

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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SENATE BILL 119*
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PROPOSED HOUSE COMMITTEE SUBSTITUTE S119-PCS15286-SU-37

Short Title: GSC Technical Corrections 2015.

(Public)

Sponsors:

Referred to:

February 27, 2015

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

6 The General Assembly of North Carolina enacts:

7
8 **PART I. TECHNICAL CORRECTIONS RECOMMENDED BY THE GENERAL**
9 **STATUTES COMMISSION**

10 **SECTION 1.(a)** G.S. 1-267.1(d) reads as rewritten:

11 "(d) This section applies only to civil proceedings. Nothing in this section shall be
12 deemed to apply to criminal proceedings, to proceedings under Chapter 15A of the General
13 Statutes, to proceedings making a collateral attack on any judgment entered in a criminal
14 proceeding, or to ~~appeals from orders of the trial courts pertaining to~~ civil proceedings filed by
15 a taxpayer pursuant to G.S. 105-241.17."

16 **SECTION 1.(b)** G.S. 7A-27 reads as rewritten:

17 **"§ 7A-27. Appeals of right from the courts of the trial divisions.**

18 (a) Appeal lies of right directly to the Supreme Court in any of the following cases:

- 19 (1) All cases in which the defendant is convicted of murder in the first degree
20 and the judgment of the superior court includes a sentence of death.
21 (2) From any final judgment in a case designated as a mandatory complex
22 business case pursuant to G.S. 7A-45.4 or designated as a discretionary
23 complex business case pursuant to Rule 2.1 of the General Rules of Practice
24 for the Superior and District Courts.
25 (3) From any interlocutory order of a Business Court Judge that does any of the
26 following:
27 a. Affects a substantial right.
28 b. In effect determines the action and prevents a judgment from which
29 an appeal might be taken.
30 c. Discontinues the action.
31 d. Grants or refuses a new trial.

32 (a1) Appeal lies of right directly to the Supreme Court from any order or judgment of a
33 court, either final or interlocutory, that holds that an act of the General Assembly is facially
34 invalid on the basis that the act violates the North Carolina Constitution or federal law. Nothing



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1 in this ~~section~~ subsection shall be deemed to apply to appeals from orders of the trial courts
2 pertaining to criminal proceedings, to proceedings under Chapter 15A of the General Statutes,
3 to proceedings making a collateral attack on any judgment entered in a criminal proceeding, or
4 to appeals from orders of the trial courts pertaining to civil proceedings filed by a taxpayer
5 pursuant to G.S. 105-241.17.

6 (b) ~~Appeal~~ Except as provided in subsection (a) or (a1) of this section, appeal lies of
7 right directly to the Court of Appeals in any of the following cases:

8 (1) From any final judgment of a superior court, other than ~~the one described in~~
9 ~~subsection (a) of this section, or one based on a plea of guilty or nolo~~
10 ~~contendere, including any final judgment entered upon review of a decision~~
11 ~~of an administrative agency, except for a final judgment entered upon review~~
12 ~~of a court martial under G.S. 127A-62.~~

13 (2) From any final judgment of a district court in a civil action.

14 (3) From any interlocutory order or judgment of a superior court or district court
15 in a civil action or proceeding that does any of the following:

16 a. Affects a substantial right.

17 b. In effect determines the action and prevents a judgment from which
18 an appeal might be taken.

19 c. Discontinues the action.

20 d. Grants or refuses a new trial.

21 e. Determines a claim prosecuted under G.S. 50-19.1.

22 f. Grants temporary injunctive relief restraining the State or a political
23 subdivision of the State from enforcing the operation or execution of
24 an act of the General Assembly as applied against a party in a civil
25 action. This ~~subsection~~ sub-subdivision only applies where the State
26 or a political subdivision of the State is a party in the civil action.
27 This ~~subsection~~ sub-subdivision does not apply to facial challenges
28 to an act's validity heard by a three-judge panel pursuant to
29 G.S. 1-267.1.

30 (4) From any other order or judgment of the superior court from which an
31 appeal is authorized by statute.

32 (c) through (e) Repealed by Session Laws 2013-411, s. 1, effective August 23, 2013."

33 **SECTION 2.** G.S. 7B-323(f) reads as rewritten:

34 "(f) A party may appeal the district court's decision under
35 ~~G.S. 7A-27(e)~~ G.S. 7A-27(b)(2)."

36 **SECTION 3.** G.S. 14-269 reads as rewritten:

37 "**§ 14-269. Carrying concealed weapons.**

38 (a) It shall be unlawful for any person willfully and intentionally to carry concealed
39 about his or her person any bowie knife, dirk, dagger, slung shot, loaded cane, metallic
40 knuckles, razor, ~~shuriken, shuriken~~, stun gun, or other deadly weapon of like kind, except when
41 the person is on the person's own premises.

42 (a1) It shall be unlawful for any person willfully and intentionally to carry concealed
43 about his or her person any pistol or gun except in the following circumstances:

44 (1) The person is on the person's own premises.

45 (2) The deadly weapon is a handgun, the person has a concealed handgun permit
46 issued in accordance with Article 54B of this Chapter or considered valid
47 under G.S. 14-415.24, and the person is carrying the concealed handgun in
48 accordance with the scope of the concealed handgun permit as set out in
49 G.S. 14-415.11(c).

- 1 (3) The deadly weapon is a handgun and the person is a military permittee as
 2 defined under G.S. 14-415.10(2a) who provides to the law enforcement
 3 officer proof of deployment as required under G.S. 14-415.11(a).

4 ...
 5 (b1) It is a defense to a prosecution under this section that:

- 6 (1) The weapon was not a firearm;
 7 (2) The defendant was engaged in, or on the way to or from, an activity in which
 8 ~~he~~ the defendant legitimately used the weapon;
 9 (3) The defendant possessed the weapon for that legitimate use; and
 10 (4) The defendant did not use or attempt to use the weapon for an illegal
 11 purpose.

12 The burden of proving this defense is on the defendant.

13"

14 **SECTION 4.** G.S. 14-313 reads as rewritten:

15 **"§ 14-313. Youth access to tobacco products, tobacco-derived products, vapor products,
 16 and cigarette wrapping papers.**

17 ...
 18 (b) Sale or distribution to persons under the age of 18 years. – If any person shall
 19 distribute, or aid, assist, or abet any other person in distributing tobacco products or cigarette
 20 wrapping papers to any person under the age of 18 years, or if any person shall purchase
 21 tobacco products or cigarette wrapping papers on behalf of a person under the age of 18 years,
 22 the person shall be guilty of a Class 2 misdemeanor; provided, however, that it shall not be
 23 unlawful to distribute tobacco products or cigarette wrapping papers to an employee when
 24 required in the performance of the employee's duties. Retail distributors of tobacco products
 25 shall prominently display near the point of sale a sign in letters at least five-eighths of an inch
 26 high which states the following:

27 N.C. LAW STRICTLY PROHIBITS
 28 THE PURCHASE OF TOBACCO PRODUCTS, TOBACCO-DERIVED PRODUCTS,
 29 VAPOR PRODUCTS, AND CIGARETTE WRAPPING PAPERS
 30 BY PERSONS UNDER THE AGE OF 18.
 31 PROOF OF AGE REQUIRED.

32 Failure to post the required sign shall be an infraction punishable by a fine of twenty-five
 33 dollars (\$25.00) for the first offense and seventy-five dollars (\$75.00) for each succeeding
 34 offense.

35 A person engaged in the sale of tobacco products or cigarette wrapping papers shall demand
 36 proof of age from a prospective purchaser if the person has reasonable grounds to believe that
 37 the prospective purchaser is under 18 years of age. Failure to demand proof of age as required
 38 by this subsection is a Class 2 misdemeanor if in fact the prospective purchaser is under 18
 39 years of age. Retail distributors of tobacco products or cigarette wrapping papers shall train
 40 their sales employees in the requirements of this law. Proof of any of the following shall be a
 41 defense to any action brought under this subsection:

- 42 (1) The defendant demanded, was shown, and reasonably relied upon proof of
 43 age in the case of a retailer, or any other documentary or written evidence of
 44 age in the case of a nonretailer.
 45 (2) The defendant relied on the electronic system established and operated by
 46 the Division of Motor Vehicles pursuant to G.S. 20-37.02.
 47 (3) The defendant relied on a biometric identification system that demonstrated
 48 (i) the purchaser's age to be at least the required age for the purchase and (ii)
 49 the purchaser had previously registered with the seller or seller's agent a
 50 drivers license, a special identification card issued under ~~G.S. 20-377.7,~~
 51 G.S. 20-37.7, a military identification card, or a passport showing the

1 purchaser's date of birth and bearing a physical description of the person
2 named on the card.

3 ...

4 (e) Statewide uniformity. – It is the intent of the General Assembly to prescribe this
5 uniform system for the regulation of tobacco products and cigarette wrapping papers to ensure
6 the eligibility for and receipt of any federal funds or grants that the State now receives or may
7 receive relating to the provisions of ~~G.S. 14-313.~~ this section. To ensure uniformity, no political
8 subdivisions, boards, or agencies of the State nor any county, city, municipality, municipal
9 corporation, town, township, village, nor any department or agency thereof, may enact
10 ordinances, rules or regulations concerning the sale, distribution, display or promotion of (i)
11 tobacco products or cigarette wrapping papers on or after September 1, 1995, or (ii)
12 tobacco-derived products or vapor products on or after August 1, 2013. This subsection does
13 not apply to the regulation of vending machines, nor does it prohibit the Secretary of Revenue
14 from adopting rules with respect to the administration of the tobacco products taxes levied
15 under Article 2A of Chapter 105 of the General Statutes.

16"

17 **SECTION 5.** G.S. 15A-150(b) reads as rewritten:

18 "(b) Notification to Other State and Local Agencies. – The clerk of superior court in
19 each county in North Carolina shall send a certified copy of an order granting an expunction to
20 a person named in subsection (a) of this section to all of the agencies listed in this subsection.
21 An agency receiving an order under this subsection shall expunge from its records all entries
22 made as a result of the charge or conviction ordered expunged, except as provided in
23 G.S. 15A-151. The list of agencies is as follows:

24 (1) The sheriff, chief of police, or other arresting agency.

25 (2) When applicable, the Division of Motor ~~Vehicles and the Division of Adult~~
26 ~~Correction of the Department of Public Safety.~~ Vehicles.

27 (3) Any State or local agency identified by the petition as bearing record of the
28 offense that has been expunged.

29 (4) The Department of Public Safety."

30 **SECTION 6.** G.S. 15A-1340.16(f) reads as rewritten:

31 "(f) ~~[Notice to State Treasurer of Finding.]~~ Notice to State Treasurer of Finding. – If
32 the court determines that an aggravating factor under subdivision (9) of subsection (d) of this
33 section has been proven, the court shall notify the State Treasurer of the fact of the conviction
34 as well as the finding of the aggravating factor. The indictment charging the defendant with the
35 underlying offense must include notice that the State seeks to prove the defendant acted in
36 accordance with subdivision (9) of subsection (d) of this section and that the State will seek to
37 prove that as an aggravating factor."

38 **SECTION 7.** G.S. 18B-302(d) reads as rewritten:

39 "(d) Defense. – It shall be a defense to a violation of subsection (a) of this section if the
40 seller:

41 ...

42 (3) Shows that at the time of purchase, the purchaser utilized a biometric
43 identification system that demonstrated (i) the purchaser's age to be at least
44 the required age for the purchase and (ii) the purchaser had previously
45 registered with the seller or seller's agent a drivers license, a special
46 identification card issued under ~~G.S. 20-377.7,~~ G.S. 20-37.7, a military
47 identification card, or a passport showing the purchaser's date of birth and
48 bearing a physical description of the person named on the document."

49 **SECTION 8.(a)** G.S. 20-115 reads as rewritten:

50 "**§ 20-115. Scope and effect of regulations in this title.** Part.

1 It shall be unlawful for any person to drive or move or for the owner to cause or knowingly
2 permit to be driven or moved on any highway any vehicle or vehicles of a size or weight
3 exceeding the limitations stated in this ~~title, Part,~~ or any vehicle or vehicles which are not so
4 constructed or equipped as required in this ~~title, Part,~~ or the rules and regulations of the
5 Department of Transportation adopted pursuant ~~thereto to this Part~~ and the maximum size and
6 weight of vehicles ~~herein~~ specified in this Part shall be lawful throughout this State, and local
7 authorities shall have no power or authority to alter ~~said the~~ limitations except as express
8 authority may be granted in this Article."

9 **SECTION 8.(b)** G.S. 106-549.21(d) and (e) read as rewritten:

10 "(d) No article subject to this ~~title Article~~ shall be sold or offered for sale by any person,
11 firm, or corporation, in intrastate commerce, under any name or other marking or labeling
12 which is false or misleading, or in any container of a misleading form or size, but established
13 trade names and other marking and labeling and containers which are not false or misleading,
14 and which are approved by the Commissioner or ~~his the~~ Commissioner's authorized
15 representative, are permitted.

16 (e) If the Commissioner or ~~his the~~ Commissioner's authorized representative has reason
17 to believe that any marking or labeling or the size or form of any container in use or proposed
18 for use with respect to any article subject to this ~~title Article~~ is false or misleading in any
19 particular, ~~he the~~ Commissioner or representative may direct that ~~such this~~ use be withheld
20 unless the marking, labeling, or container is modified in such a manner as he may prescribe the
21 Commissioner or representative prescribes so that it will not be false or misleading. If the
22 person, firm, or corporation using or proposing to use the marking, labeling or container does
23 not accept the determination of the Commissioner or ~~his the~~ Commissioner's authorized
24 representative, ~~such the~~ person, firm, or corporation may request a hearing, but the use of the
25 marking, labeling, or container shall, if the Commissioner so directs, be withheld pending
26 hearing and final determination by the Commissioner. A person who uses or proposes to use
27 the marking, labeling, or container and who does not accept the determination of the
28 Commissioner may commence a contested case under G.S. 150B-23. If directed by the
29 Commissioner, the marking, labeling, or container may not be used pending a final decision."

30 **SECTION 9.** G.S. 20-183.2(a1) reads as rewritten:

31 "(a1) Safety Inspection Exceptions. – The following vehicles shall not be subject to a
32 safety inspection pursuant to this Article:

- 33 (1) Historic vehicles, as described in ~~G.S. 20-79.4(b)(88)~~ G.S. 20-79.4(b)(90).
- 34 (2) Buses titled to a local board of education and subject to the school bus
35 inspection requirements specified by the State Board of Education and
36 G.S. 115C-248."

37 **SECTION 10.** G.S. 62-36B is recodified as G.S. 62-36.01.

38 **SECTION 11.** G.S. 62-110.1(c) reads as rewritten:

39 "(c) The Commission shall develop, publicize, and keep current an analysis of the
40 long-range needs for expansion of facilities for the generation of electricity in North Carolina,
41 including its estimate of the probable future growth of the use of electricity, the probable
42 needed generating reserves, the extent, size, mix and general location of generating plants and
43 arrangements for pooling power to the extent not regulated by the Federal Energy Regulatory
44 Commission and other arrangements with other utilities and energy suppliers to achieve
45 maximum efficiencies for the benefit of the people of North Carolina, and shall consider such
46 analysis in acting upon any petition by any utility for construction. In developing such analysis,
47 the Commission shall confer and consult with the public utilities in North Carolina, the utilities
48 commissions or comparable agencies of neighboring states, the Federal Energy Regulatory
49 Commission, ~~the Southern Growth Policies Board,~~ and other agencies having relevant
50 information and may participate as it deems useful in any joint boards investigating generating
51 plant sites or the probable need for future generating facilities. In addition to such reports as

1 public utilities may be required by statute or rule of the Commission to file with the
 2 Commission, any such utility in North Carolina may submit to the Commission its proposals as
 3 to the future needs for electricity to serve the people of the State or the area served by such
 4 utility, and insofar as practicable, each such utility and the Attorney General may attend or be
 5 represented at any formal conference conducted by the Commission in developing a plan for
 6 the future requirements of electricity for North Carolina or this region. In the course of making
 7 the analysis and developing the plan, the Commission shall conduct one or more public
 8 hearings. Each year, the Commission shall submit to the Governor and to the appropriate
 9 committees of the General Assembly a report of its analysis and plan, the progress to date in
 10 carrying out such plan, and the program of the Commission for the ensuing year in connection
 11 with such plan."

12 **SECTION 12.** G.S. 66-372(e) reads as rewritten:

13 "(e) All service agreements used in this State by a service agreement company shall:

- 14 (1) Not contain provisions that allow the company to cancel the agreement in its
 15 discretion other than for nonpayment of premiums or for a direct violation of
 16 the agreement by the consumer where the service agreement states that
 17 violation of the agreement would subject the agreement to cancellation;
 18 (2) With respect to a motor vehicle service agreement as defined in
 19 ~~G.S. 66-370(b)(1)~~, G.S. 66-370(b)(5), provide for a right of assignability by
 20 the consumer to a subsequent purchaser before expiration of coverage if the
 21 subsequent purchaser meets the same criteria for motor vehicle service
 22 agreement acceptability as the original purchaser; and
 23 (3) Contain a cancellation provision allowing the consumer to cancel at any time
 24 after purchase and receive a pro rata refund less any claims paid on the
 25 agreement and a reasonable administrative fee, not to exceed ten percent
 26 (10%) of the amount of the pro rata refund."

27 **SECTION 13.** G.S. 90-89(5) reads as rewritten:

28 "(5) Stimulants. – Unless specifically excepted or unless listed in another
 29 schedule, any material, compound, mixture, or preparation that contains any
 30 quantity of the following substances having a stimulant effect on the central
 31 nervous system, including its salts, isomers, and salts of isomers:

- 32 a. Aminorex. Some trade or other names: aminoxaphen;
 33 2-amino-5-phenyl-2-oxazoline; _____ ~~or~~
 34 ~~4,5-dihydro-5-phenyl-2-oxazolamine.~~ _____ ~~or~~
 35 4,5-dihydro-5-phenyl-2-oxazolamine.

36 ...

- 37 j. A compound, other than bupropion, that is structurally derived from
 38 2-amino-1-phenyl-1-propanone by modification in any of the
 39 following ways: (i) by substitution in the phenyl ring to any extent
 40 with alkyl, alkoxy, alkylendioxy, haloalkyl, or halide substituents,
 41 whether or not further substituted in the phenyl ring by one or more
 42 other univalent substituents; (ii) by substitution at the 3-position with
 43 an alkyl substituent; or (iii) by substitution at the nitrogen atom with
 44 alkyl or ~~diakyl~~ dialkyl groups or by inclusion of the nitrogen atom in
 45 a cyclic structure.

46"

47 **SECTION 14.(a)** G.S. 90-113.101 reads as rewritten:

48 "**§ 90-113.101. Definitions.**

49 The following definitions apply in this Article:

- 50 ~~(a)~~ (1) Caregiver. – An individual who is a parent, legal guardian, or custodian of a
 51 person diagnosed with intractable epilepsy.

1 After issuance of the approved bonds, the merged school administrative unit shall make
2 timely payments of principal and interest on the bonds after receipt of notification of its debt
3 service obligation pursuant to G.S. 159-35. The provisions of G.S. 159-36 govern a failure by
4 the merged school administrative unit to levy taxes or otherwise provide for payment of the
5 debt.

6 Bonds, notes, and refunding bonds issued under this section shall be exempt from all State,
7 county, and municipal taxation and assessment, direct or indirect, general or special, whether
8 imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~
9 income taxes on the gain from the transfer of bonds, notes, and refunding bonds, and franchise
10 taxes. The interest on bonds, notes, and refunding bonds is not subject to taxation as income.

