

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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SENATE DRS35229-LR-101 (03/14)

Short Title: Eugenics Amendments/County Victims.

(Public)

Sponsors: Senator J. Jackson (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE CLAIMANTS INVOLUNTARILY ASEXUALIZED OR
3 INVOLUNTARILY STERILIZED UNDER COUNTY AUTHORITY QUALIFIED
4 RECIPIENTS UNDER THE EUGENICS COMPENSATION PROGRAM.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 143B-426.50(5) reads as rewritten:

7 "(5) Qualified recipient. – An individual who was asexualized involuntarily or
8 sterilized involuntarily under the authority of the Eugenics Board of North
9 Carolina (Board) in accordance with Chapter 224 of the Public Laws of 1933
10 or Chapter 221 of the Public Laws of ~~1937-1937~~ or a North Carolina
11 county."

12 SECTION 2. G.S. 143B-426.51 reads as rewritten:

13 "§ 143B-426.51. Compensation payments.

14 (a) A claimant determined to be a qualified recipient under this Part shall receive
15 compensation in the amount determined by this ~~subsection~~ section from funds appropriated for
16 these purposes.

17 (a1) A qualified recipient who was asexualized involuntarily or sterilized involuntarily
18 under the Board's authority shall receive compensation in the form of two payments. By
19 October 31, 2014, claimants under this subsection determined by the Commission to be
20 qualified recipients shall receive an initial payment as provided by this section. Claimants
21 determined to be qualified recipients after that date shall receive an initial payment within 60
22 days of the Commission's determination. A second and final payment shall be made after the
23 exhaustion of all appeals arising from the denial of eligibility for compensation under this Part.

24 The initial payment to each qualified recipient under this subsection will be calculated by
25 adding together the number of qualified recipients as of October 1, 2014, and the number of
26 claims outstanding that are pending, then dividing that total number into the sum of ten million
27 dollars (\$10,000,000). The initial payment checks shall be remitted by October 31, 2014.

28 (a2) A qualified recipient who was asexualized involuntarily or sterilized involuntarily
29 under a county's authority will not receive the initial payment set by subsection (a1) of this
30 section, but shall receive a single payment from the funds remaining from the final payment
31 calculation under (a3) of this section.

32 (a3) The final payment calculation will be made by taking the balance of compensation
33 funds remaining after the exhaustion of appeals and dividing that sum equally between the
34 number of qualified recipients determined finally to be eligible to receive compensation.

35 The final payment checks shall be remitted within 90 days of the exhaustion of the last
36 appeal. Any qualified claimant who was successful on appeal and who did not receive an initial



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1 payment shall be paid an amount equal to the initial payment amount, plus the amount from the
2 final payment calculation.

3 The Office and the State Controller shall collaborate to facilitate the administration of this
4 section so as to effectuate the compensation of qualified recipients as soon as practicable.

5 (b) If any claimant shall die during the pendency of a claim, or after being determined
6 to be a qualified recipient, any payment shall be made to the estate of the decedent.

7 (c) A qualified recipient may assign compensation received pursuant to subsection (a)
8 or subsection (a1) of this section to a trust established for the benefit of the qualified recipient.

9 (d) It is the public policy of this State that funds awarded for the compensation of
10 sterilization victims under this Part may be used only for the purpose of benefiting victims and
11 shall not be used to pay attorneys' fees arising from representation at the Office, before the
12 Commission, or on appeal. The General Assembly finds that qualified recipients have suffered
13 a unique harm that calls for a unique remedy and that there are sufficient sources of assistance
14 and pro bono legal representation available to protect their interests. Therefore, any agreement
15 for the acceptance of attorneys' fees is null and void unless counsel has sought and received an
16 opinion from the North Carolina State Bar that the fee arrangement is reasonable under the
17 Rules of Professional Conduct.

18 (e) All missing claim information must be postmarked to, or received by, the Office by
19 September 23, 2014, in order to be considered.

20 (f) By September 30, 2014, the Office shall submit all remaining claim forms to the
21 Commission for appropriate disposition in accordance with this Part."

22 **SECTION 3.** G.S. 143B-426.57 reads as rewritten:

23 **"§ 143B-426.57. Limitation of liability.**

24 Nothing in this Part shall revive or extend any statute of limitations that may otherwise
25 have expired prior to July 1, 2013. The State's liability arising from any cause of action related
26 to any asexualization or sterilization performed pursuant to an order of the Eugenics Board of
27 North Carolina or under the authority of a North Carolina county shall be limited to the
28 compensation authorized by this Part."

29 **SECTION 4.** G.S. 105-153.5(b)(9) reads as rewritten:

30 "(b) Other Deductions. – In calculating North Carolina taxable income, a taxpayer may
31 deduct from the taxpayer's adjusted gross income any of the following items that are included
32 in the taxpayer's adjusted gross income:

33 ...
34 (9) The amount paid to the taxpayer during the taxable year from the Eugenics
35 Sterilization Compensation Fund as compensation to a qualified recipient
36 ~~under the Eugenics Asexualization and Sterilization Compensation Program~~
37 under Part 30 of Article 9 of Chapter 143B of the General Statutes. This
38 subdivision expires for taxable years beginning on or after January 1, 2016."

39 **SECTION 5.** This act is effective when it becomes law.