

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE BILL 148*
PROPOSED HOUSE COMMITTEE SUBSTITUTE S148-PCS35292-TE-5

Short Title: GSC Tech Corrections/Other Changes.

(Public)

Sponsors:

Referred to:

March 1, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE TECHNICAL CORRECTIONS TO THE GENERAL STATUTES AS
3 RECOMMENDED BY THE GENERAL STATUTES COMMISSION AND TO MAKE
4 OTHER TECHNICAL AND OTHER CHANGES TO THE GENERAL STATUTES AND
5 SESSION LAWS.

6 The General Assembly of North Carolina enacts:

7 **PART I. TECHNICAL CHANGES AS RECOMMENDED BY THE GENERAL**
8 **STATUTES COMMISSION**

9 **SECTION 1.** G.S. 1C-1603(a) reads as rewritten:

10 **"§ 1C-1603. Procedure for setting aside exempt property.**

11 (a) Motion or Petition; Notice. –

- 12 (1) A judgment debtor may have his exempt property designated by motion after
13 judgment has been entered against him.
- 14 (2) Repealed by Session Laws 1981 (Regular Session, 1982), c. 1224, s. 10.
- 15 (3) The clerk or district court judge may determine that particular property is not
16 exempt even though there has been no proceeding to designate the
17 exemption.
- 18 (4) After judgment, except as provided in G.S. 1C-1603(a)(3) or when
19 exemptions have already been designated, the clerk may not issue an
20 execution or writ of possession unless notice from the court has been served
21 upon the judgment debtor advising the debtor of the debtor's rights. The
22 judgment creditor shall cause the notice, which shall be accompanied by the
23 form for the statement by the debtor under subsection (c) of this section, to
24 be served on the debtor as provided in G.S. 1A-1, Rule 4(j)(1). If the
25 judgment debtor cannot be served as provided above, the judgment creditor
26 may serve the judgment debtor by mailing a copy of the notice to the
27 judgment debtor at the debtor's last known address. Proof of service by
28 certified or registered mail or personal service is as provided in G.S. 1A-1,
29 Rule 4. The judgment creditor may prove service by mailing to last known
30 address by filing a certificate that the notice was served indicating the
31 circumstances warranting the use of such service and the date and address of
32 service. The notice shall be substantially in the following form:

33 ...



* S 1 4 8 - P C S 3 5 2 9 2 - T E - 5 *

8. That I wish to claim my interest in the following real or personal property, or in a cooperative that owns property, that I use as a residence or my dependent uses as a residence. I also wish to claim my interest in the following burial plots for myself or my dependents. I understand that my total interest claimed in the residence and burial plots may not exceed \$18,500, \$35,000, except that if I am unmarried and am 65 years of age or older, I am entitled to claim a total exemption in the residence and burial plots not to exceed \$37,000-\$60,000 so long as the property was previously owned by me as a tenant by the entireties or as a joint tenant with rights of survivorship, and the former co-owner of the property is deceased.

I understand that I am not entitled to this exemption if I take the homestead exemption provided by the Constitution of North Carolina in other property. I understand that if I wish to claim more than one parcel exempt I must attach additional pages setting forth the following information for each parcel claimed exempt.

Property Location:

County _____ Township _____
Street Address _____

Legal Description:

Number by which county tax assessor identifies property _____

Description (Attach a copy of your deed or other instrument of conveyance that describes the property and indicate here: _____ or describe the property in as much detail as possible. Attach additional sheets if necessary.)

Record Owner(s) _____

Estimated Value: _____

Lienholders:

(1) Name _____ Current Balance _____
Address _____

(2) Name _____ Current Balance _____
Address _____

(3) Name _____ Current Balance _____
Address _____

(4) If others, attach additional pages.

If you are unmarried and 65 years of age or older, specify which, if any, property listed above was previously owned by you as a tenant by the entireties or as a joint tenant with rights of survivorship and as to which the former co-owner of the property is deceased:

...

15. That I wish to claim the following property as exempt because I claimed residential real or personal property as exempt that is worth less than \$18,500-\$35,000 or I made no claim for a residential exemption under section (8) above. I understand that I am entitled to an exemption of up to \$5,000 in any property only if I made no claim under section (8) above or a claim that was less than \$18,500-\$35,000 under section (8) above. I understand that I am entitled to claim any unused amount that I was permitted to make under section (8) above up to a maximum of \$5,000 in any property. (Examples: (a) if you claim \$17,500-\$34,000 under section (8), \$1,000 allowed here; (b) if you claim \$13,500-\$30,000 under section (8), \$5,000 allowed here; (c) if you claim \$18,500-\$35,000 under section (8), no claim allowed here.) I further understand that the amount of my claim under this section is after the deduction from the value of this property of the amount of any valid lien or purchase money security interests and that tangible personal property purchased within 90 days of this proceeding may not be exempt.

1"

2 **SECTION 2.** G.S. 7A-304(a)(3a) reads as rewritten:

3 "(3a) For the supplemental pension benefits of sheriffs, the sum of one dollar
4 twenty-five cents (\$1.25) to be remitted to the Department of Justice and
5 administered under the provisions of ~~Article 12G~~ Article 12H of Chapter
6 143 of the General Statutes."

7 **SECTION 3.** G.S. 15B-11(b1) reads as rewritten:

8 "(b1) The Commission or Director, whichever has the authority to decide a claim under
9 G.S. 15B-10, shall ~~use the Commission's/Director's~~ exercise discretion in determining whether
10 to deny a claim under subsection (b) of this section. In exercising ~~its~~ discretion, the
11 Commission or Director shall consider whether any proximate cause exists between the injury
12 and the misdemeanor or contributory misconduct, when applicable. The Director or
13 Commission shall deny claims ~~when it finds upon a finding~~ that there was contributory
14 misconduct that is a proximate cause of becoming a victim. However, contributory misconduct
15 that is not a proximate cause of becoming a victim shall not lead to an automatic denial of a
16 claim."

17 **SECTION 4.** G.S. 19A-62(b) reads as rewritten:

18 "(b) Use. – The revenue in the Account shall be used by the Department of Agriculture
19 and Consumer Services as follows:

- 20 (1) Repealed by Session Laws 2010-31, s. 11.4(c), effective October 1, 2010.
21 (2) Up to twenty percent (20%) may be used to develop and implement the
22 statewide education program component of the Spay/Neuter Program
23 established in ~~G.S. 19A-61(a)~~ G.S. 19A-61(1).
24 (3) Up to twenty percent (20%) of the money in the Account may be used to
25 defray the costs of administering the Spay/Neuter Program established in
26 this Article.
27 (4) Funds remaining after deductions for the education program and
28 administrative expenses shall be distributed quarterly to eligible counties and
29 cities seeking reimbursement for reduced-cost spay/neuter surgeries
30 performed during the previous calendar year. A county or city is ineligible to
31 receive funds under this subdivision unless it requires the owner to show
32 proof of rabies vaccination at the time of the procedure or, if none, require
33 vaccination at the time of the procedure."

34 **SECTION 5.(a)** G.S. 28A-13-6 reads as rewritten:

35 "**§ 28A-13-6. Exercise of powers of joint personal representatives by one or more than one.**

36 (a) Repealed by Session Laws 2005-192, s. 5, effective January 1, 2006.

37 (b) If a will expressly makes provision for the execution of any of the powers of
38 personal representatives by all of them or by any one or more of them, the provisions of the
39 will govern.

40 (c) Repealed by Session Laws 2005-192, s. 5, effective January 1, 2006.

41 (c1) If there is no governing provision in the will, personal representatives may, by
42 written agreement signed by all of them and filed with and approved by the clerk of superior
43 court of the county in which the personal representatives qualified, provide that any designated
44 one or more of the personal representatives may exercise one or more of the following powers:

- 45 (1) Establish and maintain bank accounts for the ~~trust estate~~ and issue checks for
46 the estate.
47 (2) Maintain inventories, accountings, and income and expense records of the
48 estate.
49 (3) Enter any safety deposit box rented by the estate.

- 1 (4) Employ persons as advisors or assistants in the performance of
- 2 administrative duties, including agents, attorneys, accountants, brokers,
- 3 appraisers, and custodians.
- 4 (5) List estate property for taxes and prepare and file tax returns for the
- 5 ~~trust-estate.~~
- 6 (6) Collect and give receipts for claims and debts of the estate.
- 7 (7) Pay debts, claims, costs of administration, and taxes of the estate.
- 8 (8) Compromise, adjust, or otherwise settle any claim by or against the ~~trust~~
- 9 ~~estate~~ and release, in whole or in part, a claim belonging to the estate.
- 10 (9) Have custody of the estate property.
- 11 (10) Perform any function relating to investment of estate assets.

12 (d) Subject to subsection (b) of this section, if two or more personal representatives own
13 shares of corporate stock or other securities, their acts with respect to voting shall have the
14 following effect:

- 15 (1) If only one votes, in person or by proxy, that personal representative's act
- 16 binds all;
- 17 (2) If more than one vote, in person or by proxy, the act of the majority so
- 18 voting binds all;
- 19 (3) If more ~~that than~~ one vote, in person or by proxy, but the vote is evenly split
- 20 on any particular matter, each faction is entitled to vote the stock or other
- 21 securities in question proportionately.