11 Article 9 of the North Carolina Uniform Commercial Code, Chapter 25 of the General
12 Statutes, does not apply to any security interest created in connection with the issuance of
13 bonds under this section."

14 **SECTION 16.(c)** G.S. 116-183 reads as rewritten:

15 **"§ 116-183. Acceptance of grants; exemption from taxation.**

16 The Board is hereby authorized, subject to the approval of the Director of the Budget, to
17 accept grants of money or materials or property of any kind for any project from a federal
18 agency, private agency, corporation or individual, upon such terms and conditions as such
19 federal agency, private agency, corporation or individual may impose. The bonds issued under
20 this Article are exempt from all State, county, and municipal taxation or assessment, direct or
21 indirect, general or special, whether imposed for the purpose of general revenue or otherwise,
22 excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the bonds
23 and notes, and franchise taxes. The interest on the bonds and notes is not subject to taxation as
24 income."

25 **SECTION 16.(d)** G.S. 116-196 reads as rewritten:

26 **"§ 116-196. Exemption from taxation; bonds eligible for investment or deposit.**

27 Any bonds issued under this Article shall at all times be exempt from all taxes or
28 assessment, direct or indirect, general or special, whether imposed for the purpose of general
29 revenue or otherwise, which are levied or assessed by the State or by any county, political
30 subdivision, agency or other instrumentality of the State, excluding ~~inheritance and gift taxes,~~
31 income taxes on the gain from the transfer of the bonds, and franchise taxes. The interest on the
32 bonds is not subject to taxation as income. Bonds issued by the Board under the provisions of
33 this Article are hereby made securities in which all public officers and public bodies of the
34 State and its political subdivisions, all insurance companies, trust companies, banking
35 associations, investment companies, executors, administrators, trustees and other fiduciaries
36 may properly and legally invest funds, including capital in their control or belonging to them.
37 Such bonds are hereby made securities which may properly and legally be deposited with and
38 received by any State or municipal officer or any agency or political subdivision of the State for
39 any purpose for which the deposit of bonds or obligations of the State is now or may hereafter
40 be authorized by law."

41 **SECTION 16.(e)** G.S. 116-198.39 reads as rewritten:

42 **"§ 116-198.39. Bonds are exempt from taxation.**

43 Any bonds issued under this Article shall at all times be exempt from all taxes or
44 assessment, direct or indirect, general or special, whether imposed for the purpose of general
45 revenue or otherwise, which are levied or assessed by the State or by any county, political
46 subdivision, agency, or other instrumentality of the State, excluding ~~inheritance and gift taxes,~~
47 income taxes on the gain from the transfer of the bonds, and franchise taxes. The interest on the
48 bonds is not subject to taxation as income. Bonds issued by the Board under the provisions of
49 this Article are hereby made securities in which all public officers and public bodies of the
50 State and its political subdivisions, all insurance companies, trust companies, banking
51 associations, investment companies, executors, administrators, trustees, and other fiduciaries

1 may properly and legally invest funds, including capital in their control or belonging to them.
2 Such bonds are hereby made securities which may properly and legally be deposited with and
3 received by any State or municipal officer or any agency or political subdivision of the State for
4 any purpose for which the deposit of bonds or obligations of the State is now or may hereafter
5 be authorized by law."

6 **SECTION 16.(f)** G.S. 142-29.6 reads as rewritten:

7 "**§ 142-29.6. Sale of refunding obligations and provisions thereof.**

8 ...

9 (f) All refunding obligations shall be exempt from all State, county and municipal
10 taxation or assessment, direct or indirect, general or special, whether imposed for the purpose
11 of general revenue or otherwise, except for ~~inheritance and gift taxes~~, income taxes on the gain
12 from the transfer of the obligations, and franchise taxes. The interest on the refunding
13 obligations is not subject to taxation as income."

14 **SECTION 16.(g)** G.S. 142-68 reads as rewritten:

15 "**§ 142-68. Tax exemption.**

16 Any financing contract entered pursuant to this Article, and any certificates of participation
17 relating to it, shall at all times be free from taxation by the State or any political subdivision or
18 any of their agencies, excepting ~~estate, inheritance, and gift taxes~~; income taxes on the gain
19 from the transfer of the financing contract or certificates of participation; and franchise taxes.
20 The interest component of the installment payments made by the State under the financing
21 contract, including the interest component of any certificates of participation, is not subject to
22 taxation as income."

23 **SECTION 16.(h)** G.S. 142-92 reads as rewritten:

24 "**§ 142-92. Tax exemption.**

25 Special indebtedness shall at all times be free from taxation by the State or any political
26 subdivision or any of their agencies, excepting ~~estate, inheritance, and gift taxes~~; income taxes
27 on the gain from the transfer of the indebtedness; and franchise taxes. The interest component
28 of any payments made by the State under special indebtedness, including the interest
29 component of any certificates of participation, is not subject to taxation as to income."

30 **SECTION 16.(i)** G.S. 157-26 reads as rewritten:

31 "**§ 157-26. Tax exemptions.**

32 An authority is a local government agency and is exempt from taxation to the same extent
33 as a unit of local government. Property owned by an authority is exempt from taxation in
34 accordance with Article V, § 2 of the North Carolina Constitution. Bonds and other obligations
35 issued by an authority or its corporate agent authorized by this Article to exercise its powers are
36 declared to be issued for a public purpose and to be public instrumentalities. These obligations
37 are exempt from all State, county, and municipal taxation or assessment, direct or indirect,
38 general or special, whether imposed for the purpose of general revenue or otherwise, excluding
39 ~~inheritance and gift taxes~~, income taxes on the gain from the transfer of the obligations, and
40 franchise taxes. The interest on the obligations is not subject to taxation as income."

41 **SECTION 16.(j)** G.S. 159I-23 reads as rewritten:

42 "**§ 159I-23. Tax exemption.**

43 All of the bonds and notes authorized by this Chapter shall be exempt from all State,
44 county, and municipal taxation or assessment, direct or indirect, general or special, whether
45 imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes~~,
46 income taxes on the gain from the transfer of the bonds and notes, and franchise taxes. The
47 interest on the bonds and notes shall not be subject to taxation as income."

48 **SECTION 16.(k)** G.S. 160A-480.14 reads as rewritten:

49 "**§ 160A-480.14. Taxation of revenue bonds.**

50 Any bonds and notes issued by the Authority under the provisions of this Part shall be
51 exempt from all State, county, and municipal taxation or assessment, direct or indirect, general

1 or special, whether imposed for the purpose of general revenue or otherwise, excluding
2 ~~inheritance and gift taxes~~, income taxes on the gain from the transfer of bonds and notes, and
3 franchise taxes. The interest on bonds and notes issued by an Authority under the provisions of
4 this Part shall not be subject to taxation as to income."

5 **SECTION 16.(l)** G.S. 160A-516 reads as rewritten:

6 "**§ 160A-516. Issuance of bonds.**

7 ...

8 (b) Neither the commissioners of a commission nor any person executing the bonds
9 shall be liable personally on the bonds by reason of the issuance of the bonds. The bonds and
10 other obligations of the commission (and the bonds and obligations shall so state on their face)
11 shall not be a debt of the municipality, the county, or the State and neither the municipality, the
12 county, nor the State shall be liable on the bonds, nor in any event shall the bonds or
13 obligations be payable out of any funds or properties other than those of the commission
14 acquired for the purpose of this Article. The bonds shall not constitute an indebtedness of the
15 municipality within the meaning of any constitutional or statutory debt limitation or restriction.
16 Bonds of a commission are declared to be issued for an essential public and governmental
17 purpose and to be public instrumentalities. The bonds are exempt from all State, county, and
18 municipal taxation or assessment, direct or indirect, general or special, whether imposed for the
19 purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes~~, income taxes on
20 the gain from the transfer of the bonds and notes, and franchise taxes. The interest on the bonds
21 is not subject to taxation as income. Bonds may be issued by a commission under this Article
22 notwithstanding any debt or other limitation prescribed in any statute. This Article without
23 reference to other statutes of the State shall constitute full and complete authority for the
24 authorization and issuance of bonds by the commission under this Article and this authorization
25 and issuance shall not be subject to any conditions, restrictions, or limitations imposed by any
26 other statute whether general, special, or local, except as provided in subsection (d) of this
27 section."

28 **SECTION 17.** G.S. 131E-154.13 reads as rewritten:

29 "**§ 131E-154.13. Definitions.**

30 The following definitions apply in this Part, unless otherwise specified:

31 ...

32 (3) NC NOVA Partner Team. – The entity responsible for developing the
33 criteria and protocols for the NC NOVA special licensure designation. The
34 Partner Team is inclusive of representatives from the following
35 organizations: Association for Home and Hospice Care of North Carolina,
36 Direct Care Workers Association of North Carolina, Duke University
37 Gerontological Nursing Program, Friends of Residents in Long Term Care,
38 North Carolina Assisted Living Association, North Carolina Association of
39 Long Term Care Facilities, ~~North Carolina Association of Non-Profit Homes
40 for the Aging, LeadingAge North Carolina~~, North Carolina Department of
41 Health and Human Services, North Carolina Foundation for Advanced
42 Health Programs, North Carolina Health Care Facilities Association, The
43 Carolinas Center for Medical Excellence, and the University of North
44 Carolina at Chapel Hill – Institute on Aging.

45"

46 **SECTION 18.** G.S. 143-228.10 reads as rewritten:

47 "**§ 143-228.10. (See Editor's note) Definitions.**

48 The following definitions apply to ~~Section 6 of this act~~ in this Article:

49"

50 **SECTION 19.** G.S. 143B-431.01(d) reads as rewritten:

1 "(d) Limitations. – Prior to contracting with a North Carolina nonprofit corporation
2 pursuant to this section and in order for the North Carolina nonprofit corporation to receive
3 State funds, the following conditions shall be met:

4 (1) At least 45 days prior to entering into or amending in a nontechnical manner
5 a contract authorized by this section, the Department shall submit the
6 contract or amendment, along with a detailed explanation of the contract or
7 amendment, to the Joint Legislative Commission on Governmental
8 Operations and the Fiscal Research Division.

9 (2) The nonprofit corporation adheres to the following governance provisions
10 related to its governing board:

11 ...

12 e. The board is required to perform the following duties if the
13 Department contracts pursuant to ~~G.S. 143B-431.01~~ this section for
14 the performance of the Secretary's responsibilities under
15 G.S. 143B-434.01:

16"

17 **SECTION 20.** G.S. 143B-927 reads as rewritten:

18 **"§ 143B-927. Personnel of the State Bureau of Investigation.**

19 The Director of the State Bureau of Investigation may appoint a sufficient number of
20 assistants who shall be competent and qualified to do the work of the Bureau. The Director
21 shall be responsible for making all hiring and personnel decisions of the Bureau.
22 Notwithstanding the provisions of ~~this Chapter, Chapter 143A, and Chapter 143B~~ this Chapter
23 or Chapter 143A of the General Statutes, the Director may hire or fire personnel and transfer
24 personnel within the Bureau."

25 **SECTION 21.** G.S. 143C-6-23(f1) reads as rewritten:

26 "(f) Suspension and Recovery of Funds to Grant Recipients for Noncompliance. – The
27 Office of State Budget and Management, after consultation with the administering State
28 agency, shall have the power to suspend disbursement of grant funds to grantees or
29 subgrantees, to prevent further use of grant funds already disbursed, and to recover grant funds
30 already disbursed for noncompliance with rules adopted pursuant to subsection (d) of this
31 section. If the grant funds are a pass-through of funds granted by an agency of the United
32 States, then the Office of State Budget and Management must consult with the granting agency
33 of the United States and the State agency that is the recipient of the pass-through funds prior to
34 taking the actions authorized by this subsection.

35 (f1) Return of Grant Funds. – Except as otherwise required by federal law, a grantee or
36 subgrantee shall return to the State all affected grant funds and interest earned on those funds if
37 any of the following occurs:

38 (1) The funds are in the possession or control of a grantee and are not expended,
39 made subject to an encumbrance, or disbursed to a subgrantee by August 31
40 immediately following the fiscal year in which the funds are appropriated by
41 the General Assembly, or a different period set forth in the terms of the
42 applicable appropriation or federal grant.

43 (2) The funds remain unexpended at the time that the grantee or subgrantee
44 dissolves, ceases operations, or otherwise indicates that it does not intend to
45 spend the funds.

46 (3) The Office of State Budget and Management seeks to recover the funds
47 pursuant to subsection (f) of this ~~act~~ section."

48 **SECTION 22.** G.S. 150B-21.1(a)(12) is repealed.

49 **SECTION 23.** G.S. 150B-21.3(b2) reads as rewritten:

50 "(b2) Objection. – Any person who objects to the adoption of a permanent rule may
51 submit written comments to the agency. If the objection is not resolved prior to adoption of the

1 rule, a person may submit written objections to the Commission. If the Commission receives
2 written objections from 10 or more persons, no later than 5:00 P.M. of the day following the
3 day the Commission approves the rule, clearly requesting review by the legislature in
4 accordance with instructions ~~contained in the notice pursuant to G.S. 150B-21.2(e)(9), posted~~
5 on the agency's Web site pursuant to G.S. 150B-19.1(c)(4), and the Commission approves the
6 rule, the rule will become effective as provided in subsection (b1) of this section. The
7 Commission shall notify the agency that the rule is subject to legislative disapproval on the day
8 following the day it receives 10 or more written objections. When the requirements of this
9 subsection have been met and a rule is subject to legislative disapproval, the agency may adopt
10 the rule as a temporary rule if the rule would have met the criteria listed in G.S. 150B-21.1(a)
11 at the time the notice of text for the permanent rule was published in the North Carolina Register.
12 If the Commission receives objections from 10 or more persons clearly requesting review by
13 the legislature, and the rule objected to is one of a group of related rules adopted by the agency
14 at the same time, the agency that adopted the rule may cause any of the other rules in the group
15 to become effective as provided in subsection (b1) of this section by submitting a written
16 statement to that effect to the Commission before the other rules become effective."

17 **SECTION 24.** G.S. 150B-23.2(d) reads as rewritten:

18 "(d) ~~Wavier~~ Waiver or Refund. – The Office of Administrative Hearings shall by rule
19 provide for the fee to be waived in a contested case in which the petition is filed in forma
20 pauperis and supported by such proofs as are required in G.S. 1-110 and in a contested case
21 involving a mandated federal cause of action. The Office of Administrative Hearings shall by
22 rule provide for the fee to be refunded in a contested case in which the losing party is the
23 State."

24 **SECTION 25.** G.S. 161-22.3 reads as rewritten:

25 **"§ 161-22.3. Minimum standards for land records management.**

26 In addition to the recording and indexing procedures set forth in this Article, the register of
27 deeds shall follow the rules specifying minimum standards and procedures in land records
28 management adopted by the Department of Secretary of State pursuant to
29 ~~G.S. 143-345.6(b1); G.S. 147-54.3(b1).~~"

30 **SECTION 26.** G.S. 163-275 reads as rewritten:

31 **"§ 163-275. Certain acts declared felonies.**

32 Any person who shall, in connection with any primary, general or special election held in
33 this State, do any of the acts or things declared in this section to be unlawful, shall be guilty of
34 a Class I felony. It shall be unlawful:

- 35 (1) For any person fraudulently to cause ~~his~~ that person's name to be placed
36 upon the registration books of more than one election precinct or
37 fraudulently to cause or procure ~~his~~ that person's name or that of any other
38 person to be placed upon the registration books in any precinct when ~~such~~
39 registration in that precinct does not qualify ~~such~~ the person to vote legally
40 therein, or to impersonate falsely another registered voter for the purpose of
41 voting in the stead of ~~such other voter;~~ the other voter.
- 42 (2) For any person to give or promise or request or accept at any time, before or
43 after any such primary or election, any money, property or other thing of
44 value whatsoever in return for the vote of any ~~elector;~~ elector.
- 45 (3) For any person who is an election officer, a member of an election board or
46 other officer charged with any duty with respect to any primary or election,
47 knowingly to make any false or fraudulent entry on any election book or any
48 false or fraudulent returns, or knowingly to make or cause to be made any
49 false statement on any ballot, or to do any fraudulent act or knowingly and
50 fraudulently omit to do any act or make any report legally required of ~~such~~
51 person; that person.

- 1 (4) For any person knowingly to swear falsely with respect to any matter
2 pertaining to any primary or ~~election;~~election.
- 3 (5) For any person convicted of a crime which excludes ~~him~~the person from the
4 right of suffrage, to vote at any primary or election without having been
5 restored to the right of citizenship in due course and by the method provided
6 by ~~law;~~law.
- 7 (6) For any person to take corruptly the oath prescribed for ~~voters;~~voters.
- 8 (7) For any person with intent to commit a fraud to register or vote at more than
9 one precinct or more than one time, or to induce another to do so, in the
10 same primary or election, or to vote illegally at any primary or
11 ~~election;~~election.
- 12 (8) For any chief judge or any clerk or copyist to make any entry or copy with
13 intent to commit a ~~fraud;~~fraud.
- 14 (9) For any election official or other officer or person to make, certify, deliver or
15 transmit any false returns of any primary or election, or to make any erasure,
16 alteration, or conceal or destroy any election ballot, book, record, return or
17 process with intent to commit a ~~fraud;~~fraud.
- 18 (10) For any person to assault any chief judge, judge of election or other election
19 officer while in the discharge of ~~his duty~~duties in the registration of voters
20 or in conducting any primary or ~~election;~~election.
- 21 (11) For any person, by threats, menaces or in any other manner, to intimidate or
22 attempt to intimidate any chief judge, judge of election or other election
23 officer in the discharge of ~~his~~duties in the registration of voters or in
24 conducting any primary or ~~election;~~election.
- 25 (12) For any chief judge, judge of election, member of a board of elections,
26 assistant, marker, or other election official, directly or indirectly, to seek,
27 receive or accept money or the promise of money, the promise of office, or
28 other reward or compensation from a candidate in any primary or election or
29 from any source other than such compensation as may be provided by law
30 for ~~his services;~~that person's services.
- 31 (13) For any person falsely to make or present any certificate or other paper to
32 qualify any person fraudulently as a voter, or to attempt thereby to secure to
33 any person the privilege of voting, including declarations made under this
34 Chapter, G.S. 20-37.7(d)(5), 20-37.7(d)(6), 130A-93.1(c), and
35 ~~161-10(a)(8);~~161-10(a)(8).
- 36 (14) For any officer to register voters and any other individual to knowingly and
37 willfully receive, complete, or sign an application to register from any voter
38 contrary to the provisions of ~~G.S. 163-82.4;~~ G.S. 163-82.4.
- 39 (15) Reserved for future codification purposes.
- 40 (16) For any person falsely to make the certificate provided by
41 G.S. 163-229(b)(2).
- 42 (17) For any person, directly or indirectly, to misrepresent the law to the public
43 through mass mailing or any other means of communication where the intent
44 and the effect is to intimidate or discourage potential voters from exercising
45 their lawful right to vote.
- 46 (18) For any person, knowing that a person is not a citizen of the United States, to
47 instruct or coerce that person to register to vote or to vote."

