing the public peace, misdemeanor marijuana possession, worthless checks, misdemeanor larceny, shoplifting, or public drunkenness.

Amends GS 20-7(t)(5), provisions allowing the issuance of a restricted drivers permit or restricted identification card to an applicant that is present in the US and meets certain requirements, including meeting all other requirements for a drivers license, including proof of financial responsibility to provide that, for the purposes of this section, the insurance policy that is the basis of proof for financial responsibility is required to have been prepaid for a period that is at least as long as the entire period.
during which the restricted drivers permit will be effective (previous edition did not establish requirements for proof of financial responsibility).

Deletes Section 10, new GS 20-28.10, from the act.

Creates new GS 20-28.10, (Seizure, impoundment, forfeiture of motor vehicles for certain other offenses under this Chapter), establishing that a vehicle driven by a person who commits either (1) a violation of GS 20-313, (2) driving without a license under GS 20-7, or (3) driving without a restricted drivers permit under GS 20-7, will be subject to seizure, impoundment, and forfeiture. Sets out conditions, which when satisfied, prevents a vehicle from becoming subject to an order of forfeiture. Provides that the laws and procedures by which the seizure, impoundment, and forfeiture of vehicles, as provided for under this section, will be the same as those set forth in GS 20-28.2 through 20-28.9. Provides that wherever those statutes refer to a particular underlying offense, for the purposes of this section, it should be construed to refer to the applicable violation or offense as provided for in subsection (a) of this section. Additionally, for the purposes of this section, an innocent owner refers to a person that did not know and had no reason to know that the defendant was engaging in a violation of subsection (a).

Adds a severability clause.

**Summary date:** Jul 15 2013

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

Amends the proposed language for the new subsection GS 15A-533(f), providing that there is a rebuttable presumption that no condition of release will reasonably assure the appearance of the person as required for the safety of the community if the person is unlawfully present in the United States and there exists probably cause (was, reasonable) to believe that the person committed certain, specified offenses. Also provides that the rebuttable presumption applies if there is probable cause (was, reasonable) to believe that the person, who is unlawfully present, committed an offense not listed in GS 15A-533(f)(1) and the US Immigration and Customs Enforcement has issued a detainer for the initiation of removal proceedings against the person or has indicated that it will do so (was, the US Immigration and Customs Enforcement has guaranteed that, in all such cases, it will issue a detainer for the initiation of removal proceedings and agree to reimburse the state for the cost of incarceration from the time of the issuance of the detainer).

Amends proposed new section GS 15A-506, regarding immigration status checks of person lawfully stopped, detained, or arrested, providing that this section does not authorize the consideration of race, color, or ethnicity in the enforcement of these provisions. Amends the verification procedure to provide that the status check of the individual must be made within two hours of the stop or detention, unless the person is arrested; then the two hour limit does not apply. Makes conforming and organizational changes.

Directs the Secretary of Public Safety to report no later than May 1, 2015 to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety on the first year that GS 15A-506 was in
effect. Specifies the five types of information the report should contain, including the number of persons stopped, detained, or arrested in North Carolina and the number of persons found to be unlawfully present in the United States as a result of status verifications.

Directs each law enforcement officer/agency of the state, of a county, of a municipality, and of any other political subdivision to cooperate with the Secretary of Public Safety in collecting and compiling the information that is needed to create the report.

Adds new proposed GS 20-7(w), providing that state agencies or officials cannot use any information submitted during the application process for a restricted driver's permit or restricted identification card to seek the removal of the applicant or for any purpose other than the issuance of the restricted driver's permit or restricted identification card. Provides that the above language does not prohibit the use of the information in the prosecution of crimes that are (1) committed by the applicant after the issuance of the permit or card or (2) are revealed by a criminal history check undertaken pursuant to GS-7(t).

Amends GS 20-28.10, concerning the seizure, impoundment, or forfeiture of motor vehicles for certain offenses, providing an exception to the seizure, impoundment, or forfeiture of a vehicle when driving without a license or driving without a restricted permit under GS 20-7 when the person possesses an expired driver's license or restricted driver's permit. Further amends exceptions to the seizure, impoundment, or forfeiture of a motor vehicle, providing a clarification that a vehicle is not subject to an order of forfeiture if the underlying violation is under GS 20-313 and the defendant submits adequate proof of financial responsibility, regardless of whether the proof of financial responsibility was obtained prior or subsequent to the violation. Updates statutory citation in proposed GS 20-28.10(b)(2), changing reference from GS 20-35 to GS 20-7.

Makes clarifying changes to language throughout the act. Also makes certain language gender neutral.

Summary date: Jul 16 2013

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

Removes much of the previous edition of the act, deleting provisions concerning increasing penalties for possession, manufacture, or sale of false ID; creating a rebuttable presumption against the pretrial release of certain undocumented aliens; reimbursing cost of incarcerating undocumented aliens; authorizing immigration status checks for certain persons who are lawfully stopped, detained, or arrested; prohibiting the use of certain documents for identification purposes; new GS 64-39, which provided for no employer penalties if employee holds restricted driver's permit or restricted ID card; requiring undocumented alien drivers to obtain restricted driver's permits; and authorizing impoundment and sale of vehicles for driving while license revoked, driving without a license, and driving while failing to maintain financial responsibility. Makes conforming changes. Retains provisions concerning e-verify changes in Part VIII of the previous edition.

Requires instead that the Department of Public Safety, along with specified agencies and industries, study the potential impact of adopting eight specified measures, which include issues addressed in the
previous version of the bill. Requires that the study examine the potential impacts of the eight measures on seven issues, including the provision of social services, tax collection, and law enforcement. Requires a report to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by March 1, 2014.

Amends GS 64-25 by amending the definition of *employee* to exclude an individual whose term of employment is less than 10 months per year (was, less than year round).

Deletes the severability clause.

Makes the entire act effective when the act becomes law.

Amends the act's long title.

**Summary date:** Jul 17 2013

House amendment #3 makes the following changes to the 2nd edition.

Amends GS 64-25, definitions for Article 2, Verification of Work Authorization, providing that the term "employee" does not include an individual whose term of employment is less than nine months in a calendar year (was, employment is affected by the seasonality of the industry, or less than 10 months a year).

**Summary date:** Sep 4 2013

AN ACT TO REQUIRE THE DEPARTMENT OF PUBLIC SAFETY TO STUDY MEASURES FOR ADDRESSING THE PROBLEM OF ILLEGAL IMMIGRATION IN THIS STATE; AND TO CLARIFY WHICH EMPLOYERS ARE SUBJECT TO THE STATE'S E-VERIFY LAWS. Enacted September 4, 2013. Effective September 4, 2013.