22 (e) Subject to subsections (b), (c1), and (d) of this section, all other acts and duties must
23 be performed by both of the personal representatives if there are two, and by a majority of them
24 if there are more than two. No personal representative who has not joined in exercising a power
25 shall be liable for the consequences of such exercise, nor shall a dissenting personal
26 representative be liable for the consequences of an act in which the personal representative
27 joins at the direction of the majority of the personal representatives, if that personal
28 representative expressed his or her dissent in writing to any other personal representative at or
29 before the time of such joinder.

30 (f) No personal representative shall be relieved of liability on his or her bond or
31 otherwise by entering into any agreement under this section."

32 **SECTION 5.(b)** If Senate Bill 432, 2011 Regular Session, becomes law, this
33 section is repealed on the effective date of that act.

34 **SECTION 6.** G.S. 28A-15-9.1 and G.S. 28A-21-3.1 are repealed.

35 **SECTION 7.** G.S. 58-70-155(b) reads as rewritten:

36 "(b) The only evidence sufficient to establish the amount and nature of the debt shall be
37 properly authenticated business records that satisfy the requirements of ~~Rule 803(b)~~ Rule
38 803(6) of the North Carolina Rules of Evidence. The authenticated business records shall
39 include at least all of the following items:

- 40 (1) The original account number.
- 41 (2) The original creditor.
- 42 (3) The amount of the original debt.
- 43 (4) An itemization of charges and fees claimed to be owed.
- 44 (5) The original charge-off balance, or, if the balance has not been charged off,
- 45 an explanation of how the balance was calculated.
- 46 (6) An itemization of post charge-off additions, where applicable.
- 47 (7) The date of last payment.
- 48 (8) The amount of interest claimed and the basis for the interest charged."

49 **SECTION 8.** G.S. 143-318.10(a) reads as rewritten:

50 **"§ 143-318.10. All official meetings of public bodies open to the public.**

1 (a) Except as provided in G.S. 143-318.11, 143-318.14A, ~~143-318.15,~~ and 143-318.18,
2 each official meeting of a public body shall be open to the public, and any person is entitled to
3 attend such a meeting."

4 **SECTION 9.** G.S. 153A-320 reads as rewritten:

5 **"§ 153A-320. Territorial jurisdiction.**

6 Each of the powers granted to counties by this ~~Article, by Chapter 157A, and by Chapter~~
7 ~~160A, Article 19~~ Article and by Article 19 of Chapter 160A of the General Statutes may be
8 exercised throughout the county except as otherwise provided in G.S. 160A-360."

9 **SECTION 10.** G.S. 160A-288.2(d) reads as rewritten:

10 "(d) For the purposes of this section, the following shall be considered the equivalent of
11 a municipal police department:

- 12 (1) Campus law-enforcement agencies established pursuant to ~~G.S. 116-40.5(a),~~
13 ~~and~~ G.S. 116-40.5(a).
- 14 (2) Colleges or universities which are licensed, or exempted from licensure, by
15 G.S. 116-15 and which employ company police officers commissioned by
16 the Attorney General pursuant to Chapter 74E or Chapter 74G of the General
17 Statutes.
- 18 (3) Butner Public Safety."

19 **SECTION 11.** Unless otherwise provided, Part I of this act is effective when it
20 becomes law.

21 **PART II. OTHER CHANGES**

22 **SECTION 12.(a)** G.S. 7B-602(a) reads as rewritten:

23 "(a) In cases where the juvenile petition alleges that a juvenile is abused, neglected, or
24 dependent, the parent has the right to counsel and to appointed counsel in cases of indigency
25 unless that person waives the right. When a petition is filed alleging that a juvenile is abused,
26 neglected, or dependent, the clerk shall appoint provisional counsel for each parent named in
27 the petition in accordance with rules adopted by the Office of Indigent Defense Services and
28 shall indicate the appointment on the juvenile summons or attached notice. At the first hearing,
29 the court shall dismiss the provisional counsel if the respondent parent:

- 30 (1) Does not appear at the hearing;
- 31 (2) Does not qualify for court-appointed counsel;
- 32 (3) Has retained counsel; or
- 33 (4) Waives the right to counsel.

34 The court shall confirm the appointment of counsel if subdivisions (1) through (4) of this
35 subsection are not applicable to the respondent parent.

36 The court may reconsider a parent's eligibility and desire for appointed counsel at any stage
37 of the proceeding."

38 **SECTION 12.(b)** G.S. 7B-1110.1(a) reads as rewritten:

39 "(a) The parent has the right to counsel, and to appointed counsel in cases of indigency,
40 unless the parent waives the right. The fees of appointed counsel shall be borne by the Office of
41 Indigent Defense Services. When a petition is filed, unless the parent is already represented by
42 counsel, the clerk shall appoint provisional counsel for each respondent parent named in the
43 petition in accordance with rules adopted by the Office of Indigent Defense Services and shall
44 indicate the appointment on the juvenile summons. At the first hearing after service upon the
45 respondent parent, the court shall dismiss the provisional counsel if the respondent parent:

- 46 (1) Does not appear at the hearing;
- 47 (2) Does not qualify for court-appointed counsel;
- 48 (3) Has retained counsel; or
- 49 (4) Waives the right to counsel.

1 The court shall confirm the appointment of counsel if subdivisions (1) through (4) of this
2 subsection are not applicable to the respondent parent. The court may reconsider a parent's
3 eligibility and desire for appointed counsel at any stage of the proceeding."

4 **SECTION 12.(c)** G.S. 15A-1345(e) reads as rewritten:

5 "(e) Revocation Hearing. – Before revoking or extending probation, the court must,
6 unless the probationer waives the hearing, hold a hearing to determine whether to revoke or
7 extend probation and must make findings to support the decision and a summary record of the
8 proceedings. The State must give the probationer notice of the hearing and its purpose,
9 including a statement of the violations alleged. The notice, unless waived by the probationer,
10 must be given at least 24 hours before the hearing. At the hearing, evidence against the
11 probationer must be disclosed to him, and the probationer may appear and speak in his own
12 behalf, may present relevant information, and may confront and cross-examine adverse
13 witnesses unless the court finds good cause for not allowing confrontation. The probationer is
14 entitled to be represented by counsel at the hearing and, if indigent, to have counsel ~~appointed.~~
15 appointed in accordance with rules adopted by the Office of Indigent Defense Services. Formal
16 rules of evidence do not apply at the hearing, but the record or recollection of evidence or
17 testimony introduced at the preliminary hearing on probation violation are inadmissible as
18 evidence at the revocation hearing. When the violation alleged is the nonpayment of fine or
19 costs, the issues and procedures at the hearing include those specified in G.S. 15A-1364 for
20 response to nonpayment of fine."

21 **SECTION 12.(d)** G.S. 15A-269(c) reads as rewritten:

22 "(c) ~~The~~ In accordance with rules adopted by the Office of Indigent Defense Services,
23 the court shall appoint counsel for the person who brings a motion under this section if that
24 person is indigent. If the petitioner has filed pro se, the court shall appoint counsel for the
25 petitioner in accordance with rules adopted by the Office of Indigent Defense Services upon a
26 showing that the DNA testing may be material to the petitioner's claim of wrongful conviction."

27 **SECTION 12.(e)** G.S. 15A-270.1 reads as rewritten:

28 "**§ 15A-270.1. Right to appeal denial of defendant's motion for DNA testing.**

29 The defendant may appeal an order denying the defendant's motion for DNA testing under
30 this Article, including by an interlocutory appeal. The court shall appoint counsel in accordance
31 with rules adopted by the Office of Indigent Defense Services upon a finding of indigency."

32 **SECTION 13.(a)** G.S. 8-34(b) reads as rewritten:

33 "(b) The provisions of this section shall apply to records stored on any form of
34 permanent, computer-readable media, such as a CD-ROM, if the medium is not subject to
35 erasure or alteration. Nonerasable, computer-readable storage media ~~shall not may~~ be used for
36 preservation duplicates, as defined in G.S. 132-8.2, or for the preservation of permanently
37 valuable records as provided in ~~G.S. 121-5(d), except to the extent expressly approved by the~~
38 ~~Department of Cultural Resources pursuant to standards and conditions established by the~~
39 ~~Department.~~ G.S. 121-5(d)."

40 **SECTION 13.(b)** G.S. 8-45.1(b) reads as rewritten:

41 "(b) The provisions of subsection (a) of this section shall apply to records stored on any
42 form of permanent, computer-readable media, such as a CD-ROM, if the medium is not subject
43 to erasure or alteration. Nonerasable, computer-readable storage media ~~shall not may~~ be used
44 for preservation duplicates, as defined in G.S. 132-8.2, or for the preservation of permanently
45 valuable records as provided in ~~G.S. 121-5(d), except to the extent expressly approved by the~~
46 ~~Department of Cultural Resources pursuant to standards and conditions established by the~~
47 ~~Department.~~ G.S. 121-5(d)."