48 **SECTION 27.** G.S. 163-278.13(a1) reads as rewritten:

49 "(a1) Effective for each odd-numbered calendar year beginning in 2015, the dollar
50 amount of the contribution limitation established by subsections (a), (b), and (c) of this
51 subsection shall be increased as provided in this subsection. On July 1 of each even-numbered

1 year, the State Board of Elections shall calculate from data from the Bureau of Labor Statistics
2 of the United States Department of Labor Register the percent difference between the price
3 index for the July 1 of the previous even-numbered year. That percentage increase shall be
4 multiplied by the previous dollar amount contribution limit, that number added to the previous
5 dollar amount contribution limit, and the total shall become effective with respect to
6 contributions made or accepted on or after January 1 of the next odd-numbered year. If the
7 amount after adjustment is not a multiple of one hundred dollars (\$100.00), the total shall be
8 rounded to the nearest multiple of one hundred dollars (\$100.00). As used in this subsection the
9 term "price index" means the average over a calendar year of the Consumer Price Index (all
10 items – United States city average) published monthly by the Bureau of Labor Statistics. The
11 revised amount of the dollar limit of contributions shall remain in effect for two calendar years
12 until the next adjustment is made. The State Board of Elections shall publish the revised
13 amount in the North Carolina Register and shall notify the ~~Reviser~~ Revisor of Statutes who
14 shall adjust the dollar amounts in subsections (a), (b), and (c) of this section."

15 **SECTION 28.(a)** Section 2 of S.L. 2010-32 is codified as G.S. 39A-4.

16 **SECTION 28.(b)** G.S. 39A-4, as created by Section 27(a) of this act, reads as
17 rewritten:

18 "**§ 39A-4. Applicability; interpretation.**

19 (a) This Chapter applies to (i) any transfer fee covenant that is recorded after July 1,
20 2010; (ii) any lien that is filed to enforce a transfer fee covenant that is recorded after July 1,
21 2010, or purports to secure payment of a transfer fee that is recorded after July 1, 2010; and (iii)
22 any agreement imposing a private transfer fee obligation entered into after July 1, 2010.

23 (b) Nothing in this ~~act~~ Chapter shall be interpreted to mean that a transfer fee covenant
24 recorded prior to ~~the effective date of this act~~ July 1, 2010, is valid or enforceable."

25 **SECTION 28.(c)** Section 3 of S.L. 2010-32 reads as rewritten:

26 "**SECTION 3.** This act is effective when it becomes law and applies to: ~~(i) any transfer fee~~
27 ~~covenant that is recorded after the effective date of this act; (ii) any lien that is filed to enforce a~~
28 ~~transfer fee covenant that is recorded after the effective date of this act or purports to secure~~
29 ~~payment of a transfer fee that is recorded after the effective date of this act; and (iii) any~~
30 ~~agreement imposing a private transfer fee obligation entered into after the effective date of this~~
31 ~~act.~~ law."

32 **SECTION 29.** The introductory language of Section 3 of S.L. 2014-76 reads as
33 rewritten:

34 "**SECTION 3. ~~G.S. 94-133(a)~~ G.S. 95-133(a)** reads as rewritten:"

35 **SECTION 30.** Section 3.5 of S.L. 2015-35 reads as rewritten:

36 "**SECTION 3.5.(a)** Notwithstanding the PLAN OF MERGER OF THE IREDELL
37 COUNTY AND STATESVILLE CITY SCHOOLS, as amended by Section 2 of S.L. 2002-18,
38 beginning in 2016, members of the Iredell-Statesville Schools Board of Education shall be
39 elected on a partisan basis at the time of the general election in each even-numbered year as
40 terms expire. Candidates for election to the Iredell-Statesville Schools Board of Education shall
41 be nominated at the same time and manner as other county officers. Members elected shall take
42 office and qualify on the first Monday in December of the year of their election and the terms
43 of their predecessors shall expire at that same time. Vacancies on the Iredell-Statesville Schools
44 Board of Education for positions elected on a partisan basis shall be filled in accordance with
45 G.S. 115C-37.1.

46 "**SECTION 3.5.(b)** For positions elected on a nonpartisan basis in 2012 or 2014, vacancies
47 occurring in the membership of the ~~Iredell States~~ Iredell-Statesville Schools Board of
48 Education shall be filled for the unexpired term by the remaining members of the Board of
49 Education."

50 **SECTION 31.(a)** S.L. 2015-205 is amended by adding a new Part to read:

51 "**PART X-A. UNIFORM TRUST CODE; CLARIFY REPORT ON TRUSTEE FEES.**

1 **SECTION 10.5.** G.S. 36C-8-802(f) reads as rewritten:

2 "(f) Notwithstanding subsection (c) of this section:

- 3 (1) An investment by a trustee in securities of an investment company,
4 investment trust, or pooled investment vehicle in which the trustee or its
5 affiliate has an investment, or to which the trustee, or its affiliate, provides
6 services for compensation, is not presumed to be affected by a conflict
7 between personal and fiduciary interests if the investment otherwise
8 complies with the prudent investor rule of Article 9 of this Chapter. The
9 investment company, investment trust, or pooled investment vehicle may
10 compensate the trustee for providing those services out of fees charged to the
11 trust if the trustee at least annually ~~notifies the persons entitled under~~
12 ~~G.S. 36C-8-813 to receive a copy of the trustee's annual report~~ provides
13 notice of the rate and method by which the compensation was ~~determined;~~
14 determined to each beneficiary of the trust to whom the trustee owes a duty
15 under G.S. 36C-8-813(a)(1) to provide the information described in that
16 subdivision; and
17 (2) Payment made by a trustee to an attorney, broker, accountant, or agent for
18 services performed on behalf of the trust in the ordinary course of business is
19 not considered to be affected by a conflict between the trustee's personal and
20 fiduciary interests if the payment is consistent with payments generally made
21 for the same or similar services."

22 **SECTION 31.(b)** Section 11(a) of S.L. 2015-205 reads as rewritten:

23 "**SECTION 11.(a)** The Revisor of Statutes shall cause to be printed, as annotations to the
24 published General Statutes, all relevant portions of the Official Commentary to the Uniform
25 Powers of Appointment Act and of the Official Commentary to the Uniform Trust Code and all
26 explanatory comments of the drafters of ~~those acts, Part III and Parts VI through X-A of this~~
27 act, as the Revisor may deem appropriate."

28 29 **PART II. ADDITIONAL TECHNICAL CORRECTIONS AND OTHER** 30 **AMENDMENTS**

31 **SECTION 32.** G.S. 1C-1853(j), as enacted by S.L. 2015-107, reads as rewritten:

32 "(j) If a proceeding in a foreign court is brought by a foreign government entity based
33 upon rules of law adopted for the benefit of the foreign government entity that are applied ex
34 post facto to conduct of the defendant or if the action imposes liability for harms to individuals
35 without requiring individualized proof of each element of the claim for each such individual,
36 the court shall find that the action is fundamentally unfair and its judgment is repugnant to the
37 public policy of this State under ~~G.S. 1C-1853(e)(3) and (5).~~ subdivisions (3) and (8) of
38 subsection (c) of this section."

39 **SECTION 32.5.** G.S. 6-21.6(b) reads as rewritten:

40 "(b) Reciprocal attorneys' fees provisions in business contracts are valid and enforceable
41 for the recovery of reasonable attorneys' fees and expenses only if all of the parties to the
42 business contract sign by hand the business contract. ~~In any suit, action, proceeding, or~~
43 ~~arbitration primarily for the recovery of monetary damages, the award of reasonable attorneys'~~
44 ~~fees may not exceed the monetary damages awarded.~~ Signature "by hand" is not intended to
45 prevent the application of this section to a business contract executed by either of the
46 following:

- 47 (1) A party's electronic signature, as defined in G.S. 66-312, if the party's
48 electronic signature originates from an affirmative action on the part of the
49 party to evidence acceptance and execution such as typing the party's
50 signature or writing the party's signature with a finger or stylus on a
51 touchscreen to indicate acceptance and execution.

1 (2) A party's manual signature that is delivered by an electronic reproductive
2 image thereof."

3 **SECTION 32.7.** G.S. 7A-45.1(a10) reads as rewritten:

4 "(a10) Except for the judgeships abolished pursuant to subsection (a8) of this section, upon
5 the retirement, resignation, removal from office, death, or expiration of the term of any special
6 superior court judge on or after September 1, 2014, each judgeship shall be filled for a full
7 five-year term beginning upon the judge's taking office according to the following procedure
8 prescribed by the General Assembly pursuant to Article IV, Section 9(1) of the North Carolina
9 Constitution. As each judgeship becomes vacant or the term expires, the Governor shall submit
10 the name of a nominee for that judgeship to the General Assembly for confirmation by ratified
11 joint resolution. Upon each such confirmation, the Governor shall appoint the confirmed
12 nominee to that judgeship.

13 However, upon the failure of the Governor to submit the name of a nominee within 90 days
14 of the occurrence of the vacancy or within 90 days of the expiration of the judge's term, as
15 applicable, the President Pro Tempore of the Senate and the Speaker of the House of
16 Representatives jointly shall submit the name of a nominee to the General Assembly. The
17 appointment shall then be made by enactment of a bill. The bill shall state the name of the
18 person being appointed, the office to which the appointment is being made, and the county of
19 residence of the appointee.

20 The Governor may withdraw any nomination prior to it failing on any reading, and in case
21 of such withdrawal the Governor shall submit a different nomination within 45 days of
22 withdrawal. If a nomination shall fail any reading, the Governor shall submit a different
23 nomination within 45 days of such failure. In either case of failure to submit a new nomination
24 within 45 days, the President Pro Tempore of the Senate and the Speaker of the House of
25 Representatives shall submit the name of a nominee to the General Assembly under the
26 procedure provided in the preceding paragraph.

27 A special superior court judge designated as a business court judge whose term expires
28 shall continue in office until a successor special superior court judge has been appointed as
29 provided in this subsection and designated as a business court judge by the Chief Justice, unless
30 the special superior court judgeship has been abolished.

31 No person shall occupy a special superior court judgeship authorized under this
32 subsection in any capacity, or have any right to, claim upon, or powers of
33 those judgeships, unless that person's nomination has been confirmed by the
34 General Assembly by joint resolution or appointed through the enactment of
35 a bill upon the failure of the Governor to submit a nominee. Until confirmed
36 by the General Assembly and appointed by the Governor, or appointed by
37 the General Assembly upon the failure of the Governor to appoint a
38 nominee, and qualified by taking the oath of office, a nominee is neither a de
39 jure nor a de facto officer."

40 **SECTION 33.(a)** G.S. 7B-401.1(b), as amended by Section 22 of S.L. 2015-181,
41 reads as rewritten:

42 "(b) Parents. – The juvenile's parent shall be a party unless one of the following applies:

43 (1) The parent's rights have been terminated.

44 (2) The parent has relinquished the juvenile for adoption, unless the court orders
45 that the parent be made a party.

46 (3) The parent has been convicted under G.S. 14-27.21, ~~G.S.~~14-27.22,
47 14-27.23, or ~~G.S.~~14-27.24 for an offense that resulted in the conception of
48 the juvenile."

49 **SECTION 33.(b)** G.S. 7B-1103(c), as amended by Section 23 of S.L. 2015-181,
50 reads as rewritten:

1 "(c) No person whose actions resulted in a conviction under G.S. 14-27.21,
2 ~~G.S. 14-27.22, 14-27.23,~~ or ~~G.S. 14-27.24~~ and the conception of the juvenile may file a petition
3 to terminate the parental rights of another with respect to that juvenile."

4 **SECTION 33.(c)** G.S. 7B-1104, as amended by Section 24 of S.L. 2015-181, reads
5 as rewritten:

6 "**§ 7B-1104. Petition or motion.**

7 The petition, or motion pursuant to G.S. 7B-1102, shall be verified by the petitioner or
8 movant and shall be entitled "In Re (last name of juvenile), a minor juvenile", who shall be a
9 party to the action, and shall set forth such of the following facts as are known; and with
10 respect to the facts which are unknown the petitioner or movant shall so state:

11 ...

- 12 (3) The name and address of the parents of the juvenile. If the name or address
13 of one or both parents is unknown to the petitioner or movant, the petitioner
14 or movant shall set forth with particularity the petitioner's or movant's efforts
15 to ascertain the identity or whereabouts of the parent or parents. The
16 information may be contained in an affidavit attached to the petition or
17 motion and incorporated therein by reference. A person whose actions
18 resulted in a conviction under G.S. 14-27.21, ~~G.S. 14-27.22, 14-27.23,~~ or
19 ~~G.S. 14-27.24~~ and the conception of the juvenile need not be named in the
20 petition.

21"

22 **SECTION 33.(d)** This section becomes effective December 1, 2015, and applies to
23 petitions filed on or after that date.

24 **SECTION 34.(a)** G.S. 7B-901(c), as enacted by S.L. 2015-136, reads as rewritten:

25 "(c) If the disposition order places a juvenile in the custody of a county department of
26 social services, the court shall direct that reasonable efforts for reunification as defined in
27 G.S. 7B-101 shall not be required if the court makes written findings of fact pertaining to any
28 of the following:

- 29 (1) A court of competent jurisdiction has determined that aggravated
30 circumstances exist because the parent has committed or encouraged the
31 commission of, or allowed the continuation of, any of the following upon the
32 juvenile:
33 a. Sexual abuse.
34 b. Chronic physical or emotional abuse.
35 c. Torture.
36 d. Abandonment.
37 e. Chronic or toxic exposure to alcohol or controlled substances that
38 causes impairment of or addiction in the juvenile.
39 f. Any other act, practice, or conduct that increased the enormity or
40 added to the injurious consequences of the abuse or neglect.
- 41 (2) A court of competent jurisdiction has terminated involuntarily the parental
42 rights of the parent to another child of the parent.
- 43 (3) A court of competent jurisdiction has determined that (i) the parent has
44 committed murder or voluntary manslaughter of another child of the parent;
45 (ii) has aided, abetted, attempted, conspired, or solicited to commit murder
46 or voluntary manslaughter of the child or another child of the parent; (iii) has
47 committed a felony assault resulting in serious bodily injury to the child or
48 another child of the parent; (iv) has committed sexual abuse against the child
49 or another child of the parent; or (v) has been required to register as a sex
50 offender on any government-administered registry."

51 **SECTION 34.(b)** This section becomes effective October 1, 2015.

1 **SECTION 34.5.(a)** G.S. 14-288.8(b) reads as rewritten:

2 "(b) This section does not apply to any of the following:

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SECTION 34.5.(b) G.S. 14-409(b) reads as rewritten:

 "(b) It shall be unlawful for any person, firm or corporation to manufacture, sell, give away, dispose of, use or possess machine guns, submachine guns, or other like weapons as defined by subsection (a) of this section: Provided, however, that this subsection shall not apply to the following:

 Banks, merchants, and recognized business establishments for use in their respective places of business, who shall first apply to and receive from the sheriff of the county in which said business is located, a permit to possess the said weapons for the purpose of defending the said business; officers and soldiers of the United States Army, when in discharge of their official duties, officers and soldiers of the militia when called into actual service, officers of the State, or of any county, city or town, charged with the execution of the laws of the State, when acting in the discharge of their official duties; the manufacture, use or possession of such weapons for scientific or experimental purposes when such manufacture, use or possession is lawful under federal laws and the weapon is registered with a federal agency, and when a permit to manufacture, use or possess the weapon is issued by the sheriff of the county in which the weapon is located; a person who lawfully ~~possesses-purchases, acquires, possesses,~~ or owns a weapon as defined by subsection (a) of this section in compliance with federal law, 26 U.S.C. Chapter 53, §§ 5801-5871. Nothing in this subdivision shall limit the discretion of the sheriff in executing the paperwork required by the United States Bureau of Alcohol, Tobacco and Firearms for such person to obtain the weapon. Provided, further, that any bona fide resident of this State who now owns a machine gun used in former wars, as a relic or souvenir, may retain and keep same as his or her property without violating the provisions of this section upon his reporting said ownership to the sheriff of the county in which said person lives."

SECTION 35.(a) G.S. 14-404 is amended by adding a new subsection to read:

 "(d1) Nothing in this Article shall apply to a State probation or parole officer receiving or purchasing a weapon pursuant to G.S. 20-187.2."

SECTION 35.(b) G.S. 20-187.2 is amended by adding a new subsection to read:

 "(c) For purposes of this section, law enforcement officers shall include State probation and parole officers."

SECTION 36.(a) G.S. 14-415.12A(a1), as enacted by S.L. 2015-105, reads as rewritten:

 "(a1) An individual who is a qualified retired law enforcement officer and has met the standards, as approved by the North Carolina Criminal Justice Education and Training Standards Commission, for handgun qualification for active law enforcement officers within the last 12 months is deemed to have satisfied the requirement under G.S. 14-415.12(a)(4) that an applicant successfully complete an approved firearms safety and training course."

SECTION 36.(b) This section becomes effective October 1, 2015.

SECTION 37.(a) G.S. 17C-10.1, as enacted by S.L. 2015-49, reads as rewritten:

 "**§ 17C-10.1. Certification of military service members and veterans with law enforcement training and experience.**

 (a) Notwithstanding any other provision of law, the Commission shall waive an applicant's completion of the Commission-accredited training course and issue probationary

1 certification to a current or honorably discharged former military police officer provided the
2 Commission, upon evaluating the individual applicant's combined training and-or experience or
3 both pursuant to G.S. 93B-15.1(a), determines that the applicant's combined training and
4 experience is substantially equivalent to or exceeds the minimum expectations for employment
5 as a law enforcement officer and the applicant satisfies all of the following conditions:

6 ...
7 (c) The Commission shall issue certification to a current or honorably discharged
8 former military police officer whose combined training ~~and-or~~ experience or both is not
9 substantially equivalent to or does not exceed the minimum expectations for employment as a
10 law enforcement officer if the applicant meets all of the following requirements:

- 11 ...
12 (5) Successfully completes any supplementary high-liability training as deemed
13 necessary by the Commission, not to exceed an additional 180 hours.
14 Supplementary training required by the Commission pursuant to this
15 subsection shall be made on a case-by-case basis and based only on
16 documented deficiencies in training and experience related to each block of
17 supplementary training required.

18"
19 **SECTION 37.(b)** Not later than April 1, 2016, the Criminal Justice Education and
20 Training Standards Commission shall provide a compliance report on the implementation of
21 G.S. 17C-10.1 to the cochairs of the Joint Legislative Oversight Committee on Justice and
22 Public Safety and to the cochairs of the House Homeland Security, Military, and Veterans
23 Affairs Committee.

24 **SECTION 38.(a)** G.S. 20-28(a2) reads as rewritten:

25 "(a2) Driving Without Reclaiming License. – A person convicted under ~~subsection~~
26 ~~(a)subsection (a) or (a1) of this section~~ shall be punished as if the person had been convicted of
27 driving without a license under G.S. 20-35 if the person demonstrates to the court that either
28 ~~subdivisions (1) and (2), or subdivision (3) of this subsection of the following~~ is true:

- 29 (1) At the time of the offense, the person's license was revoked solely under
30 ~~G.S. 20-16.5; and G.S. 20-16.5~~ and one of the following applies:
31 (2) a. The offense occurred more than 45 days after the effective date of a
32 revocation order issued under G.S. 20-16.5(f) and the period of
33 revocation was 45 days as provided under subdivision (3) of that
34 subsection; or
35 b. The offense occurred more than 30 days after the effective date of the
36 revocation order issued under any other provision of ~~G.S. 20-16.5;~~
37 ~~or G.S. 20-16.5.~~
38 (3) At the time of the offense the person had met the requirements of
39 G.S. 50-13.12, or G.S. 110-142.2 and was eligible for reinstatement of the
40 person's drivers license privilege as provided therein.

41 In addition, a person punished under this subsection shall be treated for drivers license and
42 insurance rating purposes as if the person had been convicted of driving without a license under
43 G.S. 20-35, and the conviction report sent to the Division must indicate that the person is to be
44 so treated."

45 **SECTION 38.(b)** G.S. 20-179(c) reads as rewritten:

46 "(c) Determining Existence of Grossly Aggravating Factors. – At the sentencing hearing,
47 based upon the evidence presented at trial and in the hearing, the judge, or the jury in superior
48 court, must first determine whether there are any grossly aggravating factors in the case.
49 Whether a prior conviction exists under subdivision (1) of this subsection, or whether a
50 conviction exists under subdivision (d)(5) of this section, shall be matters to be determined by
51 the judge, and not the jury, in district or superior court. If the sentencing hearing is for a case

1 remanded back to district court from superior court, the judge shall determine whether the
2 defendant has been convicted of any offense that was not considered at the initial sentencing
3 hearing and impose the appropriate sentence under this section. The judge must impose the
4 Aggravated Level One punishment under subsection (f3) of this section if it is determined that
5 three or more grossly aggravating factors apply. The judge must impose the Level One
6 punishment under subsection (g) of this section if it is determined that the grossly aggravating
7 factor in subdivision (4) of this subsection applies or two of the other grossly aggravating
8 factors apply. If the judge does not find that the aggravating factor at subdivision (4) of this
9 subsection applies, then the judge must impose the Level Two punishment under subsection (h)
10 of this section if it is determined that only one of the other grossly aggravating factors applies.
11 The grossly aggravating factors are:

- 12 (1) A prior conviction for an offense involving impaired driving if:
 - 13 a. The conviction occurred within seven years before the date of the
14 offense for which the defendant is being sentenced; or
 - 15 b. The conviction occurs after the date of the offense for which the
16 defendant is presently being sentenced, but prior to or
17 contemporaneously with the present sentencing; or
 - 18 c. The conviction occurred in district court; the case was appealed to
19 superior court; the appeal has been withdrawn, or the case has been
20 remanded back to district court; and a new sentencing hearing has
21 not been held pursuant to G.S. 20-38.7.

22 Each prior conviction is a separate grossly aggravating factor.

- 23 (2) Driving by the defendant at the time of the offense while his driver's license
24 was revoked ~~under G.S. 20-28(a1), and the revocation was an impaired~~
25 ~~driving revocation under G.S. 20-28.2(a), pursuant to G.S. 20-28(a1).~~

26 ...

27 In imposing an Aggravated Level One, a Level One, or a Level Two punishment, the judge
28 may consider the aggravating and mitigating factors in subsections (d) and (e) in determining
29 the appropriate sentence. If there are no grossly aggravating factors in the case, the judge must
30 weigh all aggravating and mitigating factors and impose punishment as required by subsection
31 (f)."

32 **SECTION 38.(c)** This section becomes effective December 1, 2015, and applies to
33 convictions on or after that date. Prosecutions for offenses committed before the effective date
34 of this section are not abated or affected by this section, and the statutes that would be
35 applicable but for this section remain applicable to those prosecutions.

36 **SECTION 38.3.(a)** G.S. 20-28.9(a), as amended by Section 27.3(d) of S.L.
37 2015-241, reads as rewritten:

38 (a) The State Surplus Property Agency is authorized to enter into a contract for a
39 statewide service or contracts for regional services to tow, store, process, maintain, and sell
40 motor vehicles seized pursuant to G.S. 20-28.3. All motor vehicles seized under G.S. 20-28.3
41 shall be subject to contracts entered into pursuant to this section. Contracts shall be let by the
42 State Surplus Property Agency in accordance with the provisions of Article 3 of Chapter 143 of
43 the General Statutes. ~~Nothing in this section shall be construed to prohibit the State Surplus~~
44 ~~Property Agency from entering into contracts pursuant to this section for some regions of the~~
45 ~~State while performing the work of towing, storing, processing, maintaining, and selling motor~~
46 ~~vehicles seized pursuant to G.S. 20-28.3 itself in other regions of the State.~~ All contracts shall
47 ensure the safety of the motor vehicles while held and any funds arising from the sale of any
48 seized motor vehicle. The contract shall require the contractor to maintain and make available
49 to the agency a computerized up-to-date inventory of all motor vehicles held under the contract,
50 together with an accounting of all accrued charges, the status of the vehicle, and the county
51 school fund to which the proceeds of sale are to be paid. The contract shall provide that the

1 contractor shall pay the towing and storage charges owed on a seized vehicle to a commercial
2 towing company at the time the seized vehicle is obtained from the commercial towing
3 company, with the contractor being reimbursed this expense when the vehicle is released or
4 sold. The State Surplus Property Agency shall not enter into any contract under this section
5 under which the State will be obligated to pay a deficiency arising from the sale of any
6 forfeited motor vehicle."

7 **SECTION 38.3.(b)** This section becomes effective July 1, 2015.

8 **SECTION 38.5.** G.S. 20-62.1 reads as rewritten:

9 **"§ 20-62.1. Purchase of vehicles for purposes of scrap or parts only.**

10 (a) Records for Scrap or Parts. – A secondary metals recycler, as defined in
11 G.S. 66-420(8), and a salvage yard, as defined in G.S. 20-137.7(6), purchasing motor vehicles
12 solely for the purposes of dismantling or wrecking such motor vehicles for the recovery of
13 scrap metal or for the sale of parts only, shall comply with the provisions of G.S. 20-61 and
14 subsection (a1) of this section, provided, however, that a secondary metals recycler or salvage
15 yard may purchase a motor vehicle without a certificate of title, if the motor vehicle is 10
16 model years old or older and the secondary metals recycler or salvage yard comply with the
17 following requirements:

- 18 (1) Maintain a record on a form, or in a format, as approved by the Division of
19 Motor Vehicles (DMV) of all purchase transactions of motor vehicles. The
20 following information shall be maintained for transactions of motor vehicles:
- 21 a. The name, address, and contact information of the secondary metals
22 recycler or salvage yard.
 - 23 b. The name, initials, or other identification of the individual entering
24 the information.
 - 25 c. The date of the transaction.
 - 26 d. A description of the motor vehicle, including the year, make, and
27 model to the extent practicable.
 - 28 e. The vehicle identification number (VIN) of the vehicle.
 - 29 f. The amount of consideration given for the motor vehicle.
 - 30 g. A written statement signed by the seller or the seller's agent
31 certifying that (i) the seller or the seller's agent has the lawful right to
32 sell and dispose of the motor vehicle, (ii) the motor vehicle is at least
33 10 model years old, and (iii) the motor vehicle is not subject to any
34 security interest or lien.
 - 35 g1. A written statement that the motor vehicle will be scrapped or
36 crushed for disposal or dismantled for parts only.
 - 37 h. The name, address, and drivers license number of the person from
38 whom the motor vehicle is being purchased.
 - 39 i. A photocopy or electronic scan of a valid drivers license or
40 identification card issued by the DMV of the seller of the motor
41 vehicle, or seller's agent, to the secondary metals recycler or salvage
42 yard, or in lieu thereof, any other identification card containing a
43 photograph of the seller as issued by any state or federal agency of
44 the United States: provided, that if the buyer has a copy of the seller's
45 photo identification on file, the buyer may reference the
46 identification that is on file, without making a separate photocopy for
47 each transaction. If seller has no identification as described in this
48 sub-subdivision, the secondary metals recycler or salvage yard shall
49 not complete the transaction.
- 50 (1a) Verify with the DMV whether or not the motor vehicle has been reported
51 stolen. The DMV shall develop a method to allow a person subject to this

1 section to verify, at the time of the transaction, through the use of the
2 Internet, that the vehicle has not been reported stolen, and that also allows
3 for the DMV's response to be printed and retained by the person making the
4 request. One of the following shall apply following the DMV response:

5 a. If the Division of Motor Vehicles confirms that the motor vehicle has
6 been reported stolen, the secondary metals recycler or salvage yard
7 shall not complete the transaction and shall notify the DMV of the
8 current location of the vehicle and the identifying information of the
9 person attempting to transfer the vehicle.

10 b. If the Division of Motor Vehicles confirms that the motor vehicle has
11 not been stolen, the secondary metals recycler or salvage yard may
12 proceed with the transaction and shall not be held criminally or
13 civilly liable if the motor vehicle later turns out to be a stolen vehicle,
14 unless the secondary metals recycler had knowledge that the motor
15 vehicle was a stolen vehicle.

16 c. If the Division of Motor Vehicles has not received information from
17 a federal, State, or local department or independent source that a
18 vehicle has been stolen and reports pursuant to this section that a
19 vehicle is not stolen, any person damaged does not have a cause of
20 action against the Division.

21 (2) Maintain the information required under subdivision (1) of this subsection,
22 and the record confirming that the vehicle was not stolen, required under
23 subdivision (1a) of this subsection, for not less than two years from the date
24 of the purchase of the motor vehicle.

25 (a1) Reporting Requirement. – Within 72 hours of each day's close of business, a
26 secondary metals recycler or salvage yard purchasing a motor vehicle under this section shall
27 submit to the National Motor Vehicle Title Information System (NMVTIS) such information
28 contained in subdivision (1) of subsection (a) of this section, along with any other information
29 or statement pertaining to the intended disposition of the motor vehicle, as may be required.
30 The information shall be in a format that will satisfy the requirement for reporting information
31 in accordance with rules adopted by the United States Department of Justice in 28 C.F.R. §
32 25.56. A secondary metals recycler or salvage yard may comply with this subsection by
33 reporting the information required by this subsection to a third-party consolidator as long as the
34 third-party consolidator reports the information to the NMVTIS in compliance with the
35 provisions of this subsection.

36 (b) Inspection of Motor Vehicles and Records. – At any time it appears a secondary
37 metals recycler, salvage yard, or any other person involved in secondary metals operations is
38 open for business, a law enforcement officer shall have the right to inspect the following:

39 (1) Any and all motor vehicles in the possession of the secondary metals
40 recycler, the salvage yard, or any other person involved in secondary metals
41 operations.

42 ~~(2) Any records required to be maintained under subsection (a) of this section.~~

43 ~~(b1) Availability of Information.—The information obtained by the Division of Motor~~
44 ~~Vehicles pursuant to this section shall be made available to law enforcement agencies only. The~~
45 ~~information submitted pursuant to this section is confidential and shall not be considered a~~
46 ~~public record as that term is defined in G.S. 132-1.~~

47 (c) Violations. – Any person who knowingly and willfully violates any of the
48 provisions of this section, or any person who falsifies the statement required under subsection
49 (a)(1)g. of this section, shall be guilty of a Class I felony and shall pay a minimum fine of one
50 thousand dollars (\$1,000). The court may order a defendant seller under this subsection to make

1 restitution to the secondary metals recycler or salvage yard or lien holder for any damage or
2 loss caused by the defendant seller arising out of an offense committed by the defendant seller.

3 (d) Confiscation of Vehicle or Tools Used in Illegal Sale. – Any motor vehicle used to
4 transport another motor vehicle illegally sold under this section may be seized by law
5 enforcement and is subject to forfeiture by the court, provided, however, that no vehicle used
6 by any person in the transaction of a sale of regulated metals is subject to forfeiture unless it
7 appears that the owner or other person in charge of the motor vehicle is a consenting party or
8 privy to the commission of a crime, and a forfeiture of the vehicle encumbered by a bona fide
9 security interest is subject to the interest of the secured party who had no knowledge of or
10 consented to the act.

11 Whenever property is forfeited under this subsection by order of the court, the law
12 enforcement agency having custody of the property shall sell any forfeited property which is
13 not required to be destroyed by law and which is not harmful to the public, provided that the
14 proceeds are remitted to the Civil Fines and Forfeitures Fund established pursuant to
15 G.S. 115C-457.1.

16 (e) Exemptions. – As used in this section, the term "motor vehicle" shall not include
17 motor vehicles which have been mechanically flattened, crushed, baled, or logged and sold for
18 purposes of scrap metal only.

19 (f) Preemption. – No local government shall enact any local law or ordinance with
20 regards to the regulation of the sale of motor vehicles to secondary metals recyclers or salvage
21 yards."

22 **SECTION 39.(a)** G.S. 20-38.7(c)(3), as enacted by Section 5 of S.L. 2015-150,
23 reads as rewritten:

24 "(3) If the appeal is withdrawn and remanded pursuant to
25 ~~G.S. 15A-1341(h)~~, G.S. 15A-1431(h), the prosecutor has certified to the
26 clerk, in writing, that the prosecutor consents to the withdrawal and remand
27 and has no new sentencing factors to offer the court."

28 **SECTION 39.(b)** This section becomes effective December 1, 2015.

29 **SECTION 40.** G.S. 20-58.4A(i) reads as rewritten:

30 "(i) Mandatory Participation. – Beginning ~~January 1,~~ July 1, 2016, all individuals and
31 lienholders who are normally engaged in the business or practice of financing motor vehicles,
32 and who conduct at least five transactions annually, shall utilize the electronic lien system
33 implemented in subsection (a) of this section to record information concerning the perfection
34 and release of a security interest in a vehicle."

35 **SECTION 41.** G.S. 20-116 is amended by adding a new subsection to read:

36 "(o) Notwithstanding any provision of this section to the contrary, the following may
37 operate on the highways of this State without an oversize permit for the purpose of Department
38 snow removal and snow removal training operations:

39 (1) Truck supporting snow plows with blades not exceeding 12 feet in width. A
40 truck operated pursuant to this subdivision shall have adequate illumination
41 when the plow is in the up and the down positions; visible signal lights; and
42 a plow that is angled so that the minimum width is exposed to oncoming
43 traffic during periods of travel between assignments.

44 (2) Motor graders not exceeding 102 inches in width, measured from the outside
45 edge of the tires. A motor grader operated pursuant to this subdivision shall
46 have adequate illumination when the moldboard is in the up and down
47 positions; visible signal lights; and a moldboard that is angled not to exceed
48 102 inches during periods of travel between assignments."

49 **SECTION 42.(a)** G.S. 20-286(10), as amended by Section 8 of S.L. 2015-125 and
50 by Section 1.2 of S.L. 2015-232, reads as rewritten:

1 "(10) Motor vehicle. – Any motor propelled vehicle, trailer or semitrailer, required
2 to be registered under the laws of this State. This term does not include
3 mopeds, as that term is defined in G.S. 20-4.01.

4 a. "New motor vehicle" means a motor vehicle that has never been the
5 subject of a completed, successful, or conditional sale that was
6 subsequently approved other than between new motor vehicle
7 dealers, or between a manufacturer and a new motor vehicle dealer of
8 the same franchise. For purposes of this subdivision, the use of a new
9 motor vehicle by a new motor vehicle dealer for demonstration or
10 service loaner purposes does not render the new motor vehicle a used
11 motor vehicle, notwithstanding (i) the commencement of ~~(i)~~ the
12 manufacturer's original warranty as a result of the franchised dealer's
13 use of the vehicle for demonstration or loaner ~~purposes~~ purposes, or
14 (ii) the dealer's receipt of incentive or warranty compensation or
15 other reimbursement or consideration from a manufacturer, factory
16 branch, distributor, distributor branch or ~~(ii)~~ from a third-party
17 warranty, maintenance, or service contract company relating to the
18 use of a vehicle as a demonstrator or service loaner.

19 b. "Used motor vehicle" means a motor vehicle other than described in
20 paragraph (10)a above."

21 **SECTION 42.(b)** G.S. 20-79(d), as amended by Section 1.4(a) of S.L. 2015-232,
22 reads as rewritten:

23 "(d) Restrictions on Use. – A dealer license plate may be displayed only on a motor
24 vehicle that meets all of the following requirements:

- 25 (1) Is part of the inventory of the dealer.
26 (2) Is not consigned to the dealer.
27 (3) Is covered by liability insurance that meets the requirements of Article 9A of
28 this Chapter.
29 (4) Is not used by the dealer in another business in which the dealer is engaged.
30 (5) Is driven on a highway by a person who meets one of the following
31 descriptions:
32 a. Has a demonstration permit to test-drive the motor vehicle and
33 carries the demonstration permit while driving the motor vehicle.
34 b. Is an officer or sales representative of the dealer and is driving the
35 vehicle for a business purpose of the dealer.
36 c. Is an employee of the dealer and is driving the vehicle in the course
37 of employment.
38 d. Is an employee of the dealer or of a contractor of the dealer and is
39 driving the vehicle within a 20-mile radius of a place where the
40 vehicle is being repaired or otherwise prepared for sale.
41 e. Is an employee of the dealer or of a contractor of the dealer and is
42 transporting the vehicle to or from a vehicle auction or to the dealer's
43 established salesroom.
44 f. Is an officer, sales representative, or other employee of a franchised
45 motor vehicle dealer or is an immediate family member of an officer,
46 sales representative, or other employee of a franchised motor vehicle
47 dealer.
48 (6) A copy of the registration card for the dealer plate issued to the dealer is
49 carried by the person operating the motor vehicle or, if the person is
50 operating the motor vehicle in this State, the registration card is maintained
51 on file at the dealer's address listed on the registration card, and the

1 registration card must be able to be produced within 24 hours upon request
2 of any law enforcement officer.

3 A dealer may issue a demonstration permit for a motor vehicle to a person licensed to drive
4 that type of motor vehicle. A demonstration permit authorizes each person named in the permit
5 to drive the motor vehicle described in the permit for up to 96 hours after the time the permit is
6 issued. A dealer may, for good cause, renew a demonstration permit for one additional 96-hour
7 period. A franchised motor vehicle dealer is not prohibited from using a demonstration permit
8 pursuant to this subsection by reason of the dealer's receipt of ~~(i)~~incentive or warranty
9 compensation or other reimbursement or consideration from a manufacturer, factory branch,
10 distributor, distributor branch or ~~(ii)~~from a third-party warranty, maintenance, or service
11 contract company relating to the use of the vehicle as a demonstrator or service loaner."

12 **SECTION 43.** G.S. 45-91(5) reads as rewritten:

13 "(5) The obligations of mortgage servicers set forth in
14 G.S. 53-243.11, G.S. 53-244.110."

15 **SECTION 44.(a)** G.S. 48-3-605 is amended by adding a new subsection to read:

16 "(g) The office of the clerk of superior court, the district court, and the superior court
17 shall each be a court of competent jurisdiction for the purposes of (i) judicial proceedings for
18 accepting voluntary consents to adoption under 25 U.S.C. § 1913, (ii) making determinations as
19 to whether there is good cause to deviate from placement preferences under 25 U.S.C. §
20 1915(a), or (iii) judicial proceedings for voluntary consent to adoption in conformance with the
21 laws of any state."

22 **SECTION 44.(b)** G.S. 48-3-702(b) reads as rewritten:

23 "(b) The provisions of G.S. 48-3-605(b), (e), ~~and~~(f), and (g) also apply to a
24 relinquishment executed under this Part."

25 **SECTION 44.5.** Article 36 of Chapter 58 of the General Statutes is amended by
26 adding a new section to read:

27 "**§ 58-36-87. Affiliate transfer of policies.**

28 Delivery by an insurer of a policy superseding a policy previously issued by the insurer at
29 the end of the previously issued policy period is not a refusal to renew when it is delivered by:

30 (1) The same insurer; or

31 (2) An affiliate or subsidiary, as those terms are defined in G.S. 58-19-5, that
32 has a financial strength rating, issued by an industry-recognized independent
33 insurance rating company, which financial strength rating is at least as good
34 as the insurer issuing the superseded policy. The provisions of
35 G.S. 58-36-110 and G.S. 58-36-85 apply to the affiliate or subsidiary as if it
36 were the same insurer issuing the policy."

37 **SECTION 45.** Reserved.