48 **SECTION 13.(c)** G.S. 8-45.3(b) reads as rewritten:

49 "(b) The provisions of this section shall apply to records stored on any form of
50 permanent, computer-readable media, such as a CD-ROM, if the medium is not subject to
51 erasure or alteration. Nonerasable, computer-readable storage media ~~shall not may~~ be used for

1 preservation duplicates, as defined in G.S. 132-8.2, or for the preservation of permanently
2 valuable records as provided in ~~G.S. 121-5(d), except to the extent expressly approved by the~~
3 ~~Department of Cultural Resources pursuant to standards and conditions established by the~~
4 ~~Department.~~ G.S. 121-5(d)."

5 **SECTION 13.(d)** G.S. 153A-436(f) reads as rewritten:

6 "(f) The provisions of this section shall apply to records stored on any form of
7 permanent, computer-readable media, such as a CD-ROM, if the medium is not subject to
8 erasure or alteration. Nonerasable, computer-readable storage media ~~shall not may~~ be used for
9 preservation duplicates, as defined in G.S. 132-8.2, or for the preservation of permanently
10 valuable records as provided in ~~G.S. 121-5(d), except to the extent expressly approved by the~~
11 ~~Department of Cultural Resources pursuant to standards and conditions established by the~~
12 ~~Department.~~ G.S. 121-5(d)."

13 **SECTION 13.(e)** G.S. 160A-490(b) reads as rewritten:

14 "(b) The provisions of subsection (a) of this section shall apply to records stored on any
15 form of permanent, computer-readable media, such as a CD-ROM, if the medium is not subject
16 to erasure or alteration. Nonerasable, computer-readable storage media ~~shall not may~~ be used
17 for preservation duplicates, as defined in G.S. 132-8.2, or for the preservation of permanently
18 valuable records as provided in ~~G.S. 121-5(d), except to the extent expressly approved by the~~
19 ~~Department of Cultural Resources pursuant to standards and conditions established by the~~
20 ~~Department.~~ G.S. 121-5(d)."

21 **SECTION 14.(a)** G.S. 90-89(3) is amended by adding the following
22 sub-subdivisions to read:

23 "dd. Alpha-Methyltryptamine.
24 ee. 5-Methoxy-n-diisopropyltryptamine."

25 **SECTION 14.(b)** G.S. 90-89(5) is amended by adding the following
26 sub-subdivisions to read:

27 "h. N-Benzylpiperazine.
28 i. 2,5 – Dimethoxy-4-(n)-propylthiophenethylamine."

29 **SECTION 14.(c)** G.S. 90-90(3) is amended by adding a new sub-subdivision to
30 read:

31 "f. Lisdexamfetamine, including its salts, isomers, and salts of isomers."

32 **SECTION 14.(d)** G.S. 90-90(2) is amended by adding a new sub-subdivision to
33 read:

34 "aa. Tapentadol."

35 **SECTION 14.(e)** G.S. 90-91(k)5. reads as rewritten:

36 "5. Nandrolone ~~decanoate, decanoate,~~ decanoate."

37 **SECTION 15.(a)** G.S. 18C-150 reads as rewritten:

38 **"§ 18C-150. Procurements.**

39 The Commission shall be exempt from Article 3 of Chapter 143 of the General Statutes but
40 may use the services of the Department of Administration in procuring goods and services for
41 the Commission. However, the Commission shall include in all contracts to be awarded by the
42 Commission under this section a standard clause which provides that the State Auditor and
43 internal auditors of the Commission may audit the records of the contractor during and after
44 the term of the contract to verify accounts and data affecting fees and performance. The
45 Commission shall not award a cost plus percentage of cost contract for any purpose. For
46 purposes of this provision, "cost plus percentage of cost contract" is defined as a contract under
47 which the contractor receives payment for indeterminate costs plus a stated percentage or
48 amount of profit based upon such costs. This provision shall not apply to Commission contracts
49 that require costs to be predetermined and approved by the Commission and a total not to
50 exceed the amount specified in each contract to be paid to the contractor."

51 **SECTION 15.(b)** G.S. 53-320(d) reads as rewritten:

1 "(d) The Commissioner may enter into agreements with any bank supervisory agency
2 supervising (i) a State trust institution engaging in trust business outside this State or (ii) an
3 out-of-state trust institution maintaining a trust office or representative trust office in this State
4 to engage the services of the agency's examiners at a reasonable rate of compensation or to
5 provide the services of the Commissioner's examiners to the agency at a reasonable rate of
6 compensation. Article 3 of Chapter 143 of the General Statutes does not apply to agreements
7 authorized by this subsection. However, the Commissioner shall: (i) submit all proposed
8 ~~statewide and agency term~~ agreements or contracts for supplies, materials, printing, equipment,
9 and contractual services that exceed one million dollars (\$1,000,000) authorized by this
10 subsection to the Attorney General or the Attorney General's designee for review as provided in
11 G.S. 114-8.3; and (ii) include in all agreements or contracts to be awarded by the
12 Commissioner under this subsection a standard clause which provides that the State Auditor
13 and internal auditors of the Commissioner may audit the records of the contractor during and
14 after the term of the agreement or contract to verify accounts and data affecting fees and
15 performance. The Commissioner shall not award a cost plus percentage of cost agreement or
16 contract for any purpose."

17 **SECTION 15.(c)** G.S. 53-326(d) reads as rewritten:

18 "(d) The Commissioner may enter into agreements with bank supervisory agencies
19 supervising (i) a State trust institution engaging in trust business in a foreign country or (ii) a
20 foreign trust institution maintaining a trust office or representative trust office in this State to
21 engage the services of the bank supervisory agency's examiners at a reasonable rate of
22 compensation or to provide the services of the Commissioner's examiners to the bank
23 supervisory agency at a reasonable rate of compensation. Article 3 of Chapter 143 of the
24 General Statutes does not apply to agreements authorized by this section. However, the
25 Commissioner shall: (i) submit all proposed ~~statewide and agency term~~ agreements or contracts
26 for supplies, materials, printing, equipment, and contractual services that exceed one million
27 dollars (\$1,000,000) authorized by this subsection to the Attorney General or the Attorney
28 General's designee for review as provided in G.S. 114-8.3; and (ii) include in all agreements or
29 contracts to be awarded by the Commissioner under this subsection a standard clause which
30 provides that the State Auditor and internal auditors of the Commissioner may audit the records
31 of the contractor during and after the term of the agreement or contract to verify accounts and
32 data affecting fees and performance. The Commissioner shall not award a cost plus percentage
33 of cost agreement or contract for any purpose."

34 **SECTION 15.(d)** G.S. 53-391 reads as rewritten:

35 **"§ 53-391. Employment of counsel, accountants, and other experts; compensation.**

36 The Commissioner, for the purpose of exercising any power under the provisions of this
37 Subpart, may (i) employ any liquidating agents, attorneys, accountants, consultants, and clerks
38 necessary to properly conduct the business of or liquidate and distribute the assets of a State
39 trust company; (ii) fix the compensation for the agents, attorneys, accountants, consultants, and
40 clerks; and (iii) pay the compensation of those persons out of the assets of the State trust
41 company. Provided, that all expenditures described in this section shall be approved by the
42 resident or presiding judge in the county in which the action is pending. Payments made by the
43 Commissioner pursuant to this section shall not be subject to the requirements of Article 3 of
44 Chapter 143 of the General Statutes. As used in this Subpart, the term "Commissioner" includes
45 the Commissioner's duly appointed agents. The Commissioner shall: (i) submit all proposed
46 ~~statewide and agency term~~ agreements or contracts for supplies, materials, printing, equipment,
47 and contractual services that exceed one million dollars (\$1,000,000) authorized by this section
48 to the Attorney General or the Attorney General's designee for review as provided in
49 G.S. 114-8.3; and (ii) include in all agreements or contracts to be awarded by the
50 Commissioner under this section a standard clause which provides that the State Auditor and
51 internal auditors of the Commissioner may audit the records of the contractor during and after

1 the term of the agreement or contract to verify accounts and data affecting fees and
2 performance. The Commissioner shall not award a cost plus percentage of cost agreement or
3 contract for any purpose."

4 **SECTION 15.(e)** G.S. 53-401 reads as rewritten:

5 "**§ 53-401. Provisions for conservator; duties and powers.**

6 Whenever the Commissioner deems it necessary in order to conserve the assets of a State
7 trust company for the benefit of clients or creditors, the Commissioner may appoint a
8 conservator for the State trust company and require of the conservator a bond with any surety
9 the Commissioner deems necessary and proper in an amount deemed sufficient by the
10 Commissioner. The conservator, under the direction of the Commissioner, shall take possession
11 of the fiduciary records and other books, records, and assets of every description of the State
12 trust company placed under conservatorship and take actions necessary to conserve those assets
13 pending further disposition of its business as provided by law. Except as provided in
14 G.S. 53-405, the conservator shall have all rights, powers, and privileges, subject to the
15 approval of the Commissioner, now possessed by or given to the Commissioner under the
16 provisions of Subpart B and Subpart D of this Part. All expenses of the conservator shall be
17 paid out of the assets of the State trust company under conservatorship and shall be a lien
18 thereon which shall be prior to any other lien provided by law. The compensation of the
19 conservator shall be determined by the Commissioner and shall be based on the time and
20 experience of the conservator and the complexity of the conservatorship. Compensation of the
21 conservator shall not be subject to the requirements of Article 3 of Chapter 143 of the General
22 Statutes. However, the Commissioner shall: (i) submit all proposed ~~statewide and agency term~~
23 agreements or contracts for supplies, materials, printing, equipment, and contractual services
24 that exceed one million dollars (\$1,000,000) authorized by this section to the Attorney General
25 or the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in
26 all agreements or contracts to be awarded by the Commissioner under this section a standard
27 clause which provides that the State Auditor and internal auditors of the Commissioner may
28 audit the records of the conservator during and after the term of the agreement or contract to
29 verify accounts and data affecting fees and performance. The Commissioner shall not award a
30 cost plus percentage of cost agreement or contract for any purpose."

31 **SECTION 15.(f)** G.S. 58-2-69(g) reads as rewritten:

32 "(g) The Commissioner may contract with the NAIC or other persons for the provision
33 of online services to licensees, for the provision of administrative services to licensees, or for
34 the provision of regulatory data systems to the Commissioner. The NAIC or other person with
35 whom the Commissioner contracts may charge licensees a reasonable fee for the costs
36 associated with the licensees' use of online services and administrative services. The fee shall
37 be agreed to by the Commissioner and the other contracting party and shall be stated in the
38 contract. Contracts for the provision of online services, contracts for the provision of
39 administrative services, and contracts for the provision of regulatory data systems shall not be
40 subject to Article 3, 3C, or 8 of Chapter 143 of the General Statutes or to Article 3D of Chapter
41 147 of the General Statutes. However, the Commissioner shall: (i) submit all proposed
42 ~~statewide and agency term~~ contracts for supplies, materials, printing, equipment, and
43 contractual services that exceed one million dollars (\$1,000,000) authorized by this subsection
44 to the Attorney General or the Attorney General's designee for review as provided in
45 G.S. 114-8.3; and (ii) include in all contracts to be awarded by the Commissioner under this
46 subsection a standard clause which provides that the State Auditor and internal auditors of the
47 Commissioner may audit the records of the contractor during and after the term of the
48 agreement or contract to verify accounts and data affecting fees and performance. The
49 Commissioner shall not award a cost plus percentage of cost agreement or contract for any
50 purpose."

51 **SECTION 15.(g)** G.S. 58-33-30(e) reads as rewritten:

1 "§ 58-33-30. License requirements.

2 ...
3 (e) Examination.

4 ...
5 (4) The answers of the applicant to the examination shall be provided by the
6 applicant under the Commissioner's supervision. The Commissioner shall
7 give examinations at such times and places within this State as the
8 Commissioner considers necessary reasonably to serve the convenience of
9 both the Commissioner and applicants: Provided that the Commissioner may
10 contract directly with persons for the processing of examination application
11 forms and for the administration and grading of the examinations required
12 by this section; the Commissioner may charge a reasonable fee in addition to
13 the registration fee charged under G.S. 58-33-125, to offset the cost of the
14 examination contract authorized by this subsection; and such contracts shall
15 not be subject to Article 3 of Chapter 143 of the General Statutes. However,
16 the Commissioner shall: (i) submit all proposed ~~statewide and agency term~~
17 agreements or contracts for supplies, materials, printing, equipment, and
18 contractual services that exceed one million dollars (\$1,000,000) authorized
19 by this subdivision to the Attorney General or the Attorney General's
20 designee for review as provided in G.S. 114-8.3; and (ii) include in all
21 contracts to be awarded by the Commissioner under this subdivision a
22 standard clause which provides that the State Auditor and internal auditors
23 of the Commissioner may audit the records of the contractor during and after
24 the term of the contract to verify accounts and data affecting fees and
25 performance. The Commissioner shall not award a cost plus percentage of
26 cost contract for any purpose.

27 (5) The Commissioner shall collect in advance the examination and registration
28 fees provided in G.S. 58-33-125 and in subsection (4) of this section. The
29 Commissioner shall make or cause to be made available to all applicants, for
30 a reasonable fee to offset the costs of production, materials that he considers
31 necessary for the applicants' proper preparation for examinations. The
32 Commissioner may contract directly with publishers and other suppliers for
33 the production of the preparatory materials, and contracts so let by the
34 Commissioner shall not be subject to Article 3 of Chapter 143 of the General
35 Statutes. However, the Commissioner shall: (i) submit all proposed
36 ~~statewide and agency term~~ contracts for supplies, materials, printing,
37 equipment, and contractual services that exceed one million dollars
38 (\$1,000,000) authorized by this subdivision to the Attorney General or the
39 Attorney General's designee for review as provided in G.S. 114-8.3; and (ii)
40 include in all contracts to be awarded by the Commissioner under this
41 subdivision a standard clause which provides that the State Auditor and
42 internal auditors of the Commissioner may audit the records of the
43 contractor during and after the term of the contract to verify accounts and
44 data affecting fees and performance. The Commissioner shall not award a
45 cost plus percentage of cost contract for any purpose.

46"

47 **SECTION 15.(h)** G.S. 58-33-125(e) reads as rewritten:

48 "(e) A resident licensee may obtain a duplicate photo-bearing license at times and places
49 within this State that the Commissioner considers necessary and reasonable to serve the
50 convenience of both the Commissioner and the licensee. The Commissioner may contract
51 directly with persons for processing of duplicate photo-bearing licenses, and the contract shall

1 not be subject to Article 3 of Chapter 143 of the General Statutes. The Commissioner may
2 charge a reasonable fee for duplicating a photo-bearing license in an amount that offsets the
3 costs to the Department of duplicating the license, including costs associated with any contract
4 entered into pursuant to this subsection. However, the Commissioner shall: (i) submit all
5 proposed ~~statewide and agency term~~ contracts for supplies, materials, printing, equipment, and
6 contractual services that exceed one million dollars (\$1,000,000) authorized by this subsection
7 to the Attorney General or the Attorney General's designee for review as provided in
8 G.S. 114-8.3; and (ii) include in all contracts to be awarded by the Commissioner under this
9 subsection a standard clause which provides that the State Auditor and internal auditors of the
10 Commissioner may audit the records of the contractor during and after the term of the contract
11 to verify accounts and data affecting fees and performance. The Commissioner shall not award
12 a cost plus percentage of cost agreement or contract for any purpose."

13 **SECTION 15.(i)** G.S. 58-33-130(a) reads as rewritten:

14 "**§ 58-33-130. Continuing education program for licensees.**

15 (a) The Commissioner may adopt rules to provide for a program of continuing
16 education requirements for the purpose of enhancing the professional competence and
17 professional responsibility of adjusters and motor vehicle damage appraisers. The rules may
18 include criteria for:

- 19 (1) The content of continuing education courses;
- 20 (2) Accreditation of continuing education sponsors and programs;
- 21 (3) Accreditation of videotape or other audiovisual programs;
- 22 (4) Computation of credit;
- 23 (5) Special cases and exemptions;
- 24 (6) General compliance procedures; and
- 25 (7) Sanctions for noncompliance.

26 The Commissioner may contract directly with persons for the administration of the program
27 provided for by this section, and those contracts shall not be subject to Article 3 of Chapter 143
28 of the General Statutes. However, the Commissioner shall: (i) submit all proposed ~~statewide
29 and agency term~~ contracts for supplies, materials, printing, equipment, and contractual services
30 that exceed one million dollars (\$1,000,000) authorized by this subsection to the Attorney
31 General or the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii)
32 include in all contracts to be awarded by the Commissioner under this subsection a standard
33 clause which provides that the State Auditor and internal auditors of the Commissioner may
34 audit the records of the contractor during and after the term of the contract to verify accounts
35 and data affecting fees and performance. The Commissioner shall not award a cost plus
36 percentage of cost agreement or contract for any purpose. The Commissioner may charge a
37 reasonable fee to course providers to offset the cost of the program, including costs associated
38 with contracts authorized by this subsection. The fee authorized by this subsection shall be in
39 addition to the fees specified in G.S. 58-33-133. As used in this section and in G.S. 58-33-132,
40 "administrator" means any person with whom the Commissioner has contracted under this
41 subsection."