38 **SECTION 46.** G.S. 62A-41(2) reads as rewritten:

39 "(2) Six members appointed by the General Assembly upon the recommendation
40 of the Speaker of the House of Representatives as follows:

- 41 a. An individual who is a sheriff, appointed upon the recommendation
42 of the North Carolina Sheriffs' Association, Inc.
- 43 b. An individual who represents CMRS providers operating in North
44 Carolina.
- 45 c. An individual who represents the North Carolina chapter of the
46 Association of Public Safety Communications Officials (APCO).
- 47 d. Two individuals who represent local exchange carriers operating in
48 North Carolina, one of whom represents a local exchange carrier
49 with less than 50,000 access lines.

- 1 e. A fire chief with experience operating or supervising a PSAP or a
2 director/manager of a fire-based PSAP, appointed upon the
3 recommendation of the North Carolina Firemen's Association."

4 **SECTION 47.** G.S. 84-24 reads as rewritten:

5 **"§ 84-24. Admission to practice.**

6 For the purpose of examining applicants and providing rules and regulations for admission
7 to the Bar including the issuance of license therefor, there is hereby created the Board of Law
8 Examiners, which shall consist of 11 members of the Bar, elected by the Council, who need not
9 be members of the Council. No teacher in any law school, however, shall be eligible. The
10 members of the Board of Law Examiners elected from the Bar shall each hold office for a term
11 of three years.

12 The Board of Law Examiners shall elect a member of the Board as chair thereof, and the
13 Board may employ an executive secretary and provide such assistance as may be required to
14 enable the Board to perform its duties promptly and properly. The chair and any employees
15 shall serve for a period of time determined by the Board.

16 The examination shall be held in the manner and at the times as the Board of Law
17 Examiners may determine.

18 The Board of Law Examiners shall have full power and authority to make or cause to be
19 made such examinations and investigations as may be deemed by it necessary to satisfy it that
20 the applicants for admission to the Bar possess the qualifications of character and general
21 fitness requisite for an attorney and counselor-at-law and to this end the Board of Law
22 Examiners shall have the power of subpoena and to summons and examine witnesses under
23 oath and to compel their attendance and the production of books, papers and other documents
24 and writings deemed by it to be necessary or material to the inquiry and shall also have
25 authority to employ and provide assistance as may be required to enable it to perform its duties
26 promptly and properly. Records, papers, and other documents containing information collected
27 and compiled by the Board or its members or employees as a result of investigations, inquiries,
28 or interviews conducted in connection with examinations or licensing matters, are not public
29 records within the meaning of Chapter 132 of the General Statutes.

30 All applicants for admission to the Bar shall be fingerprinted to determine whether the
31 applicant has a record of criminal conviction in this State or in any other state or jurisdiction.
32 The information obtained as a result of the fingerprinting of an applicant shall be limited to the
33 official use of the Board of Law Examiners in determining the character and general fitness of
34 the applicant.

35 The Department of Public Safety may provide a criminal record check to the Board of Law
36 Examiners for a person who has applied for a license through the Board. The Board shall
37 provide to the Department of Public Safety, along with the request, the fingerprints of the
38 applicant, any additional information required by the Department of Public Safety, and a form
39 signed by the applicant consenting to the check of the criminal record and to the use of the
40 fingerprints and other identifying information required by the State or national repositories. The
41 applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of
42 the State's criminal history record file, and the State Bureau of Investigation shall forward a set
43 of the fingerprints to the Federal Bureau of Investigation for a national criminal history check.
44 The Board shall keep all information pursuant to this subsection privileged, in accordance with
45 applicable State law and federal guidelines, and the information shall be confidential and shall
46 not be a public record under Chapter 132 of the General Statutes.

47 The Department of Public Safety may charge each applicant a fee for conducting the checks
48 of criminal history records authorized by this section.

49 The Board of Law Examiners, subject to the approval of the Council, shall by majority
50 vote, from time to time, make, alter, and amend such rules and regulations for admission to the
51 Bar as in their judgment shall promote the welfare of the State and the profession: Provided,

1 that ~~any~~no change in the educational requirements for admission to the Bar that establishes an
2 additional or greater requirement shall ~~not~~ become effective ~~within~~until two years ~~from~~after
3 the date of the adoption of the change.

4 All rules and regulations, and modifications, alterations and amendments thereof, shall be
5 recorded and promulgated as provided in G.S. 84-21 in relation to the certificate of
6 organization and the rules and regulations of the Council.

7 Whenever the Council shall order the restoration of license to any person as authorized by
8 G.S. 84-32, it shall be the duty of the Board of Law Examiners to issue a written license to the
9 person, noting thereon that the license is issued in compliance with an order of the Council,
10 whether the license to practice law was issued by the Board of Law Examiners or the Supreme
11 Court in the first instance.

12 Appeals from the Board shall be had in accordance with rules or procedures as may be
13 approved by the Supreme Court as may be submitted under G.S. 84-21 or as may be
14 promulgated by the Supreme Court."

15 **SECTION 47.5.(a)** G.S. 89C-19 reads as rewritten:

16 "**§ 89C-19. Public works; requirements where public safety involved.**

17 This State and its political subdivisions such as counties, cities, towns, or other political
18 entities or legally constituted boards, commissions, public utility companies, or authorities, or
19 officials, or employees of these entities shall not engage in the practice of engineering or land
20 surveying involving either public or private property where the safety of the public is directly
21 involved without the project being under the ~~direct supervision~~responsible charge of a
22 professional engineer for engineering projects, or a professional land surveyor for land
23 surveying projects, as provided for the practice of the respective professions by this Chapter.

24 An official or employee of the State or any political subdivision specified in this section,
25 holding the positions set out in this section as of June 19, 1975, shall be exempt from the
26 provisions of this section so long as such official or employee is engaged in substantially the
27 same type of work as is involved in the present position.

28 Nothing in this section shall be construed to prohibit inspection, maintenance and service
29 work done by employees of the State of North Carolina, any political subdivision of the State,
30 or any municipality including construction, installation, servicing, and maintenance by regular
31 full-time employees of, secondary roads and drawings incidental to work on secondary roads,
32 streets, street lighting, traffic-control signals, police and fire alarm systems, waterworks, steam,
33 electric and sewage treatment and disposal plants, the services of superintendents, inspectors or
34 foremen regularly employed by the State of North Carolina or any political subdivision of the
35 State, or municipal corporation.

36 The provisions in this section shall not be construed to alter or modify the requirements of
37 Article 1 of Chapter 133 of the General Statutes."

38 **SECTION 47.5.(b)** G.S. 89C-25(7a) reads as rewritten:

39 "(7a) The engineering or surveying activities of a person as defined by
40 G.S. 89C-3(5) who is engaged in manufacturing, processing, producing, or
41 transmitting and delivering a ~~product~~product or public utility service, and
42 which activities are reasonably necessary and connected with the primary
43 services performed by individuals regularly employed in the ordinary course
44 of business by the person, provided that the engineering or surveying activity
45 is not a holding out or an offer to the public of engineering or surveying
46 services, as prohibited by this Chapter. The engineering and surveying
47 services may not be offered, performed, or rendered independently from the
48 primary services rendered by the person. For purposes of this subdivision,
49 "activities reasonably necessary and connected with the primary service"
50 include the following:

- 1 a. Installation or servicing of the person's product or public utility
 2 service by employees of the person conducted outside the premises
 3 of the person's business.
 4 b. Design, acquisition, installation, or maintenance of machinery,
 5 equipment, or apparatus incidental to the manufacture or installation
 6 of the product or public utility service performed by employees of
 7 the person upon property owned, leased, or used by the person.
 8 c. Research and development performed in connection with the
 9 manufacturing, processing, or production of the person's product or
 10 public utility service by employees of the person.
 11 Engineering or surveying activities performed pursuant to this subdivision,
 12 where the safety of the public is directly involved, shall be under the
 13 responsible charge of a licensed professional engineer or licensed
 14 professional surveyor."

15 **SECTION 48.(a)** G.S. 90-94(3), as amended by S.L. 2015-162, reads as rewritten:

16 "(3) Synthetic cannabinoids. – Any quantity of any synthetic chemical compound
 17 that (i) is a cannabinoid receptor agonist and mimics the pharmacological
 18 effect of naturally occurring substances or (ii) has a stimulant, depressant, or
 19 hallucinogenic effect on the central nervous system that is not listed as a
 20 controlled substance in Schedule I through V, and is not an FDA-approved
 21 drug. Synthetic cannabinoids include, but are not limited to, the substances
 22 listed in sub-subdivisions a. through j.p. of this subdivision and any
 23 substance that contains any quantity of their salts, isomers (whether optical,
 24 positional, or geometric), homologues, and salts of isomers and homologues,
 25 unless specifically excepted, whenever the existence of these salts, isomers,
 26 homologues, and salts of isomers and homologues is possible within the
 27 specific chemical designation. The following substances are examples of
 28 synthetic cannabinoids and are not intended to be inclusive of the substances
 29 included in this Schedule:

30 "...."

31 **SECTION 48.(b)** This section becomes effective December 1, 2015.

32 **SECTION 48.5.** G.S. 90-113.101(1), as amended by S.L. 2015-154 and by Section
 33 14 of this act, reads as rewritten:

34 "(1) Caregiver. – An individual that is at least 18 years of age and a resident of
 35 North Carolina who is a parent, legal guardian, or custodian of a patient and
 36 is registered with the Department of Health and Human ~~and~~ Services under
 37 G.S. 90-113.102 who possesses a written statement dated and signed by a
 38 neurologist that states all of the following:

39 "...."

40 **SECTION 49.** G.S. 97-2(2) reads as rewritten:

41 **"§ 97-2. Definitions.**

42 When used in this Article, unless the context otherwise requires:

43 ...

44 (2) Employee. – The term "employee" means every person engaged in an
 45 employment under any appointment or contract of hire or apprenticeship,
 46 express or implied, oral or written, including aliens, and also minors,
 47 whether lawfully or unlawfully employed, but excluding persons whose
 48 employment is both casual and not in the course of the trade, business,
 49 profession, or occupation of his employer, and as relating to those so
 50 employed by the State, the term "employee" shall include all officers and
 51 employees of the State, including such as are elected by the people, or by the

1 General Assembly, or appointed by the Governor to serve on a per diem,
2 part-time or fee basis, either with or without the confirmation of the Senate;
3 as relating to municipal corporations and political subdivisions of the State,
4 the term "employee" shall include all officers and employees thereof,
5 including such as are elected by the people. The term "employee" shall
6 include members of the North Carolina National Guard while on State active
7 duty under orders of the Governor and members of the North Carolina State
8 Defense Militia while on State active duty under orders of the Governor. The
9 term "employee" shall include deputy sheriffs and all persons acting in the
10 capacity of deputy sheriffs, whether appointed by the sheriff or by the
11 governing body of the county and whether serving on a fee basis or on a
12 salary basis, or whether deputy sheriffs serving upon a full-time basis or a
13 part-time basis, and including deputy sheriffs appointed to serve in an
14 emergency, but as to those so appointed, only during the continuation of the
15 emergency. The sheriff shall furnish to the board of county commissioners a
16 complete list of all deputy sheriffs named or appointed by him immediately
17 after their appointment and notify the board of commissioners of any
18 changes made therein promptly after such changes are made. Any reference
19 to an employee who has been injured shall, when the employee is dead,
20 include also the employee's legal representative, dependents, and other
21 persons to whom compensation may be payable: Provided, further, that any
22 employee, as herein defined, of a municipality, county, or of the State of
23 North Carolina, while engaged in the discharge of the employee's official
24 duty outside the jurisdictional or territorial limits of the municipality, county,
25 or the State of North Carolina and while acting pursuant to authorization or
26 instruction from any superior officer, shall have the same rights under this
27 Article as if such duty or activity were performed within the territorial
28 boundary limits of their employer.

29 ~~Every~~ Except as otherwise provided herein, every executive officer
30 elected or appointed and empowered in accordance with the charter and
31 bylaws of a corporation shall be considered as an employee of such
32 corporation under this Article.

33 Any such executive officer of a corporation may, notwithstanding any
34 other provision of this Article, be exempt from the coverage of the
35 corporation's insurance contract by such corporation's specifically excluding
36 such executive officer in such contract of insurance, and the exclusion to
37 remove such executive officer from the coverage shall continue for the
38 period such contract of insurance is in effect, and during such period such
39 executive officers thus exempted from the coverage of the insurance contract
40 shall not be employees of such corporation under this Article.

41 All county agricultural extension service employees who do not receive
42 official federal appointments as employees of the United States Department
43 of Agriculture and who are field faculty members with professional rank as
44 designated in the memorandum of understanding between the North
45 Carolina Agricultural Extension Service, North Carolina State University, A
46 & T State University, and the boards of county commissioners shall be
47 deemed to be employees of the State of North Carolina. All other county
48 agricultural extension service employees paid from State or county funds
49 shall be deemed to be employees of the county board of commissioners in
50 the county in which the employee is employed for purposes of workers'
51 compensation.

1 The term "employee" shall also include members of the Civil Air Patrol
2 currently certified pursuant to G.S. 143B-1031(a) when performing duties in
3 the course and scope of a State-approved mission pursuant to Subpart C of
4 Part 5 of Article 13 of Chapter 143B of the General Statutes.

5 "Employee" shall not include any person performing voluntary service as
6 a ski patrolman who receives no compensation for such services other than
7 meals or lodging or the use of ski tow or ski lift facilities or any combination
8 thereof.

9 "Employee" shall not include any person elected or appointed and
10 empowered as an executive officer, director, or committee member under the
11 charter, articles, or bylaws of a nonprofit corporation subject to Chapter
12 47A, 47C, 47F, 55A, or 59B of the General Statutes, or any organization
13 exempt from federal income tax under section 501(c)(3) of the Internal
14 Revenue Code, who performs only voluntary service for the nonprofit
15 corporation, provided that the person receives no remuneration for the
16 voluntary service other than reasonable reimbursement for expenses incurred
17 in connection with the voluntary service. When a nonprofit corporation as
18 described herein employs one or more persons who do receive remuneration
19 other than reasonable reimbursement for expenses, then any volunteer
20 officers, directors, or committee members excluded from the definition of
21 "employee" by operation of this paragraph shall be counted as employees for
22 the sole purpose of determining the number of persons regularly employed
23 in the same business or establishment pursuant to G.S. 97-2(1). Other than
24 for the limited purpose of determining the number of persons regularly
25 employed in the same business or establishment, such volunteer nonprofit
26 officers, directors, or committee members shall not be "employees" under
27 the Act. Nothing herein shall prohibit a nonprofit corporation as described
28 herein from voluntarily electing to provide for workers' compensation
29 benefits in the manner provided in G.S. 97-93 for volunteer officers,
30 directors, or committee members excluded from the definition of
31 "employee" by operation of this paragraph. This paragraph shall not apply to
32 any volunteer firefighter, volunteer member of an organized rescue squad, an
33 authorized pickup firefighter when that individual is engaged in emergency
34 fire suppression activities for the North Carolina Forest Service, a duly
35 appointed and sworn member of an auxiliary police department organized
36 pursuant to G.S. 160A-282, or a senior member of the State Civil Air Patrol
37 functioning under Subpart C of Part 5 of Article 13 of Chapter 143B of the
38 General Statutes, even if such person is elected or appointed and empowered
39 as an executive officer, director, or committee member under the charter,
40 articles, or bylaws of a nonprofit corporation as described herein.

41 Any sole proprietor or partner of a business or any member of a limited
42 liability company may elect to be included as an employee under the
43 workers' compensation coverage of such business if he is actively engaged in
44 the operation of the business and if the insurer is notified of his election to
45 be so included. Any such sole proprietor or partner or member of a limited
46 liability company shall, upon such election, be entitled to employee benefits
47 and be subject to employee responsibilities prescribed in this Article.

48 ~~Employee~~ "Employee" shall include an authorized pickup firefighter of
49 the North Carolina Forest Service of the Department of Agriculture and
50 Consumer Services when that individual is engaged in emergency fire
51 suppression activities for the North Carolina Forest Service. As used in this

1 section, "authorized pickup firefighter" means an individual who has
2 completed required fire suppression training as a wildland firefighter and
3 who is available as needed by the North Carolina Forest Service for
4 emergency fire suppression activities, including immediate dispatch to
5 wildfires and standby for initial attack on fires during periods of high fire
6 danger.

7 It shall be a rebuttable presumption that the term "employee" shall not include any person
8 performing services in the sale of newspapers or magazines to ultimate consumers under an
9 arrangement whereby the newspapers or magazines are to be sold by that person at a fixed price
10 and the person's compensation is based on the retention of the excess of the fixed price over the
11 amount at which the newspapers or magazines are charged to the person."

12 **SECTION 50.** G.S. 97-87(c)(5) reads as rewritten:

13 "(5) If any party disputes the decision of the Commission entered under
14 subdivision (c)(4) of this section, the party may appeal to the full
15 Commission within 10 days of the entry of the decision of the Commission.
16 The nonappealing party may file a response within 10 days of receiving
17 notice of appeal. The notice of appeal shall request one of the following:

18 a. The Commission reconsider the decision entered based on the record
19 and any additional evidence that parties submit with the notice and
20 response.

21 b. A de novo evidentiary hearing before the ~~full~~ Commission."

22 **SECTION 51.** G.S. 97-92 reads as rewritten:

23 **"§ 97-92. Employer's record and report of accidents; records of Commission not open to**
24 **public; supplementary report upon termination of disability; penalty for**
25 **refusal to make report; when insurance carrier liable.**

26 ...

27 (d) The said report shall contain the name, nature, and location of the business of the
28 employer and name, age, sex, ~~and wages—wages, if available,~~ and occupation of the injured
29 employee, and shall state the date and hour of the accident causing injury, the nature and cause
30 of the injury, and such other information as may be required by the Commission.

31"

32 **SECTION 52.** G.S. 97-101 reads as rewritten:

33 **"§ 97-101. Collection of fines and penalties.**

34 The Industrial Commission shall have the power by civil action brought in its own name to
35 enforce the collection of any fines or penalties provided by this ~~Article, and fines or penalties~~
36 ~~collected by the Commission shall become a part of the maintenance fund referred to in~~
37 ~~subsection (j) of G.S. 97-100.~~ Article."

38 **SECTION 53.** G.S. 97-200(a) reads as rewritten:

39 **"§ 97-200. Claims administration.**

40 (a) A self-insurer shall not utilize any claims adjuster unless the adjuster is licensed
41 under ~~G.S. 58-33-25.~~ G.S. 58-33-26."

42 **SECTION 54.(a)** G.S. 104E-5, as amended by Section 14.30(v) of S.L. 2015-241,
43 reads as rewritten:

44 **"§ 104E-5. Definitions.**

45 Unless a different meaning is required by the context, the following terms as used in this
46 Chapter shall have the meanings hereinafter respectively ascribed to them:

47 (1) "Agreement materials" means those materials licensed by the State under
48 agreement with the United States Nuclear Regulatory Commission and
49 which include by-product, source or special nuclear materials in a quantity
50 not sufficient to form a critical mass, as defined by the Atomic Energy Act
51 of 1954 as amended.

1 ...

2 (14b) "Secretary" means the Secretary of ~~Environmental Quality~~Health and
3 Human Services.