42 **SECTION 15.(j)** G.S. 58-71-40(d) reads as rewritten:

43 "(d) When a license is issued under this section, the Commissioner shall issue a picture
44 identification card, of design, size, and content approved by the Commissioner, to the licensee.
45 Each licensee must carry this card at all times when working in the scope of the licensee's
46 employment. A licensee whose license terminates or is terminated shall surrender the
47 identification card to the Commissioner within 10 working days after the termination. The
48 Commissioner may contract directly with persons for the processing and issuance of picture
49 identification cards required by this section and may charge a reasonable fee in addition to the
50 license fee charged under G.S. 58-71-55 in an amount that offsets the cost of the service,
51 including the costs associated with the contract authorized by this subsection. Contracts entered

1 into pursuant to this subsection shall not be subject to Article 3 of Chapter 143 of the General
2 Statutes. However, the Commissioner shall: (i) submit all proposed ~~statewide and agency term~~
3 contracts for supplies, materials, printing, equipment, and contractual services that exceed one
4 million dollars (\$1,000,000) authorized by this subsection to the Attorney General or the
5 Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all
6 contracts to be awarded by the Commissioner under this subsection a standard clause which
7 provides that the State Auditor and internal auditors of the Commissioner may audit the records
8 of the contractor during and after the term of the contract to verify accounts and data affecting
9 fees and performance. The Commissioner shall not award a cost plus percentage of cost
10 agreement or contract for any purpose."

11 **SECTION 15.(k)** G.S. 63A-24(1) reads as rewritten:

12 "(1) Article 3 of Chapter 143 of the General Statutes does not apply to contracts
13 for services listed in 49 U.S.C. § 2210(a)(16) or contracts for special user
14 projects. That Article also does not apply to other contracts for projects, but,
15 with respect to these other contracts, the powers and duties established in
16 that Article shall be exercised by the Authority and the Secretary of
17 Administration, and other State officers, employees, or agencies shall have
18 no duties or responsibilities concerning the contracts. However, the
19 Authority shall: (i) submit all proposed ~~statewide and agency term~~ contracts
20 for supplies, materials, printing, equipment, and contractual services that
21 exceed one million dollars (\$1,000,000) authorized by this subdivision to the
22 Attorney General or the Attorney General's designee for review as provided
23 in G.S. 114-8.3; and (ii) include in all contracts to be awarded by the
24 Authority under this subdivision a standard clause which provides that the
25 State Auditor and internal auditors of the Authority may audit the records of
26 the contractor during and after the term of the contract to verify accounts and
27 data affecting fees and performance. The Authority shall not award a cost
28 plus percentage of cost agreement or contract for any purpose."

29 **SECTION 15.(l)** G.S. 84-23(d) reads as rewritten:

30 "(d) The Council may acquire, hold, rent, encumber, alienate, lease, and otherwise deal
31 with real or personal property in the same manner as any private person or corporation, subject
32 only to the approval of the Governor and the Council of State as to the acquisition, rental,
33 encumbering, leasing and sale of real property. The Council may borrow money upon its
34 bonds, notes, debentures, or other evidences of indebtedness sold through public or private sale
35 pursuant to a loan agreement or a trust agreement or indenture with a trustee, with such
36 borrowing either unsecured or secured by a mortgage on the Council's interest in real or
37 personal property, and engage and contract with attorneys, underwriters, financial advisors, and
38 other parties as necessary for such borrowing, with such borrowing and security subject to the
39 approval of the Governor and the Council of State. The Council may utilize the services of the
40 Purchase and Contract Division of the Department of Administration to procure personal
41 property, in accordance with the provisions of Article 3 of Chapter 143 of the General Statutes.
42 However, the Council shall: (i) submit all proposed ~~statewide and agency term~~ contracts for
43 supplies, materials, printing, equipment, and contractual services that exceed one million
44 dollars (\$1,000,000) authorized by this subsection to the Attorney General or the Attorney
45 General's designee for review as provided in G.S. 114-8.3; and (ii) include in all contracts to be
46 awarded by the Council under this subsection a standard clause which provides that the State
47 Auditor and internal auditors of the Council may audit the records of the contractor during and
48 after the term of the contract to verify accounts and data affecting fees and performance. The
49 Council shall not award a cost plus percentage of cost agreement or contract for any purpose."

50 **SECTION 15.(m)** G.S. 89E-5(e) reads as rewritten:

1 "(e) The Board may authorize expenditures deemed necessary to carry out the provisions
2 of this Chapter and all expenses shall be paid upon the warrant of the Board treasurer. The
3 Board treasurer shall deposit funds received by the Board in one or more funds in banks or
4 other financial institutions carrying deposit insurance and authorized to do business in North
5 Carolina. Interest earned on such funds may remain in the funds account and may be expended
6 as authorized by the Board to carry out the provisions of this Chapter. In no event may
7 expenditures exceed the revenues of the Board during any fiscal year. The Board is authorized
8 and empowered to utilize the services of the Purchase and Contract Division of the Department
9 of Administration for the procurement of personal property, in accordance with Article 3 of
10 Chapter 143 of the General Statutes. The Board shall: (i) submit all proposed ~~statewide and~~
11 ~~agency term~~ contracts for supplies, materials, printing, equipment, and contractual services that
12 exceed one million dollars (\$1,000,000) authorized by this subsection to the Attorney General
13 or the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in
14 all contracts to be awarded by the Board under this subsection a standard clause which provides
15 that the State Auditor and internal auditors of the Board may audit the records of the contractor
16 during and after the term of the contract to verify accounts and data affecting fees and
17 performance. The Board shall not award a cost plus percentage of cost agreement or contract
18 for any purpose."

19 **SECTION 15.(n)** G.S. 89F-5(d) reads as rewritten:

20 "(d) The Board may employ the necessary personnel for the performance of its functions
21 and shall fix their compensation within the limits of funds available to the Board. The Board
22 may procure personal property in accordance with the provisions of Article 3 of Chapter 143 of
23 the General Statutes. The Board shall: (i) submit all proposed ~~statewide and agency term~~
24 contracts for supplies, materials, printing, equipment, and contractual services that exceed one
25 million dollars (\$1,000,000) authorized by this subsection to the Attorney General or the
26 Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all
27 contracts to be awarded by the Board under this subsection a standard clause which provides
28 that the State Auditor and internal auditors of the Board may audit the records of the contractor
29 during and after the term of the contract to verify accounts and data affecting fees and
30 performance. The Board shall not award a cost plus percentage of cost agreement or contract
31 for any purpose."

32 **SECTION 15.(o)** G.S. 108A-55(b) reads as rewritten:

33 "(b) Payments shall be made only to intermediate care facilities, hospitals and nursing
34 homes licensed and approved under the laws of the State of North Carolina or under the laws of
35 another state, or to pharmacies, physicians, dentists, optometrists or other providers of
36 health-related services authorized by the Department. Payments may also be made to such
37 fiscal intermediaries and to the capitation or prepaid health service contractors as may be
38 authorized by the Department. Arrangements under which payments are made to capitation or
39 prepaid health services contracts are not subject to the provisions of Chapter 58 of the General
40 Statutes or of Article 3 of Chapter 143 of the General Statutes. However, the Department shall:
41 (i) submit all proposed ~~statewide and agency term~~ contracts for supplies, materials, printing,
42 equipment, and contractual services that exceed one million dollars (\$1,000,000) authorized by
43 this subsection to the Attorney General or the Attorney General's designee for review as
44 provided in G.S. 114-8.3; and (ii) include in all agreements or contracts to be awarded by the
45 Department under this subsection a standard clause which provides that the State Auditor and
46 internal auditors of the Department may audit the records of the contractor during and after
47 the term of the contract to verify accounts and data affecting fees and performance. The
48 Department shall not award a cost plus percentage of cost agreement or contract for any
49 purpose."

50 **SECTION 15.(p)** G.S. 114-8.3 reads as rewritten:

51 "**§ 114-8.3. Attorney General to review certain contracts.**

1 (a) Except as provided in subsection (b) of this section, the Attorney General or the
2 Attorney General's designee shall review all proposed ~~statewide and agency term~~ contracts for
3 supplies, materials, printing, equipment, and contractual services that exceed one million
4 dollars (\$1,000,000) to ensure that the proposed contracts are in proper legal form, contain all
5 clauses required by law, are legally enforceable, and accomplish the intended purposes of the
6 proposed contract. The term "review" as used in this section shall not constitute approval or
7 disapproval of the policy merit or lack thereof of the proposed contract. For purposes of this
8 subsection, the term "Attorney General's designee" shall include any attorney approved by the
9 Attorney General to review contracts as provided in this subsection. The Attorney General shall
10 require that any attorney designated under this subsection comply with any rules established by
11 the Attorney General or the Department of Administration regarding the review of contracts.

12 (b) For the constituent institutions of The University of North Carolina, the General
13 Counsel of each institution or the General Counsel's designee shall review all proposed
14 ~~statewide and agency term~~ contracts for supplies, materials, printing, equipment, and
15 contractual services that exceed one million dollars (\$1,000,000) to ensure that the proposed
16 contracts are in proper legal form, contain all clauses required by law, are legally enforceable,
17 and accomplish the intended purposes of the proposed contract. The term "review" as used in
18 this section shall not constitute approval or disapproval of the policy merit or lack thereof of the
19 proposed contract. For purposes of this subsection, the term "General Counsel's designee" shall
20 include any attorney approved by the General Counsel to review contracts as provided in this
21 subsection. The General Counsel shall require that any attorney designated under this
22 subsection comply with any rules established by the Attorney General or the Department of
23 Administration regarding the review of contracts."

24 **SECTION 15.(q)** G.S. 115D-67.4 reads as rewritten:

25 "**§ 115D-67.4. Fees collected by the Center; purchases using Center funds.**

26 Notwithstanding any other provision of law, all fees collected by the Applied Textile
27 Technology Center for services to the textile industry, except for regular curriculum and
28 continuing education tuition receipts, shall be retained by the Center and used for the
29 operations of the Center. Purchases made by the Center using these funds are not subject to the
30 provisions of Article 3 of Chapter 143 of the General Statutes. However, the Center shall: (i)
31 submit all proposed ~~statewide and agency term~~ agreements or contracts for supplies, materials,
32 printing, equipment, and contractual services that exceed one million dollars (\$1,000,000)
33 authorized by this section to the Attorney General or the Attorney General's designee for
34 review as provided in G.S. 114-8.3; and (ii) include in all agreements or contracts to be
35 awarded by the Center under this section a standard clause which provides that the State
36 Auditor and internal auditors of the Center may audit the records of the contractor during and
37 after the term of the contract to verify accounts and data affecting fees and performance. The
38 Center shall not award a cost plus percentage of cost agreement or contract for any purpose."

39 **SECTION 15.(r)** G.S. 135-43(b) reads as rewritten:

40 "(b) Notwithstanding the provisions of this Article, the Executive Administrator and
41 Board of Trustees of the State Health Plan for Teachers and State Employees may contract with
42 providers of institutional and professional medical care and services to establish preferred
43 provider networks.

44 The terms of a contract between the Plan and its third party administrator or between the
45 Plan and its pharmacy benefit manager are a public record except that the terms in those
46 contracts that contain trade secrets or proprietary or competitive information are not a public
47 record under Chapter 132 of the General Statutes, and any such proprietary or competitive
48 information and trade secrets contained in the contract shall be redacted by the Plan prior to
49 making it available to the public. This subsection shall not be construed to prevent or restrict
50 the release of any information made not a public record under this subsection to the State
51 Auditor, the Attorney General, the Director of the State Budget, the Plan's Executive

1 Administrator, and the Committee on Employee Hospital and Medical Benefits solely and
2 exclusively for their use in the furtherance of their duties and responsibilities, and to the
3 Department of Health and Human Services solely for the purpose of implementing the
4 transition of NC Health Choice from the Plan to the Department of Health and Human
5 Services. The design, adoption, and implementation of the preferred provider contracts,
6 networks, and optional alternative comprehensive health benefit plans, and programs available
7 under the optional alternative plans, as authorized under G.S. 135-45 are not subject to the
8 requirements of Article 3 of Chapter 143 of the General Statutes. However, the Executive
9 Administrator and Board of Trustees shall: (i) submit all proposed ~~statewide and agency term~~
10 contracts for supplies, materials, printing, equipment, and contractual services that exceed one
11 million dollars (\$1,000,000) authorized by this subsection to the Attorney General or the
12 Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all
13 proposed contracts to be awarded by the Executive Administrator and Board of Trustees under
14 this section a standard clause which provides that the State Auditor and internal auditors of the
15 Plan may audit the records of the contractor during and after the term of the contract to verify
16 accounts and data affecting fees and performance. The Executive Administrator and Board of
17 Trustees shall not award a cost plus percentage of cost agreement or contract for any purpose.
18 The Executive Administrator and Board of Trustees shall make reports as requested to the
19 President of the Senate, the President Pro Tempore of the Senate, the Speaker of the House of
20 Representatives, and the Committee on Employee Hospital and Medical Benefits."

21 **SECTION 15.(s)** G.S. 135-45(d1) reads as rewritten:

22 "(d1) The Executive Administrator and Board of Trustees shall: (i) submit all proposed
23 ~~statewide and agency term~~ contracts for supplies, materials, printing, equipment, and
24 contractual services that exceed one million dollars (\$1,000,000) authorized by subsection (d)
25 of this section to the Attorney General or the Attorney General's designee for review as
26 provided in G.S. 114-8.3; and (ii) include in all proposed contracts to be awarded by the
27 Executive Administrator and Board of Trustees under this section a standard clause which
28 provides that the State Auditor and internal auditors of the Plan may audit the records of the
29 contractor during and after the term of the contract to verify accounts and data affecting fees
30 and performance. The Executive Administrator and Board of Trustees shall not award a cost
31 plus percentage of cost agreement or contract for any purpose."

32 **SECTION 15.(t)** G.S. 136-28.1(h) reads as rewritten:

33 "(h) The Department of Transportation may enter into contracts for applied research and
34 experimental work without soliciting bids or proposals; provided, however, that if the research
35 or work is for the purpose of testing equipment, materials, or supplies, the provisions of Article
36 3 of Chapter 143 of the General Statutes shall apply. However, the Department of
37 Transportation shall: (i) submit all proposed ~~statewide and agency term~~ contracts for supplies,
38 materials, printing, equipment, and contractual services that exceed one million dollars
39 (\$1,000,000) authorized by this subsection to the Attorney General or the Attorney General's
40 designee for review as provided in G.S. 114-8.3; and (ii) include in all proposed contracts to be
41 awarded by the Department of Transportation under this subsection a standard clause which
42 provides that the State Auditor and internal auditors of the Department of Transportation may
43 audit the records of the contractor during and after the term of the contract to verify accounts
44 and data affecting fees and performance. The Department of Transportation shall not award a
45 cost plus percentage of cost agreement or contract for any purpose. The Department of
46 Transportation is encouraged to solicit proposals when contracts are entered into with private
47 firms when it is in the public interest to do so."

48 **SECTION 15.(u)** G.S. 136-89.194(g)(1) reads as rewritten:

49 "(1) Article 3 of Chapter 143 of the General Statutes. The Authority may use the
50 services of the Department of Administration in procuring goods and
51 services that are not specific to establishing and operating a toll revenue

1 system. However, the Authority shall: (i) submit all proposed ~~statewide and~~
2 ~~agency term~~ contracts for supplies, materials, printing, equipment, and
3 contractual services that exceed one million dollars (\$1,000,000) authorized
4 by this subdivision to the Attorney General or the Attorney General's
5 designee for review as provided in G.S. 114-8.3; and, (ii) include in all
6 proposed contracts to be awarded by the Authority under this subdivision a
7 standard clause which provides that the State Auditor and internal auditors
8 of the Authority may audit the records of the contractor during and after
9 the term of the contract to verify accounts and data affecting fees and
10 performance. The Authority shall not award a cost plus percentage of cost
11 agreement or contract for any purpose."

12 **SECTION 15.(v)** G.S. 143-48.1(c) reads as rewritten:

13 "(c) The Department of Health and Human Services shall: (i) submit all proposed
14 ~~statewide and agency term~~ contracts for a capitation arrangement or prepaid health services, as
15 defined by this section, that exceed one million dollars (\$1,000,000) to the Attorney General or
16 the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all
17 agreements or contracts to be awarded by the Department under this section a standard clause
18 which provides that the State Auditor and internal auditors of the Department may audit the
19 records of the contractor during and after the term of the contract to verify accounts and data
20 affecting fees and performance. The Department shall not award a cost plus percentage of cost
21 agreement or contract for any purpose."

22 **SECTION 15.(w)** G.S. 143-49 reads as rewritten:

23 **"§ 143-49. Powers and duties of Secretary.**

24 ...

25 (9) To include a standard clause in all contracts awarded by the State and
26 departments, agencies, and institutions of the State, providing that the State
27 Auditor and internal auditors of the affected department, agency, or
28 institution may audit the records of the contractor during and after the term of
29 the contract to verify accounts and data affecting fees or performance.

30 ...

31 (12) To consult with the Attorney General or the Attorney General's designee in
32 developing rules, regulations, and procedures providing for the orderly and
33 efficient submission of proposed ~~statewide term, agency term, and non term~~
34 contracts to the Attorney General for review as provided in G.S. 114-8.3 and
35 G.S. 143-52.2."

36 **SECTION 15.(x)** G.S. 143-52.2 reads as rewritten:

37 **"§ 143-52.2. Certain contracts subject to review by Attorney General.**

38 The Secretary of Administration and every department, agency, and institution of the State
39 shall submit all proposed ~~statewide and agency term~~ contracts for supplies, materials, printing,
40 equipment, and contractual services that exceed one million dollars (\$1,000,000) to the
41 Attorney General or the Attorney General's designee for review as provided in G.S. 114-8.3(a).
42 This section shall not apply to the constituent institutions of The University of North Carolina."