4"

5 **SECTION 54.(b)** G.S. 104E-7(a), as amended by Section 14.30(u) of S.L.
6 2015-241, reads as rewritten:

7 **"§ 104E-7. Radiation Protection Commission – Creation and powers.**

8 (a) There is hereby created the North Carolina Radiation Protection Commission of the
9 ~~Department of Environmental Quality~~Department of Health and Human Services with the
10 power to promulgate rules and regulations to be followed in the administration of a radiation
11 protection program. All rules and regulations for radiation protection that were adopted by the
12 Commission for Public Health and are not inconsistent with the provisions of this Chapter shall
13 remain in full force and effect unless and until repealed or superseded by action of the
14 Radiation Protection Commission. The Radiation Protection Commission is authorized:

15"

16 **SECTION 54.(c)** G.S. 104E-15(b), as amended by Section 14.30(u) of S.L.
17 2015-241, reads as rewritten:

18 **"§ 104E-15. Transportation of radioactive materials.**

19 ...

20 (b) The Department is authorized to enter into agreements with the respective federal
21 agencies designed to avoid conflict or duplication of effort ~~and/or conflict~~ in enforcement and
22 inspection activities so that:

23 (1) Rules and regulations adopted by the Commission pursuant to this section of
24 this Chapter may be enforced, within their respective jurisdictions, by any
25 authorized representatives of the ~~Department of Environmental~~
26 QualityDepartment of Health and Human Services and the Department of
27 Transportation, according to mutual understandings between such
28 departments of their respective responsibilities and authorities.

29"

30 **SECTION 54.(d)** G.S. 104E-17, as amended by Section 14.30(v) of S.L. 2015-241,
31 reads as rewritten:

32 **"§ 104E-17. Payments to State and local agencies.**

33 Upon completion of any project or activity stated in G.S. 104E-16(a)(1), and from time to
34 time during any project or activity stated in G.S. 104E-16(a)(2), each State and local agency
35 that has participated by furnishing personnel, equipment or material shall deliver to the
36 Department a record of the expenses incurred by the agency. The amount of incurred expenses
37 shall be disbursed by the Secretary of ~~Environmental Quality~~Health and Human Services to
38 each such agency from the Radiation Protection Fund. Upon completion of any project or
39 activity stated in G.S. 104E-16(a)(1), and from time to time during any project or activity stated
40 in G.S. 104E-16(a)(2), the Secretary of ~~Environmental Quality~~Health and Human Services
41 shall prepare a statement of all expenses and costs of the project or activity expended by the
42 State and shall make demand for payment upon the person having control over the radioactive
43 materials or the release thereof which necessitated said project or activity. Any person having
44 control over the radioactive materials or the release thereof and any other person causing or
45 contributing to an incident necessitating any project or activity stated in G.S. 104E-16 shall be
46 directly liable to the State for the necessary expenses incurred thereby and the State shall have a
47 cause of action to recover from any or all such persons. If the person having control over the
48 radioactive materials or the release thereof shall fail or refuse to pay the sum expended by the
49 State, the Secretary of ~~Environmental Quality~~Health and Human Services shall refer the matter
50 to the Attorney General of North Carolina, who shall institute an action in the name of the State

1 in the Superior Court of Wake County, or in his discretion, in the superior court of the county
2 in which the project or activity was undertaken by the State, to recover such cost and expenses.

3 In any action instituted by the Attorney General under this section, a verified and itemized
4 statement of the expenses incurred by the State in any project or activity stated in G.S. 104E-16
5 shall be filed with the complaint and shall constitute prima facie the amount due the State; and
6 any judgment for the State thereon shall be for such amount in the absence of allegation and
7 proof on the part of the defendant or defendants that the statement of expenses incurred by and
8 the amount due the State is not correct because of an error in:

9 (1) Calculating the amount due, or

10 (2) Not properly crediting the account with any cash payment or payments or
11 other satisfaction which may have been made thereon."

12 **SECTION 54.(e)** G.S. 104E-24, as amended by Section 14.30(u) of S.L. 2015-241,
13 reads as rewritten:

14 "**§ 104E-24. Administrative penalties.**

15 (a) The Department may impose an administrative penalty on any person:

16 (1) Who fails to comply with this Chapter, any order issued hereunder, or any
17 rules adopted pursuant to this Chapter;

18 (2) Who refuses to allow an authorized representative of the Radiation
19 Protection Commission or the ~~Department of Environmental Quality Health~~
20 and Human Services a right of entry as provided for in G.S. 104E-11 or
21 impounding materials as provided for in G.S. 104E-14.

22 (b) Each day of a continuing violation shall constitute a separate violation. Such penalty
23 shall not exceed ten thousand dollars (\$10,000) per day. In determining the amount of the
24 penalty, the Department shall consider the degree and extent of the harm caused by the
25 violation. Any person assessed a penalty shall be notified of the assessment by registered or
26 certified mail, and the notice shall specify the reasons for the assessment.

27 (c) Any person wishing to contest a penalty or order issued under this section shall be
28 entitled to an administrative hearing and judicial review in accordance with the procedures
29 outlined in Articles 3, 3A, and 4 of Chapter 150B of the General Statutes.

30 (d) The Secretary may bring a civil action in the superior court of the county in which
31 such violation is alleged to have occurred to recover the amount of administrative penalty
32 whenever a person:

33 (1) Who has not requested an administrative hearing fails to pay the penalty
34 within 60 days after being notified of such penalty, or

35 (2) Who has requested an administrative hearing fails to pay the penalty within
36 60 days after service of a written copy of the decision as provided in
37 G.S. 150B-36.

38 (e) The clear proceeds of penalties imposed pursuant to this section shall be remitted to
39 the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2."

40 **SECTION 54.3.** G.S. 105-129.16A(f)(2), as enacted by S.L. 2015-11, reads as
41 rewritten:

42 "(2) A notarized copy of a written report prepared by an independent engineer
43 duly licensed in the State of North Carolina with expertise in the design and
44 construction of installations of renewable energy property stating that at least
45 the minimum percentage of the physical construction of the project was
46 ~~constructed and installed~~ completed prior to January 1, 2016."

47 **SECTION 54.5.(a)** G.S. 105-330 is amended by adding a new subdivision to read:

48 "(2b) Pass-through entity. – Defined in G.S. 105-228.90."

49 **SECTION 54.5.(b)** G.S. 105-330.9(a) reads as rewritten:

50 "(a) Definition. – For the purpose of this section, the term "antique automobile" means a
51 motor vehicle that meets all of the following conditions:

- 1 (1) It is registered with the Division of Motor Vehicles and has an historic
2 vehicle special license plate under G.S. 20-79.4.
- 3 (2) It is maintained primarily for use in exhibitions, club activities, parades, and
4 other public interest functions.
- 5 (3) It is used only occasionally for other purposes.
- 6 (4) It is owned by an ~~individual~~ individual, either directly or indirectly through
7 one or more pass-through entities. An individual indirectly owns an antique
8 automobile through a pass-through entity if the individual is an owner of a
9 pass-through entity that owns the antique automobile.
- 10 (5) It is used by the owner for a purpose other than the production of income
11 and is not used in connection with a business."

12 **SECTION 54.5.(c)** This act is effective for taxes imposed for taxable years
13 beginning on or after July 1, 2016."

14 **SECTION 55.** G.S. 110-90.2(a1) reads as rewritten:

15 "(a1) No person shall be a child care provider or uncompensated child care provider who
16 has been any of the following:

- 17 (1) Convicted of a misdemeanor or a felony crime involving child neglect or
18 child abuse.
- 19 (2) Adjudicated a "responsible individual" under
20 ~~G.S. 7B-807(a1)~~ G.S. 7B-311(b).
- 21 (3) Convicted of a "reportable conviction" as defined under G.S. 14-208.6(4)."

22 **SECTION 56.(a)** G.S. 110-105.5(c), as enacted by S.L. 2015-123, reads as
23 rewritten:

24 "(c) Individuals whose names are listed on the Registry shall not be a caregiver as
25 defined in ~~G.S. 110-105.3(b)(2)~~ G.S. 110-105.3(b)(1) at any licensed child care facility or
26 religious-sponsored child care facility."

27 **SECTION 56.(b)** This section becomes effective January 1, 2016.

28 **SECTION 57.** G.S. 115C-47 reads as rewritten:

29 **"§ 115C-47. Powers and duties generally.**

30 In addition to the powers and duties designated in G.S. 115C-36, local boards of education
31 shall have the power or duty:

32 ...

33 (62) To Establish Nonprofit Corporations to Further Authorized Purposes. –
34 Local boards of education may establish, control, and operate a nonprofit corporation that is
35 created under Chapter 55A of the General Statutes and is a tax-exempt organization under the
36 Internal Revenue Code to further their authorized purposes. A nonprofit corporation established
37 as provided in this section shall not have regulatory or enforcement powers and shall not
38 engage in partisan political activity."

39 **SECTION 58.(a)** Article 9C of Chapter 115C of the General Statutes is amended
40 by adding a new section to read:

41 **"§ 115C-150.15. Local superintendent to report deaf and blind children.**

42 It shall be the duty of the local superintendents to report the names and addresses of
43 parents, guardians, or custodians of any deaf or blind children residing within their respective
44 local school administrative units to the directors of the Governor Morehead School for the
45 Blind, the Eastern North Carolina School for the Deaf, the North Carolina School for the Deaf,
46 and the Department of Public Instruction."

47 **SECTION 58.(b)** This section is effective when it becomes law. Local
48 superintendents shall make the first report required under subsection (a) of this section no later
49 than February 1, 2016.

50 **SECTION 59.(a)** G.S. 115C-174.11(c)(4) reads as rewritten:

"(4) To the extent funds are made available, the State Board of Education shall ~~plan for and require the administration of the ACT test for use a competitive bid process to select a nationally norm-referenced college admission test to administer to all students in the eleventh grade unless the student has already taken a comparable test and scored at or above a level set by the State Board.~~ The State Board of Education shall require the administration of an alternate to the ~~ACT-selected nationally norm-referenced college admissions test or an alternate to the PLAN-precursor test to the ACT~~ to a student who (i) exhibits severe and pervasive delays in all areas of conceptual, linguistic, and academic development and in adaptive behaviors, including communication, daily living skills, and self-care, (ii) is following the extended content standards of the Standard Course of Study as provided in G.S. 115C-81, or is following a course of study that, upon completing high school, may not lead to admission into a college-level course of study resulting in a college degree, and (iii) has a written parental request for an alternate assessment.

The State Board of Education shall ensure that parents of students enrolled in all public schools, including charter and regional schools, have the necessary information to make informed decisions regarding participation in the ~~ACT and the PLAN-precursor test to the ACT-selected national norm-referenced test and precursor test.~~

~~Alternate assessment and ACT assessment results~~ Nationally norm-referenced college admissions test and alternate assessment results of students with disabilities shall be included in school accountability reports, including charter and regional schools, provided by the State Board of Education."

SECTION 59.(b) G.S. 115C-174.22 reads as rewritten:

"§ 115C-174.22. Tools for student learning.

To the extent funds are made available for this purpose, and except as otherwise provided in G.S. 115C-174.11(c)(4), the State Board shall plan for and require the administration of diagnostic tests in the eighth and tenth grades that align to the ~~ACT-nationally norm-referenced college admissions test in order that is selected through a competitive bid process.~~ The results of the tests will be used to help diagnose student learning and provide for students an indication of whether they are on track to be remediation-free at a community college or university."

SECTION 59.(c) The State Board of Education shall solicit bids through a competitive bid process for a nationally norm-referenced college admission test and precursor test, as required by G.S. 115C-174.11(c)(4), as amended by this section, and G.S. 115C-174.22, as amended by this section. The State Board of Education shall report on the results of the competitive bid process to the Joint Legislative Education Oversight Committee and the Fiscal Research Division no later than April 15, 2016.

SECTION 60. G.S. 115C-174.26(h) reads as rewritten:

"(h) Beginning ~~October 15~~ November 15, 2014, the State Board of Education shall report annually to the Joint Legislative Education Oversight Committee on advanced courses in North Carolina. The report shall include, at a minimum, the following information:

- (1) The North Carolina Advanced Placement Partnership's report to the Department of Public Instruction as required by subsection (g) of this section and the State Board's assessment of that report.
- (2) Number of students enrolled in advanced courses and participating in advanced course examinations, including demographic information by gender, race, and free and reduced-price lunch status.

- 1 (3) Student performance on advanced course examinations, including
- 2 information by course, local school administrative unit, and school.
- 3 (4) Number of students participating in 10th grade PSAT/NMSQT testing.
- 4 (5) Number of teachers attending summer institutes offered by the North
- 5 Carolina Advanced Placement Partnership.
- 6 (6) Distribution of funding appropriated for advanced course testing fees and
- 7 professional development by local school administrative unit and school.
- 8 (7) Status and efforts of the North Carolina Advanced Placement Partnership.
- 9 (8) Other trends in advanced courses and examinations."

10 **SECTION 61.(a)** If House Bill 334, 2015 Regular Session, becomes law,
11 G.S. 115C-218.15 as enacted by Section 6(a) of House Bill 334, reads as rewritten:

12 **"§ 115C-218.15. Charter school operation.**

13 (a) A charter school that is approved by the State shall be a public school within the
14 local school administrative unit in which it is located. All charter schools shall be accountable
15 to the State Board for ensuring compliance with applicable laws and the provisions of their
16 charters.

17 (b) A charter school shall be operated by a private nonprofit corporation that shall have
18 received federal tax-exempt status no later than 24 months following final approval of the
19 application. The board of directors of the charter schools shall adopt a conflict of interest and
20 anti-nepotism policy that includes, at a minimum, the following:

21 (1) The requirements of Chapter 55A of the General Statutes related to conflicts
22 of interest.

23 (2) A requirement that before any immediate family, as defined in
24 G.S. 115C-12.2, of any member of the board of directors or a charter school
25 employee with supervisory authority shall be employed or engaged as an
26 ~~employee, independent contractor, or otherwise by the board of directors in~~
27 ~~any capacity, employee or independent contractor,~~ such proposed
28 employment or engagement shall be (i) disclosed to the board of directors
29 and (ii) approved by the board of directors in a duly called open-session
30 meeting. ~~The burden of disclosure of such a conflict of interest shall be on~~
31 ~~the applicable board member or employee with supervisory authority. The~~
32 board of directors shall require prospective employees or independent
33 contractors to disclose relationships to any immediate family member
34 employed by the charter school or board of directors or serving on the board
35 of directors. If the requirements of this subsection are complied with, the
36 charter school may employ immediate family of any member of the board of
37 directors or a charter school employee with supervisory authority. For the
38 purposes of this section, an independent contractor is an individual who
39 derives a direct benefit from the contract in one of the following ways: (i)
40 has more than a ten percent (10%) ownership or other interest in an entity
41 that is a party to the contract; (ii) derives any income or commission directly
42 from the contract; or (iii) acquires property under the contract.

43 (3) A requirement that a person shall not be disqualified from serving as a
44 member of a charter school's board of directors because of the existence of a
45 conflict of interest, so long as the person's actions comply with the school's
46 conflict of interest policy established as provided in this subsection and
47 applicable law.

48 (c) A charter school shall operate under the written charter signed by the State Board
49 and the applicant. A charter school is not required to enter into any other contract. The charter
50 shall incorporate the information provided in the application, as modified during the charter
51 approval process, and any terms and conditions imposed on the charter school by the State

1 Board of Education. No other terms may be imposed on the charter school as a condition for
2 receipt of local funds.

3 (d) The board of directors of the charter school shall decide matters related to the
4 operation of the school, including budgeting, curriculum, and operating procedures.

5 (e) The board of directors of the private nonprofit corporation operating the charter
6 school may have members who reside outside of the State. However, the State Board of
7 Education may require by policy that a majority of the board of directors and all officers of the
8 board of directors reside within the State."

9 **SECTION 61.(b)** If House Bill 334, 2015 Regular Session, becomes law,
10 G.S. 115C-47(17a), as enacted by Section 6.(b) of House Bill 334, reads as rewritten:

11 "(17a) To adopt anti-nepotism policies. – Local boards of education shall adopt
12 policies requiring that before any immediate family, as defined in
13 G.S. 115C-12.2, of any board of education ~~member or central office staff~~
14 ~~administrator, including directors, supervisors, specialists, staff officers,~~
15 ~~assistant superintendents, area superintendents, superintendents, or~~
16 ~~principals, member, superintendent, principal, or individual paid on the~~
17 salary schedule for central office administrators shall be employed or
18 engaged as an employee, independent contractor, or otherwise by the board
19 of education in any capacity, employee or independent contractor, such
20 proposed employment or engagement shall be (i) disclosed to the board of
21 education and (ii) approved by the board of education in a duly called
22 open-session meeting. The burden of disclosure of such a conflict of interest
23 shall be on the applicable board member or central office staff
24 administrator. Local boards of education shall require prospective employees
25 or independent contractors to disclose relationships to any immediate family
26 member employed by or serving on the local board of education. For the
27 purposes of this subdivision, an independent contractor is an individual who
28 derives a direct benefit from a contract in excess of fifty thousand dollars
29 (\$50,000) in one of the following ways: (i) has more than a ten percent
30 (10%) ownership or other interest in an entity that is a party to the contract;
31 (ii) derives any income or commission directly from the contract; or (iii)
32 acquires property under the contract."

33 **SECTION 62.(a)** G.S. 115C-333.1(a) reads as rewritten:

34 "(a) **(Effective until June 30, 2018)** Annual Evaluations. – All teachers who are
35 ~~assigned to schools that are not designated as low performing and who have not been employed~~
36 ~~for at least three consecutive years shall be observed at least three times annually by the~~
37 ~~principal or the principal's designee and at least once annually by a teacher and hold a Standard~~
38 Professional II License shall be observed at least once by the principal or the principal's
39 designee and evaluated at least once annually by a principal. All teachers with career status or
40 on a four year contract who are assigned to schools that are not designated as low performing
41 shall be evaluated annually unless a local board adopts rules that allow teachers with career
42 status or on a four year contract to be evaluated more or less frequently, provided that such
43 rules are not inconsistent with State or federal requirements. All teachers who do not hold a
44 Standard Professional II License shall be observed at least three times by the principal or the
45 principal's designee and at least once annually by a teacher and shall be evaluated once
46 annually by a principal. Local boards also may adopt rules requiring the annual evaluation of
47 nonlicensed employees. A local board shall use the performance standards and criteria adopted
48 by the State Board and may adopt additional evaluation criteria and standards. All other
49 provisions of this section shall apply if a local board uses an evaluation other than one adopted
50 by the State Board."

1 **SECTION 62.(b)** G.S. 115C-333.1(a), as amended by subsection (a) of this
2 section, reads as rewritten:

3 "(a) **(Effective June 30, 2018)** Annual Evaluations. – All teachers who hold a Standard
4 Professional II License shall be observed at least once by the principal or the principal's
5 designee and evaluated once annually by a principal. ~~Who have been employed for three or~~
6 ~~more years employed for three or more years~~ All teachers who do not hold a Standard
7 Professional II License shall be observed at least three times by the principal or the principal's
8 designee and at least once annually by a teacher and shall be evaluated once annually by a
9 principal. Local boards also may adopt rules requiring the annual evaluation of nonlicensed
10 employees. A local board shall use the performance standards and criteria adopted by the State
11 Board and may adopt additional evaluation criteria and standards. All other provisions of this
12 section shall apply if a local board uses an evaluation other than one adopted by the State
13 Board."

14 **SECTION 62.(c)** Subsection (b) of this section becomes effective June 30, 2018.

15 **SECTION 63.(a)** G.S. 115D-12(a), as amended by S.L. 2015-167, reads as
16 rewritten:

17 "(a) Each community college established or operated pursuant to this Chapter shall be
18 governed by a board of trustees consisting of 13 members, or of additional members if selected
19 according to the special procedure prescribed by the third paragraph of this subsection, who
20 shall be selected by the following agencies. No member of the General Assembly may be
21 appointed to a local board of trustees for a community college.

22 Group One – four trustees, elected by the board of education of the public school
23 administrative unit located in the ~~administrative-service~~ area of the institution. If there are two
24 or more public school administrative units, whether city or county units, or both, located within
25 the ~~administrative-service~~ area, the trustees shall be elected jointly by all of the boards of
26 education of those units, each board having one vote in the election of each trustee, except as
27 provided in G.S. 115D-59. No board of education shall elect a member of the board of
28 education or any person employed by the board of education to serve as a trustee, however, any
29 such person currently serving on a board of trustees shall be permitted to fulfill the unexpired
30 portion of the trustee's current term.

31 Group Two – four trustees, elected by the board of commissioners of the county in which
32 the main campus of the institution is located. Provided, also, if the ~~administrative-service~~ area
33 of the institution is composed of two or more counties, the board of trustees of the institution
34 may authorize the county commissioners of any county in which the main campus is not
35 located to elect an additional board member. Provided, also, the county commissioners of the
36 county in which the community college has established a satellite campus may elect an
37 additional two members if the board of trustees of the community college agrees. No more than
38 one trustee from Group Two may be a member of a board of county commissioners. Should the
39 boards of education or the boards of commissioners involved be unable to agree on one or more
40 trustees the senior resident superior court judge in the superior court district or set of districts as
41 defined in G.S. 7A-41.1 where the institution is located shall fill the position or positions by
42 appointment.

43 Group Three – four trustees, appointed by the Governor.

44 Group Four – the president of the student government or the chairman of the executive
45 board of the student body of each community college established pursuant to this Chapter shall
46 be an ex officio nonvoting member of the board of trustees of each said institution."

47 **SECTION 63.(b)** This section applies only to Beaufort County Community
48 College.

49 **SECTION 64.** G.S. 115D-39.1(a) reads as rewritten:

50 "(a) Notwithstanding the provisions of ~~G.S. 115D-39.1(a)~~, G.S. 115D-39(a), a
51 community college may, with the approval of the State Board of Community Colleges:

- 1 (1) Implement a tuition surcharge of up to thirty-three and one-third percent (33
2 1/3%) of the statewide tuition rate to fund a new instructional program that
3 is necessary to attract industry to the area, and
4 (2) Use the proceeds of an endowed scholarship, consistent with the terms of the
5 endowment, to offset the cost of the tuition charge."

6 **SECTION 65.** G.S. 116-11 is amended by adding a new subsection to read:

7 **"§ 116-11. Powers and duties generally.**

8 The powers and duties of the Board of Governors shall include the following:

9 ...

10 (13b) The Board of Governors or the President may, notwithstanding G.S. 114-2.3,
11 G.S. 147-17, or any other provision of law, engage the services of and fix the compensation for
12 private counsel with pertinent expertise in any matter in which The University of North
13 Carolina or one or more of the constituent institutions is interested, including any case or
14 proceeding in or before any court or agency of this State or any other state or the United States,
15 so long as the Attorney General concurs that the University would benefit from the assistance
16 of private counsel. The President may enter into such agreements with the Attorney General as
17 may be necessary or appropriate to the representation of the University's interests in litigation,
18 including agreements providing for authority to resolve litigation. Private counsel engaged
19 under this provision shall be paid from the University's existing resources and the President
20 shall annually report the costs of engagements of private counsel authorized by this subsection
21 to the Board. The provisions of this subsection shall be implemented consistent with policies
22 established by the Board of Governors."

23 **SECTION 66.(a)** G.S. 116-209.52 reads as rewritten:

24 **"§ 116-209.52. Definitions.**

25 The following definitions apply in this Part:

26 ~~(a)(1)~~ Academic Year. – ~~Any period of 365 days beginning with the first day of~~
27 ~~enrollment for a course of instruction. The annual enrollment period used by~~
28 ~~the Authority.~~

29 ~~(a1) Business or Trade School. — Any school within the State of North Carolina which is~~
30 ~~licensed by the State Board of Education and listed by that Board as an approved private~~
31 ~~business school or an approved private trade school.~~

32 ~~(b)(2)~~ Private Educational Institutions. – Any junior college, senior college or
33 university which is operated and governed by private interests not under the
34 control of the federal, State or any local government, which is located within
35 and licensed by the State of North Carolina, which does not operate for
36 profit, whose curriculum is primarily directed toward the awarding of
37 associate, baccalaureate or graduate degrees, which agrees to the applicable
38 administration and funding provisions of this Part.

39 (3) Proprietary School. – An educational institution that is (i) defined as a
40 proprietary school in G.S. 115D-87(2), (ii) licensed by the State Board of
41 Community Colleges, and (iii) listed by the North Carolina State Approving
42 Agency for Veterans and Military Education as an approved proprietary
43 school for purposes of this Part.

44 ~~(e) Repealed by Session Laws 2010-31, s. 17.3(e), effective July 1, 2010.~~

45 ~~(d)(4)~~ State Educational Institutions. – Any of the constituent institutions of the
46 University of North Carolina, or any community college operated under the
47 provisions of Chapter 115D of the General Statutes of North Carolina.

48 ~~(e) Repealed by Session Laws 2008-94, s. 2, effective July 1, 2008.~~

49 ~~(f)(5)~~ Student Loan. – A loan or loans made to eligible students or parents of
50 students to aid in attaining an education beyond the high school level."

51 **SECTION 66.(b)** G.S. 116-209.54 reads as rewritten:

1 **"§ 116-209.54. Eligibility.**

2 (a) Active members of the North Carolina National Guard who are enrolled or who
3 shall enroll in any ~~business or trade school, proprietary school,~~ private educational institution, or
4 State educational institution shall be eligible to apply for this tuition assistance benefit:
5 Provided, that the applicant has a minimum obligation of two years remaining as a member of
6 the North Carolina National Guard from the end of the academic period for which tuition
7 assistance is provided or that the applicant commit himself or herself to extended membership
8 for at least two additional years from the end of that academic period.

9 (b) This tuition assistance benefit shall be applicable to students in the following
10 categories:

11 (1) Students seeking to achieve completion of their secondary school education
12 at a community college or technical institute.

13 (2) Students seeking trade or vocational training or education.

14 (3) Students seeking to achieve a two-year associate degree.

15 (4) Students seeking to achieve a four-year baccalaureate degree.

16 (5) Students seeking to achieve a graduate degree.

17 (6) Students enrolled in a program granting a graduate certificate.

18 (c) The following persons shall be eligible to apply for disbursements to pay
19 outstanding student loans pursuant to G.S. 116-209.55(g):

20 (1) Persons described in subsections (a) and (b) of this section.

21 (2) Active members of the North Carolina National Guard who were previously
22 enrolled in any ~~business or trade school, proprietary school,~~ private
23 educational institution, or State educational institution, but only if:

24 a. The applicant has a minimum obligation of two years remaining as a
25 member of the North Carolina National Guard from the time of the
26 application; or

27 b. The applicant commits himself or herself to extended membership
28 for at least two additional years from the time of the application."

29 **SECTION 66.(c)** G.S. 116-209.55 reads as rewritten:

30 **"§ 116-209.55. Administration and funding.**

31 (a) The Authority is charged with the administration of the tuition assistance program
32 under this Part.

33 (b) The Authority shall determine the eligibility of applicants, select the benefit
34 recipients, establish the effective date of the benefit, and may suspend or revoke the benefit if
35 the Authority finds that the recipient does not maintain an adequate academic status, or if the
36 recipient engages in riots, unlawful demonstrations, the seizure of educational buildings, or
37 otherwise engages in disorderly conduct, breaches of the peace, or unlawful assemblies. The
38 Authority shall maintain such records and shall promulgate such rules and regulations as the
39 Authority deems necessary for the orderly administration of this program. The Authority may
40 require of ~~business or trade schools, proprietary schools,~~ or State or private educational
41 institutions such reports and other information as the Authority may need to carry out the
42 provisions of this Part and the Authority shall disburse benefit payments for recipients upon
43 certification of enrollment by the enrolling institutions.

44 (c) All tuition benefit disbursements shall be made to the ~~business or trade school~~
45 proprietary school or State or private educational institution concerned, for credit to the tuition
46 account of each recipient. Funds disbursed pursuant to subsection (g) of this section shall be
47 made to the student loan creditor concerned to be applied against the outstanding student loans
48 of each North Carolina National Guard member beneficiary.

49 (d) The participation by any ~~business or trade school, proprietary school,~~ or private
50 educational institution in this program shall be subject to the applicable provisions of this Part
51 and to examination by the State Auditor of the accounts of the benefit recipients attending or

1 having attended such private schools or institutions. The Authority may defer making an award
2 or may suspend an award in any ~~business or trade school~~ proprietary school or private
3 educational institution which does not comply with the provisions of this Part relating to said
4 institutions. The manner of payment to any ~~business or trade school~~ proprietary school or
5 private educational institution shall be as prescribed by the Authority.

6 (e) Irrespective of other provisions of this Part, the Authority may prescribe special
7 procedures for adjusting the accounts of benefit recipients who, for reasons of illness, physical
8 inability to attend classes or for other valid reason satisfactory to the Authority, may withdraw
9 from any ~~business or trade school~~ proprietary school or State or private educational institution
10 prior to the completion of the term, semester, quarter or other academic period being attended
11 at the time of withdrawal.

12 (f) Any balance of the monetary educational assistance grant up to the maximum for
13 the academic year remaining after tuition is paid pursuant to subsection (c) of this section may
14 be disbursed to the recipient as reimbursement for required course books and materials. The
15 manner of obtaining the reimbursement payment for these required books and materials shall
16 be as prescribed by the Authority.

17 (g) Any funds not needed to accomplish the other purposes of this Part may be used to
18 help members of the North Carolina National Guard repay outstanding student loans in
19 accordance with rules to be adopted by the Authority. These rules shall provide that the length
20 of a member's deployment may be considered in determining whether or not, and in what
21 amount, a member receives assistance pursuant to this subsection. There shall be no
22 reimbursement under this subsection for payments already made on student loans, and funds
23 shall not be provided under this subsection for the purpose of paying student loans obtained for
24 courses from which the member withdrew or for which the member did not receive a passing
25 grade. Payments for outstanding loans shall not exceed the maximum benefit available under
26 G.S. 116-209.53."

27 **SECTION 67.(a)** Article 29 of Chapter 116 of the General Statutes is amended by
28 adding a new section to read:

29 **"§ 116-235.5. Advanced courses.**

30 (a) Students enrolled in the North Carolina School of Science and Mathematics or in
31 high school courses at the North Carolina School of the Arts shall have access to and shall be
32 encouraged to enroll in and successfully complete more rigorous advanced courses to enable
33 success in postsecondary education. For the purposes of this section, an advanced course is an
34 Advanced Placement or International Baccalaureate Diploma Programme course.

35 (b) To attain this goal, to the extent funds are made available for this purpose, students
36 shall be exempt from paying any fees for administration of examinations for advanced courses
37 and registration fees for advanced courses in which the student is enrolled regardless of the
38 score the student achieves on an examination.

39 (c) If funds are appropriated for advanced courses, the State Board of Education shall
40 reimburse The University of North Carolina for fees for advanced courses for students enrolled
41 in the North Carolina School of Science and Mathematics or in high school courses at the North
42 Carolina School of the Arts as provided in subsection (b) of this section."

43 **SECTION 67.(b)** G.S. 116-69 reads as rewritten:

44 **"§ 116-69. Purpose of school program.**

45 The primary purpose of the school shall be the professional training, as distinguished from
46 liberal arts instruction, of talented students in the fields of music, drama, the dance, and allied
47 performing arts, at both the high school and college levels of instruction, with emphasis placed
48 upon performance of the arts, and not upon academic studies of the arts. The said school may
49 also offer high school and college instruction in academic subjects, including advanced courses
50 as provided in G.S. 116-235.5, and such other programs as are deemed necessary to meet the
51 needs of its students and of the State, consistent with appropriations made and gifts received

1 therefor, and may cooperate, if it chooses, with other schools which provide such courses of
2 instruction. The school, on occasion, may accept elementary grade students of rare talent, and
3 shall arrange for such students, in cooperation with an elementary school, a suitable educational
4 program."

5 **SECTION 68.** G.S. 120-11.1 reads as rewritten:

6 **"§ 120-11.1. Time of meeting.**

7 The regular session of the Senate and House of Representatives shall be held biennially
8 beginning at ~~9:00 A.M.~~12:00 noon on the second Wednesday in January next after their
9 election, and on that day they shall meet solely to elect officers, adopt rules, and otherwise
10 organize the session. When they adjourn that day, they stand adjourned until 12:00 noon on the
11 third Wednesday after the second Monday in January next after their election."

12 **SECTION 69.(a)** G.S. 120-76(10) is repealed.

13 **SECTION 69.(b)** Subdivision (4) of Section 1.2(a) of S.L. 2011-291 is repealed.

14 **SECTION 70.** G.S. 130A-33.31 reads as rewritten:

15 **"§ 130A-33.31. Commission of Anatomy – Members; selection; term; chairman; quorum;
16 meetings.**

17 (a) The Commission of Anatomy shall consist of ~~five~~six members, one representative
18 from the field of mortuary science, and one each from The University of North Carolina School
19 of Medicine, East Carolina University School of Medicine, Duke University School of
20 Medicine, ~~and Bowman Gray School of Medicine.~~Medicine, and Campbell University School
21 of Osteopathic Medicine. The dean of each school shall make recommendations and the
22 Secretary shall appoint from such recommendations a member to the Commission. The
23 president of the State Board of Funeral Service shall appoint the representative from the field of
24 mortuary science to the Commission. The members shall serve terms of four years except two
25 of the original members shall serve a term of one year, one shall serve a term of two years, one
26 shall serve a term of three years, and one shall serve a term of four years. The Secretary shall
27 determine the terms of the original members.

28 (b) Any appointment to fill a vacancy on the Commission created by the resignation,
29 dismissal, death, or disability of a member shall be for the balance of the unexpired term.

30 (c) The Secretary shall remove any member of the Commission from office for
31 misfeasance, malfeasance or nonfeasance.

32 (d) The Commission shall elect a chair annually from its own membership.

33 (e) A majority of the Commission shall constitute a quorum for the transaction of
34 business.

35 (f) The Commission shall meet at any time and place within the State at the call of the
36 chair or upon the written request of three members.

37 (g) All clerical and other services required by the Commission shall be supplied by the
38 Secretary."

39 **SECTION 71.** G.S. 131E-21 reads as rewritten:

40 **"§ 131E-21. Conflict of interest.**

41 (a) No commissioner or employee of the hospital authority or that person's spouse shall
42 do either of the following:

43 (1) Acquire any interest, direct or indirect, in any hospital facility or in any
44 property included or planned to be included in a hospital facility.

45 (2) Have any interest, direct or indirect, in any contract or proposed contract for
46 materials or services to be furnished or used in connection with any hospital
47 facility, except an employment contract for an employee. The foregoing
48 restriction shall not apply to any contract, undertaking, or other transaction
49 with a bank or banking institution, savings and loan association or public
50 utility in the regular course of its business; Provided that any such contract,
51 undertaking, or other transaction shall be authorized by the commissioners

1 by specific resolution on which no commissioner having an interest, direct or
2 indirect, shall vote.

3 (b) The fact that a person or that person's spouse owns ten percent (10%) or less stock
4 of a corporation or has a ten percent (10%) or less ownership in any other business entity or is
5 an employee of that corporation or other business entity does not make the person have an
6 "interest, direct or indirect" as this phrase is used in subsection (a) of this section; provided that,
7 in order for the exception to apply, the contract, undertaking or other transaction shall be
8 authorized by the commissioners by specific resolution on which no commissioner or employee
9 having an interest, direct or indirect, shall vote.

10 (c) If a commissioner or employee of an authority or that person's spouse owns or
11 controls an interest, direct or indirect, in any property included or planned to be included in any
12 hospital facility, the commissioner or employee shall immediately disclose the same in writing
13 to the authority and the disclosure shall be entered upon the minutes of the authority. Failure to
14 disclose shall constitute misconduct in office and shall be grounds for a commissioner's
15 removal from office under G.S. 131E-22.

16 (c1) Subsection (a) of this section shall not apply if the commissioner or employee is not
17 involved in making or administering the contract. A commissioner or employee is involved in
18 administering a contract if the commissioner or employee oversees the performance of or
19 interprets the contract. A commissioner or employee is involved in making a contract if the
20 commissioner or employee participates in the development of specifications or terms or in the
21 preparation or award of the contract. A commissioner or employee is not involved in making or
22 administering a contract solely because of the performance of ministerial duties related to the
23 contract. A commissioner is also involved in making a contract if the hospital authority takes
24 action on the contract, whether or not the commissioner actually participates in that action,
25 unless the contract is approved under an exception to this section under which the
26 commissioner is allowed to benefit and is prohibited from voting.

27 (d) Subsection (a) of this section shall not apply to any commissioner of a hospital
28 authority if (i) the undertaking or contract or series of undertakings or contracts between the
29 hospital authority and one of its officials is approved by specific resolution of the governing
30 body adopted in an open and public meeting and recorded in its minutes and the amount does
31 not exceed twelve thousand five hundred dollars (\$12,500) for medically related services and
32 twenty-five thousand dollars (\$25,000) for other goods or services within a 12-month period;
33 and (ii) the official entering into the contract or undertaking with the hospital authority does not
34 in an official capacity participate in any way or vote.

35 (e) Subsection (a) of this section shall not apply to any employment relationship
36 between a hospital authority and the spouse of a commissioner of the hospital authority.

37 (f) A contract entered into in violation of this section is void. A contract that is void
38 under this section may continue in effect until an alternative can be arranged when: (i)
39 immediate termination would result in harm to the public health or welfare, and (ii) the
40 continuation is approved as provided in this subsection. A hospital authority that is a party to
41 the contract may request approval to continue contracts under this subsection from the
42 chairman of the Local Government Commission. Approval of continuation of contracts under
43 this subsection shall be given for the minimum period necessary to protect the public health or
44 welfare."

45 **SECTION 72.(a)** G.S. 136-200.2(k) reads as rewritten:

46 "(k) All individuals with voting authority serving on an MPO who are members of the
47 Board of Transportation shall comply with Chapter 138A of the General Statutes and
48 ~~G.S. 143A-350~~ G.S. 143B-350 while serving on the MPO."

49 **SECTION 72.(b)** G.S. 136-211(k) reads as rewritten:

50 "(k) All individuals with voting authority serving on a rural transportation planning
51 organization who are members of the Board of Transportation shall comply with Chapter 138A

1 of the General Statutes and ~~G.S. 143A-350~~ G.S. 143B-350 while serving on the rural
2 transportation planning organization."

3 **SECTION 73.** G.S. 136-222 reads as rewritten:

4 "**§ 136-222. Commission established; appointment and terms of members;**
5 **~~chairman;cochairs; reports; commission funds; staff.~~**

6 (a) Commission established. – The Virginia-North Carolina High-Speed Rail Compact
7 Commission is hereby established as a regional instrumentality and a common agency of each
8 signatory party, empowered in a manner hereinafter to carry out the purposes of the Compact.

9 (b) Members, terms. – The Virginia members of the Commission shall be appointed as
10 follows: three members of the House of Delegates, appointed by the Speaker of the House of
11 Delegates, and two members of the Senate, appointed by the Senate Committee on Rules. The
12 North Carolina members of the Commission shall be composed of five members as follows:
13 two members of the Senate appointed by the General Assembly upon recommendation of the
14 President Pro Tempore of the Senate, two members of the House of Representatives appointed
15 by the General Assembly upon recommendation of the Speaker of the House of
16 Representatives, and one appointed by the Governor.