43 **SECTION 15.(y)** G.S. 143-134(b) reads as rewritten:

44 "(b) Notwithstanding the provisions of subsection (a) of this section, the Department of
45 Transportation and the Department of Correction shall: (i) submit all proposed ~~statewide and~~
46 ~~agency term~~ contracts for supplies, materials, printing, equipment, and contractual services that
47 exceed one million dollars (\$1,000,000) to the Attorney General or the Attorney General's
48 designee for review as provided in G.S. 114-8.3; and (ii) include in all contracts to be awarded
49 by the Department of Transportation or the Department of Correction a standard clause which
50 provides that the State Auditor and internal auditors of the Department of Transportation or the
51 Department of Correction may audit the records of the contractor during and after the term of

1 the contract to verify accounts and data affecting fees and performance. Neither the Department
2 of Transportation nor the Department of Correction shall award a cost plus percentage of cost
3 agreement or contract for any purpose."

4 **SECTION 15.(z)** G.S. 143-151.16(d) reads as rewritten:

5 "(d) The Board may contract with persons for the development and administration of the
6 examinations required by G.S. 143-151.13(a), for course development related to the
7 examinations, for review of a particular applicant's examination, and for other related services.
8 The person with whom the Board contracts may charge applicants a reasonable fee for the costs
9 associated with the development and administration of the examinations, for course
10 development related to the examinations, for review of the applicant's examinations, and for
11 other related services. The fee shall be agreed to by the Board and the other contracting party.
12 The amount of the fee under this subsection shall not exceed one hundred seventy-five dollars
13 (\$175.00). Contracts for the development and administration of the examinations, for course
14 development related to the examinations, and for review of examinations shall not be subject to
15 Article 3, 3C, or 8 of Chapter 143 of the General Statutes or to Article 3D of Chapter 147 of the
16 General Statutes. However, the Board shall: (i) submit all proposed ~~statewide and agency term~~
17 contracts for supplies, materials, printing, equipment, and contractual services that exceed one
18 million dollars (\$1,000,000) authorized by this subsection to the Attorney General or the
19 Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all
20 proposed contracts to be awarded by the Board under this subsection a standard clause which
21 provides that the State Auditor and internal auditors of the Board may audit the records of the
22 contractor during and after the term of the contract to verify accounts and data affecting fees
23 and performance. The Board shall not award a cost plus percentage of cost agreement or
24 contract for any purpose."

25 **SECTION 15.(aa)** G.S. 143B-131.2(b)(15) reads as rewritten:

26 "(15) To procure supplies, services, and property as appropriate and to enter into
27 contracts, leases, or other legal agreements to carry out the purposes of this
28 Part and duties of the Commission. The provisions of G.S. 143-129 and
29 Article 3 of Chapter 143 of the General Statutes do not apply to purchases by
30 the Roanoke Island Commission of equipment, supplies, and services.
31 However, the Commission shall: (i) submit all proposed ~~statewide and~~
32 ~~agency term~~ contracts for supplies, materials, printing, equipment, and
33 contractual services that exceed one million dollars (\$1,000,000) authorized
34 by this subdivision to the Attorney General or the Attorney General's
35 designee for review as provided in G.S. 114-8.3; and (ii) include in all
36 proposed contracts to be awarded by the Commission under this subdivision
37 a standard clause which provides that the State Auditor and internal auditors
38 of the Commission may audit the records of the contractor during and after
39 the term of the contract to verify accounts and data affecting fees and
40 performance. The Commission shall not award a cost plus percentage of cost
41 agreement or contract for any purpose."

42 **SECTION 16.(a)** G.S. 115D-87, as amended by Section 1 of S.L. 2011-21, reads
43 as rewritten:

44 "**§ 115D-87. Definitions.**

45 The following definitions apply in this Article:

- 46 (2) Person. – Any individual, association, partnership or corporation, and
47 includes any director, receiver, referee, trustee, executor, or administrator as
48 well as a natural person.
- 49 (5) Proprietary school. – An educational institution having a physical presence
50 within North Carolina that meets all of the following conditions:

- 1 a. It is privately owned by a sole proprietorship, partnership, limited
2 liability company, or corporation.
- 3 b. It is established as a business entity or as a nonprofit charitable
4 organization.
- 5 c. It offers instruction to individuals who (i) have completed their
6 elementary and secondary education or (ii) are beyond the age of
7 compulsory secondary school attendance and have demonstrated an
8 ability to benefit from that instruction for the attainment of
9 educational objectives, vocational objectives, or both.
- 10 d. It charges tuition or receives any consideration from a student for any
11 portion of the instruction in any form, including written or
12 audiovisual material.
- 13 e. It educates, trains, or claims or offers to educate or train students in a
14 program leading toward (i) examinations for licensing in a profession
15 or vocation, (ii) employment at a beginning or advanced level, or (iii)
16 a postsecondary educational credential below the associate degree
17 level.

18 The term includes a branch or extension of a private postsecondary
19 educational institution of another state that is located in this State or that
20 offers educational services or education at a physical location within this
21 State. Delivery systems employed may include, but are not limited to, (i)
22 correspondence, (ii) classrooms, (iii) hotels or other temporary dwelling
23 units or areas, or (iv) electronic communications such as those used in
24 distance education. Distance education is education, training courses, or
25 programs delivered to a student who is geographically separate from the
26 instructor. It does not include institutions licensed by G.S. 116-15.

27 If a school has physical locations and offers classes in more than one
28 county, the school's operation in each county shall constitute a separate
29 proprietary school, as defined in this section."

30 **SECTION 16.(b)** This section becomes effective July 1, 2011.

31 **SECTION 17.** G.S. 131E-34 is repealed.

32 **SECTION 18.(a)** G.S. 143-53.1 reads as rewritten:

33 **"§ 143-53.1. Setting of benchmarks; increase by Secretary.**

34 (a) On and after July 1, 1997, the procedures prescribed by G.S. 143-52 with respect to
35 competitive bids and the bid value benchmark authorized by G.S. 143-53(a)(2) with respect to
36 rule making by the Secretary of Administration for competitive bidding shall be no more than
37 twenty-five thousand dollars (\$25,000); provided, the Secretary of Administration may, in his
38 or her discretion, increase the benchmarks effective as of the beginning of any fiscal biennium
39 of the State commencing after June 30, 1999, in an amount whose increase, expressed as a
40 percentage, does not exceed the rise in the Consumer Price Index during the fiscal biennium
41 next preceding the effective date of the benchmark increase. For a special responsibility
42 constituent institution of The University of North Carolina, the benchmark prescribed in this
43 section shall be as provided in G.S. 116-31.10. For community colleges, the benchmark
44 prescribed in this section shall be as provided in G.S. 115D-58.14."

45 **SECTION 18.(b)** This section becomes effective July 1, 2012.

46 **SECTION 19.** G.S. 143B-138.1(a) reads as rewritten:

47 **"§ 143B-138.1. Department of Health and Human Services – functions and organization.**

48 (a) All functions, powers, duties, and obligations previously vested in the following
49 commissions, boards, councils, committees, or subunits of the Department of Human
50 Resources are transferred to and vested in the Department of Health and Human Services by a
51 Type I transfer, as defined in G.S. 143A-6:

- 1 (1) Division of Aging.
- 2 (2) Division of Services for the Blind.
- 3 (3) Division of Medical Assistance.
- 4 (4) Division of Mental Health, Developmental Disabilities, and Substance
- 5 Abuse Services.
- 6 (5) Division of Social Services.
- 7 (6) Division of Health Service Regulation.
- 8 (7) Division of Vocational Rehabilitation.
- 9 (8) Repealed by Session Laws 1998-202, s. 4(v), effective January 1, 1999.
- 10 (9) Division of Services for the Deaf and the Blind.
- 11 ~~(10) Office of Economic Opportunity.~~
- 12 (11) Division of Child Development.
- 13 (12) Office of Rural Health."

14 **SECTION 19.5.** If House Bill 362, 2011 Regular Session, becomes law, Section
15 4(a) as enacted by that act reads as rewritten:

16 "**SECTION 4.(a)** It is unlawful to hunt deer from any vessel in the Tar River from 4
17 Springfield Road to the Dunbar Bridge, whether the vessel is under power or not, except that a
18 5 vessel may be used for transportation to and from otherwise lawful hunting stands upon land
19 6 owned or leased by a person or upon which a person has written permission to hunt."

20 **SECTION 20.** If House Bill 442, 2011 Regular Session, becomes law, Section 3 as
21 enacted by that act reads as rewritten:

22 "**SECTION 3.** This act is effective when it becomes law. Section 1 of this act shall expire
23 ~~July 1, 2013.~~ July 1, 2018."

24 **SECTION 21.** If House Bill 650, 2011 Regular Session, becomes law,
25 G.S. 14-415.27, as enacted by that act, reads as rewritten:

26 "**§ 14-415.27. Expanded permit scope for district attorneys, assistant district attorneys,**
27 **and investigators employed by office of the district attorney.**

28 Notwithstanding G.S. 14-415.11(c), any person who is a district attorney, an assistant
29 district attorney, or an investigator employed by the office of a district attorney and who has a
30 concealed handgun permit issued pursuant to this Article or that is considered valid under
31 G.S. 14-415.24 is not subject to the ~~restrictions—~~and area prohibitions set out in
32 G.S. 14-415.11(c) and may carry a concealed handgun in the areas listed in G.S. 14-415.11(c)
33 unless otherwise prohibited by federal law."

34 **SECTION 22.(a)** If House Bill 806, 2011 Regular Session, becomes law,
35 G.S. 153A-348(c), as enacted by that act, reads as rewritten:

36 "(c) Nothing in this section or in G.S. 1-54(10) or G.S. 1-54.1 shall bar a party in an
37 action involving the enforcement of a zoning or unified development ordinance from raising as
38 a defense to such enforcement action the invalidity of the ordinance. Nothing in this section or
39 in G.S. 1-54(10) or G.S. 1-54.1 shall bar a party who files a timely appeal from an order,
40 requirement, decision, or determination made by an administrative official contending that such
41 party is in violation of a zoning or unified development ordinance from raising in the appeal the
42 invalidity of such ordinance as a defense to such order, requirement, decision, or determination.
43 A party in an enforcement action or appeal may not assert the invalidity of the ordinance on the
44 basis of an alleged ~~defect~~ defect in the adoption process unless the defense is formally raised
45 within three years of the adoption of the challenged ordinance."

46 **SECTION 22.(b)** If House Bill 806, 2011 Regular Session, becomes law,
47 G.S. 160A-364.1(c), as enacted by that act, reads as rewritten:

48 "(c) Nothing in this section or in G.S. 1-54(10) or G.S. 1-54.1 shall bar a party in an
49 action involving the enforcement of a zoning or unified development ordinance from raising as
50 a defense to such enforcement action the invalidity of the ordinance. Nothing in this section or
51 in G.S. 1-54(10) or G.S. 1-54.1 shall bar a party who files a timely appeal from an order,

1 requirement, decision, or determination made by an administrative official contending that such
2 party is in violation of a zoning or unified development ordinance from raising in the appeal the
3 invalidity of such ordinance as a defense to such order, requirement, decision, or determination.
4 A party in an enforcement action or appeal may not assert the invalidity of the ordinance on the
5 basis of an alleged ~~defect~~ defect in the adoption process unless the defense is formally raised
6 within three years of the adoption of the challenged ordinance."

7 **SECTION 23.** If Senate Bill 781, 2011 Regular Session, becomes law, then
8 Section 46 of that act reads as rewritten:

9 "SECTION 46. G.S. 131E-188 reads as rewritten:

10 **'§ 131E-188. Administrative and judicial review.**

11 (a) After a decision of the Department to issue, deny or withdraw a certificate of need
12 or exemption or to issue a certificate of need pursuant to a settlement agreement with an
13 applicant to the extent permitted by law, any affected person, as defined in subsection (c) of
14 this section, shall be entitled to a contested case hearing under Article 3 of Chapter 150B of the
15 General Statutes. A petition for a contested case shall be filed within 30 days after the
16 Department makes its decision. When a petition is filed, the Department shall send notification
17 of the petition to the proponent of each application that was reviewed with the application for a
18 certificate of need that is the subject of the petition. Any affected person shall be entitled to
19 intervene in a contested case.

20 A contested case shall be conducted in accordance with the following timetable:

- 21 (1) An administrative law judge or a hearing officer, as appropriate, shall be
22 assigned within 15 days after a petition is filed.
- 23 (2) The parties shall complete discovery within 90 days after the assignment of
24 the administrative law judge or hearing officer.
- 25 (3) The hearing at which sworn testimony is taken and evidence is presented
26 shall be held within 45 days after the end of the discovery period.
- 27 (4) The administrative law judge or hearing officer shall make his recommended
28 a final decision within 75 days after the hearing.
- 29 (5) ~~The Department shall make its final decision within 30 days of receiving the~~
30 ~~official record of the case from the Office of Administrative Hearings.~~

31 The administrative law judge or hearing officer assigned to a case may extend the deadlines
32 in subdivisions (2) through (4) so long as the administrative law judge or hearing officer makes
33 his recommended a final decision in the case within 270 days after the petition is filed. ~~The~~
34 ~~Department may extend the deadline in subdivision (5) for up to 30 days by giving all parties~~
35 ~~written notice of the extension.~~

36 ...

37 (b) Any affected person who was a party in a contested case hearing shall be entitled to
38 judicial review of all or any portion of any final decision ~~of the Department~~ in the following
39 manner. The appeal shall be to the Court of Appeals as provided in G.S. 7A-29(a). The
40 procedure for the appeal shall be as provided by the rules of appellate procedure. The appeal of
41 the final decision ~~of the Department~~ shall be taken within 30 days of the receipt of the written
42 notice of final decision, and notice of appeal shall be filed with the ~~Division of Health Service~~
43 ~~Regulation, Department of Health and Human Services~~ Office of Administrative Hearings and
44 served on the Department and all other affected persons who were parties to the contested
45 hearing.

46 (b1) Before filing an appeal of a final decision ~~by the Department~~ granting a certificate
47 of need, the affected person shall deposit a bond with the Clerk of the Court of Appeals. The
48 bond requirements of this subsection shall not apply to any appeal filed by the Department.

- 49 (1) The bond shall be secured by cash or its equivalent in an amount equal to
50 five percent (5%) of the cost of the proposed new institutional health service
51 that is the subject of the appeal, but may not be less than five thousand

1 dollars (\$5,000) and may not exceed fifty thousand dollars (\$50,000);
2 provided that the applicant who received approval of the certificate of need
3 may petition the Court of Appeals for a higher bond amount for the payment
4 of such costs and damages as may be awarded pursuant to subdivision (2) of
5 this subsection. This amount shall be determined by the Court in its
6 discretion, not to exceed three hundred thousand dollars (\$300,000). A
7 holder of a certificate of need who is appealing only a condition in the
8 certificate is not required to file a bond under this subsection.

- 9 (2) If the Court of Appeals finds that the appeal was frivolous or filed to delay
10 the applicant, the court shall remand the case to the superior court of the
11 county where a bond was filed for the contested case hearing on the
12 certificate of need. The superior court may award the holder of the certificate
13 of need part or all of the bond. The court shall award the holder of the
14 certificate of need reasonable attorney fees and costs incurred in the appeal
15 to the Court of Appeals. If the Court of Appeals does not find that the appeal
16 was frivolous or filed to delay the applicant and does not remand the case to
17 superior court for a possible award of all or part of the bond to the holder of
18 the certificate of need, the person originally filing the bond shall be entitled
19 to a return of the bond.

20"

21 **SECTION 24.** Section 13 of S.L. 2009-521 reads as rewritten:

22 "**SECTION 13.** Any natural hair care specialist who submits proof to the Board that the
23 natural hair care specialist is actively engaged in the practice of a natural hair care specialist on
24 the effective date of this act, passes an examination conducted by the Board and pays the
25 required fee under G.S. 88B-20 shall be licensed without having to satisfy the requirements of
26 G.S. 88B-10.1, enacted by Section 2 of this act. A cosmetic art shop that practices natural hair
27 care only and that submits proof to the Board that the shop is actively engaged in the practice of
28 natural hair care on the effective date of this act shall have ~~one year~~ two years from the date of
29 this act to comply with the requirements of G.S. 88B-14. All persons who do not make
30 application to the Board within ~~one year~~ two years of the effective date of this act shall be
31 required to complete all training and examination requirements prescribed by the Board and to
32 otherwise comply with the provisions of Chapter 88B of the General Statutes."

33 **SECTION 25.(a)** Section 1.37 of S.L. 2010-87 reads as rewritten:

34 "**SECTION 1.37.** Effective January 1, 2011, John Wayne Kahl of Iredell County is
35 appointed to the State Judicial Council for a term expiring on December 31, ~~2013~~ 2014."

36 **SECTION 25.(b)** Section 1.43 of S.L. 2010-87 reads as rewritten:

37 "**SECTION 1.43.** John Howard Boyette, Jr., of Wilson County and Paul Weller of ~~Durham~~
38 ~~County~~ Orange County are appointed to the Well Contractors Certification Commission for
39 terms expiring on June 30, 2013."

40 **SECTION 26.** The prefatory language of S.L. 2010-168, Section 5, reads as
41 rewritten:

42 "**SECTION 5.** ~~G.S. 53-244.010(b)~~ G.S. 53-244.101(b) reads as rewritten:"

43 **SECTION 27.** Section 2.5(d) of S.L. 2011-85 reads as rewritten:

44 "**SECTION 2.5.(d)** Subdivision (26) of G.S. 135-44.4 [member education] is recodified as
45 G.S. 135-48.56, to be entitled "Education of covered active and retired employees.", under ~~Part~~
46 ~~2~~ Part 5 of Article 3B of Chapter 135 of the General Statutes, as created by Section 2.3 of this
47 act."

48 **SECTION 28.** The prefatory language for Section 2 of S.L. 2011-35 reads as
49 rewritten:

50 "**SECTION 2.** ~~Chapter 20 of the General Statutes~~ G.S. 20-7 is amended by adding a new
51 subsection to read:"

1 **SECTION 29.** Unless otherwise provided by this act, this act is effective when it
2 becomes law.