17 (c) ~~Chair. – The chair of the Commission shall be chosen by the members of the~~
18 ~~Commission from among its membership for a term of one year and shall alternate between the~~
19 ~~member states.~~ Cochairs. – A cochair to the Commission shall be chosen by the Virginia
20 members of the Commission from among its Virginia membership for a term of one year. A
21 cochair to the Commission shall be chosen by the North Carolina members of the Commission
22 from among its North Carolina membership for a term of one year.

23 (d) Meetings and reports. – The Commission shall meet at least twice each year, at least
24 once in Virginia and once in North Carolina, and shall issue a report of its activities each year.

25 (e) Funds. – The Commission may utilize, for its operation and expenses, funds
26 appropriated to it therefore by the legislatures of Virginia and North Carolina, or received from
27 federal sources.

28 (f) Expenses of Members. – Virginia members of the Commission shall receive
29 compensation and reimbursement for expenses in accordance with the applicable laws of that
30 state. North Carolina members of the Commission shall receive per diem, subsistence, and
31 travel allowances in accordance with G.S. 120-31, 138-5, or 138-6, as appropriate.

32 (g) Staff. – Primary staff to the Commission shall be provided by the Virginia
33 Department of Rail and Public Transportation and the North Carolina Department of
34 Transportation."

35 **SECTION 74.** G.S. 140-5.13(b) reads as rewritten:

36 "(b) The Board of Trustees of the North Carolina Museum of Art shall consist of 25
37 members, chosen as follows:

38 (1) The Governor shall appoint 13 members, one from each congressional
39 district in the State in accordance with ~~G.S. 147-12(3b);~~ G.S. 147-12(3b).

40 (2) Repealed by Session Laws 2012-120, s. 1(e), effective October 1, 2012.

41 (3) The North Carolina Museum of Art Foundation, Incorporated, shall elect
42 four ~~members;~~ members.

43 (4) The Board of Trustees of the North Carolina Museum of Art shall elect four
44 ~~members;~~ members.

45 (5) The General Assembly shall appoint four members, two upon the
46 recommendation of the Speaker of the House of Representatives, and two
47 upon the recommendation of the President Pro Tempore of the Senate in
48 accordance with ~~G.S. 120-121;~~ G.S. 120-121.

49 (6) Repealed by Session Laws 1981 (Regular Session, 1982), c. 1191, s. 49.

50 All regular appointments or elections except those by the General Assembly shall be for terms
51 of six years, except that each member shall serve until the member's successor is chosen and

1 qualifies. No person may be appointed or elected to more than two consecutive terms of six
2 years. All regular appointments by the General Assembly shall be for ~~the then current~~
3 ~~legislative term, and no appointee of the General Assembly may be appointed to more than two~~
4 ~~consecutive terms of two four years."~~

5 **SECTION 75.(a)** G.S. 143-136(c), as enacted by S.L. 2015-145, reads as rewritten:

6 "(c) Residential Code Committee Created; Duties. – Within the Building Code Council,
7 there is hereby created a Residential Code for One- and Two-Family Dwellings Committee
8 composed of seven members of the Building Code Council, specifically the licensed general
9 contractor specializing in residential construction who shall serve as chairman of this
10 committee; the licensed general contractor specializing in coastal residential construction; the
11 licensed engineer practicing structural engineering; the licensed plumbing and heating
12 contractor; the fire service representative; the municipal or county building inspector; and the
13 licensed electrical contractor. This committee shall meet upon the call of its chairman to review
14 any proposal for revision or amendment to the North Carolina State Building Code: Residential
15 Code for One- and Two-Family Dwellings, including provisions applicable to One- and
16 Two-Family Dwellings from the NC Energy Code, NC Electrical Code, NC Fuel Gas Code,
17 NC Plumbing Code, the NC Mechanical Code, and the NC Existing Building Code, and no
18 revision or amendment to any of these codes applicable to residential construction may be
19 considered by the Building Code Council unless recommended by this committee. This
20 committee shall also oversee the process by which the Council conducts its revision pursuant to
21 G.S. 143-138(d). ~~This committee shall also consider any appeal or interpretation arising under~~
22 ~~G.S. 143-141 pertaining to North Carolina State Building Code: Residential Code for One- and~~
23 ~~Two-Family Dwellings and make a recommendation to the Building Code Council for~~
24 ~~disposition of the appeal or interpretation.~~ In considering the recommendations of the
25 committee related to revisions and amendments of the Building Code, nothing in this
26 subsection shall prevent the Building Code Council from accepting, rejecting, or amending the
27 recommendation, provided that any amendment to the recommendation must be germane."

28 **SECTION 75.(b)** G.S. 143-136(d), as enacted by S.L. 2015-145, reads as
29 rewritten:

30 "(d) Building Code Committee Created; Duties. – Within the Building Code Council,
31 there is hereby created a Building Code Committee for all structures except those subject to the
32 North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings.
33 The committee shall be composed of the following nine members of the Building Code
34 Council:

- 35 (1) One of the licensed architects appointed by the chairman of the Building
36 Code Council.
- 37 (2) The licensed engineer practicing mechanical engineering.
- 38 (3) The licensed engineer practicing electrical engineering.
- 39 (4) The licensed engineer practicing structural engineering.
- 40 (5) The municipal elected official.
- 41 (6) The fire service representative.
- 42 (7) The municipal or county building inspector.
- 43 (8) The State agency engineer.
- 44 (9) The licensed general contractor.

45 The chairman of the Building Code Council shall call the first meeting of the Committee, at
46 which meeting the Committee shall elect a chairman from among the members of the
47 Committee as the first order of business. Thereafter, the Committee shall meet upon the call of
48 the chairman to review any proposal for revision or amendment to the North Carolina State
49 Building Code, including provisions applicable to the North Carolina Energy Code, the North
50 Carolina Electrical Code, the North Carolina Fuel Gas Code, the North Carolina Plumbing
51 Code, the North Carolina Mechanical Code, and the North Carolina Existing Building Code,

1 and no revision or amendment to any of these codes applicable to commercial or multi-family
2 construction may be considered by the Building Code Council unless recommended by this
3 committee. This committee shall also oversee the process by which the Council conducts its
4 revision of the codes applicable to commercial or multi-family construction pursuant to
5 G.S. 143-138(d). ~~This committee shall also consider any appeal or interpretation arising under~~
6 ~~G.S. 143-141 pertaining to codes applicable to commercial or multi-family construction and~~
7 ~~make a recommendation to the Building Code Council for disposition of the appeal or~~
8 ~~interpretation.~~ In considering the recommendations of the committee related to revisions and
9 amendments of the Building Code, nothing in this subsection shall prevent the Building Code
10 Council from accepting, rejecting, or amending the recommendation, provided that any
11 amendment to the recommendation must be germane."

12 **SECTION 75.(c)** This section becomes effective October 1, 2015.

13 **SECTION 76.** G.S. 143-166.13 reads as rewritten:

14 "**§ 143-166.13. Persons entitled to benefits under Article.**

15 (a) The following persons who are subject to the Criminal Justice Training and
16 Standards Act are entitled to benefits under this Article:

17 ...

18 (20) Sworn State Law-Enforcement Officers with the power of arrest, Industrial
19 Commission Fraud Investigators, Department of Commerce.

20"

21 **SECTION 77.** G.S. 143-548(d1) reads as rewritten:

22 "(d1) Terms of Appointment. –

23 (1) Length of Term. – Each member of the Council shall serve for a term of not
24 more than three years, except that:

25 a. A member appointed to fill a vacancy occurring prior to the
26 expiration of the term for which a predecessor was appointed shall be
27 appointed for the remainder of that ~~term;~~term.

28 b. The terms of service of the members initially appointed are as
29 specified by the appointing authority for a fewer number of years as
30 will provide for the expiration of terms on a staggered basis and shall
31 include the members of the existing Council to the extent possible
32 with appropriate adjustments to their ~~terms;~~terms.

33 c. The appointing authority shall have the power to remove any
34 member of the Council from office in accordance with the provisions
35 of ~~G.S. 143B-16; and~~G.S. 143B-16.

36 d. A member may continue to serve until a successor for the position is
37 ~~appointed;~~appointed.

38 (2) ~~Number of Terms. – No member of the Council other than the representative~~
39 ~~of the Client Assistance Program and the representative of the directors of~~
40 ~~projects carried out under section 121 of the Rehabilitation Act of 1973, 29~~
41 ~~U.S.C. § 741, as amended, may serve more than two consecutive full terms."~~

42 **SECTION 78.** G.S. 143B-168.12(a)(1) reads as rewritten:

43 "(1) The North Carolina Partnership shall have a Board of Directors consisting of
44 the following 26 members:

45 a. The Secretary of Health and Human Services, ex officio, or the
46 Secretary's ~~designee;~~designee.

47 b. Repealed by Session Laws 1997, c. 443, s. 11A.105.

48 c. The Superintendent of Public Instruction, ex officio, or the
49 Superintendent's ~~designee;~~designee.

50 d. The President of the Community Colleges System, ex officio, or the
51 President's ~~designee;~~designee.

- 1 e. Three members of the public, including one child care provider, one
2 other who is a parent, and one other who is a board chair of a local
3 partnership serving on the North Carolina Partnership local
4 partnership advisory committee, appointed by the General Assembly
5 upon recommendation of the President Pro Tempore of the
6 ~~Senate;~~Senate.
- 7 f. Three members of the public, including one who is a parent, one
8 other who is a representative of the faith community, and one other
9 who is a board chair or designee of the board chair of a local
10 partnership serving on the North Carolina Partnership local
11 partnership advisory committee, appointed by the General Assembly
12 upon recommendation of the Speaker of the House of
13 ~~Representatives;~~Representatives.
- 14 g. Twelve members, appointed by the Governor. Three of these 12
15 members shall be members of the party other than the Governor's
16 party, appointed by the Governor. Seven of these 12 members shall
17 be appointed as follows: one who is a child care provider, one other
18 who is a pediatrician, one other who is a health care provider, one
19 other who is a parent, one other who is a member of the business
20 community, one other who is a member representing a philanthropic
21 agency, and one other who is an early childhood ~~educator;~~educator.
- 22 h. Repealed by Session Laws 1998-212, s. 12.37B(a), effective October
23 30, 1998.
- 24 h1. The Chair of the North Carolina Partnership Board shall be appointed
25 by the ~~Governor;~~Governor.
- 26 i. Repealed by Session Laws 1998-212, s. 12.37B(a), effective October
27 30, 1998.
- 28 j. One member of the public appointed by the General Assembly upon
29 recommendation of the Majority Leader of the ~~Senate;~~Senate.
- 30 k. One member of the public appointed by the General Assembly upon
31 recommendation of the Majority Leader of the House of
32 ~~Representatives;~~Representatives.
- 33 l. One member of the public appointed by the General Assembly upon
34 recommendation of the Minority Leader of the ~~Senate;~~Senate.
- 35 m. One member of the public appointed by the General Assembly upon
36 recommendation of the Minority Leader of the House of
37 ~~Representatives;~~ and Representatives.
- 38 n. The Director of the More at Four Pre-Kindergarten Program, or the
39 Director's designee.

40 All members appointed to succeed the initial members and members
41 appointed thereafter shall be appointed for three-year terms. Members may
42 succeed themselves.

43 All appointed board members shall avoid conflicts of interests and the
44 appearance of impropriety. Should instances arise when a conflict may be
45 perceived, any individual who may benefit directly or indirectly from the
46 North Carolina Partnership's disbursement of funds shall abstain from
47 participating in any decision or deliberations by the North Carolina
48 Partnership regarding the disbursement of funds.

49 All ex officio members are voting members. Each ex officio member
50 may be represented by a designee. These designees shall be voting members.
51 No members of the General Assembly shall serve as members.

1 The North Carolina Partnership may establish a nominating committee
2 and, in making their recommendations of members to be appointed by the
3 General Assembly or by the Governor, the President Pro Tempore of the
4 Senate, the Speaker of the House of Representatives, the Majority Leader of
5 the Senate, the Majority Leader of the House of Representatives, the
6 Minority Leader of the Senate, the Minority Leader of the House of
7 Representatives, and the Governor shall consult with and consider the
8 recommendations of this nominating committee.

9 The North Carolina Partnership may establish a policy on members'
10 attendance, which policy shall include provisions for reporting absences of
11 at least three meetings immediately to the appropriate appointing authority.

12 Members who miss more than three consecutive meetings without
13 excuse or members who vacate their membership shall be replaced by the
14 appropriate appointing authority, and the replacing member shall serve either
15 until the General Assembly and the Governor can appoint a successor or
16 until the replaced member's term expires, whichever is earlier.

17 The North Carolina Partnership shall establish a policy on membership
18 of the local boards. No member of the General Assembly shall serve as a
19 member of a local board. Within these requirements for local board
20 membership, the North Carolina Partnership shall allow local partnerships
21 that are regional to have flexibility in the composition of their boards so that
22 all counties in the region have adequate representation.

23 All appointed local board members shall avoid conflicts of interests and
24 the appearance of impropriety. Should instances arise when a conflict may
25 be perceived, any individual who may benefit directly or indirectly from the
26 partnership's disbursement of funds shall abstain from participating in any
27 decision or deliberations by the partnership regarding the disbursement of
28 funds."

29 **SECTION 79.(a)** G.S. 143B-1100(b)(4) reads as rewritten:

30 "(4) Two public members provided by ~~subdivision~~ sub-subdivision (a)(1)d. of
31 this section shall be appointed by the General Assembly upon
32 recommendation of the Speaker of the House of Representatives and two
33 public members provided by ~~subdivision~~ sub-subdivision (a)(1)d. of this
34 section shall be appointed by the General Assembly upon recommendation
35 of the President Pro Tempore of the Senate."

36 **SECTION 79.(b)** G.S.143B-1100(c) reads as rewritten:

37 "(c) The initial members of the Commission shall be those appointed under subsection
38 (b) above, which appointments shall be made by March 1, 1977. The terms of the present
39 members of the Governor's Commission on Law and Order shall expire on February 28, 1977.
40 Effective March 1, 1977, the Governor shall appoint members, other than those serving by
41 virtue of their office, to serve staggered terms; seven shall be appointed for one-year terms,
42 seven for two-year terms, and seven for three-year terms. At the end of their respective terms of
43 office their successors shall be appointed for terms of three years and until their successors are
44 appointed and qualified. ~~The Commission members from the House and Senate~~ The public
45 members appointed pursuant to subdivision (4) of subsection (b) of this section shall serve
46 two-year terms effective March 1, of each odd-numbered year; ~~and they shall not be~~
47 ~~disqualified from Commission membership because of failure to seek or attain reelection to the~~
48 ~~General Assembly, but resignation or removal from office as a member of the General~~
49 ~~Assembly shall constitute resignation or removal from the Commission.~~ year. Any other
50 Commission member no longer serving in the office from which ~~he~~ the member qualified for
51 appointment shall be disqualified from ~~membership~~ serving on the Commission. Any

1 appointment to fill a vacancy on the Commission created by the resignation, dismissal, death,
2 disability, or disqualification of a member shall be for the balance of the unexpired term."

3 **SECTION 80.** Reserved.

4 **SECTION 81.(a)** If House Bill 373, 2015 Regular Session, becomes law, then
5 G.S. 163-278.8B, as enacted by Section 3(a) of that act, is rewritten to read:

6 "**§ 163-278.8B. Affiliated party committees.**

7 (a) Each political party caucus of the North Carolina House of Representatives and the
8 North Carolina Senate may establish one separate affiliated party committee to support the
9 election of candidates who would be eligible to be members of that caucus. No other affiliated
10 party committees shall be authorized pursuant to this section. The affiliated party committee is
11 deemed a political party for purposes of this Article.

12 (b) An affiliated party committee shall be established only by majority vote of the total
13 membership of the political party caucus. Attached to the organizational report filed in
14 accordance with G.S. 163-9, the affiliated party committee shall provide a report to the State
15 Board of Elections certifying that the political party caucus has organized and taken the
16 appropriate vote to establish an affiliated party committee. The report described in this
17 subsection shall be a public record within the meaning of Chapter 132 of the General Statutes.

18 (c) Each affiliated party committee shall:

19 (1) Adopt bylaws which shall be in compliance with the provisions of this
20 Article. At a minimum, the bylaws shall include designation of a treasurer.

21 (2) Conduct campaigns for candidates who would be eligible to be members of
22 that political party caucus of the North Carolina House of Representatives or
23 North Carolina Senate if elected or re-elected, or manage daily operations of
24 the affiliated party committee.

25 (3) Establish a bank account.

26 (4) Accept contributions and expend funds.

27 (d) Notwithstanding any other provision of law to the contrary, an affiliated party
28 committee shall be entitled to use the name, abbreviation, and symbol of its respective political
29 party.

30 (e) For purposes of this section, "political party" has the same meaning as defined in
31 G.S. 163-96."

32 **SECTION 81.(b)** If House Bill 373, 2015 Regular Session, becomes law, that act is
33 amended by adding a new bill section to read:

34 "**SECTION 3.(a1)** Article 22A of Chapter 163 of the General Statutes is amended
35 by adding a new section to read:

36 "**§ 163-278.8C. Council of State affiliated party committees.**

37 (a) Members of the Council of State affiliated with the same political party may
38 establish one separate Council of State affiliated party committee to support the election of
39 candidates who would be eligible to be nominees of that political party for Council of State
40 offices. No other Council of State affiliated party committees shall be authorized pursuant to
41 this section. The Council of State affiliated party committee is deemed a political party for
42 purposes of this Article.

43 (b) Each Council of State affiliated party committee shall:

44 (1) Adopt bylaws which shall be in compliance with the provisions of this
45 Article. At a minimum, the bylaws shall include designation of a treasurer.

46 (2) Conduct campaigns for candidates for Council of State who are members of
47 the leader's political party or manage daily operations of the Council of State
48 affiliated party committee.

49 (3) Establish a bank account.

50 (4) Accept contributions and expend funds.

1 (c) Notwithstanding any other provision of law to the contrary, a Council of State
2 affiliated party committee shall be entitled to use the name, abbreviation, and symbol of the
3 political party of its leader.

4 (d) A previously established Council of State affiliated party committee may continue
5 to be maintained in the event that no individual affiliated with that political party is elected to
6 serve on the Council of State in the general election. The Council of State affiliated party
7 committee shall be maintained by the most recently elected members of the Council of State
8 from that political party. Notwithstanding the definition of "leader" in subsection (e) of this
9 section, those members shall designate an individual from that group to serve as leader. When
10 an individual or individuals affiliated with that political party is next elected to the Council of
11 State, that individual or individuals shall assume control of the Council of State affiliated party
12 committee for that political party.

13 (e) For purposes of this section, the following definitions shall apply:

14 (1) "Leader." – The highest-ranking individual affiliated with the political party
15 of the Council of State affiliated party committee. For the purposes of this
16 subdivision, the highest-ranking office serving on the Council of State shall
17 be in the following order: Governor, Lieutenant Governor, and the offices as
18 set out in Article III, Section 7 of the North Carolina Constitution, as
19 follows: Secretary of State, State Auditor, State Treasurer, Superintendent of
20 Public Instruction, Attorney General, Commissioner of Agriculture,
21 Commissioner of Labor, and Commissioner of Insurance.

22 (2) "Political party." – As defined in G.S. 163-96."

23 **SECTION 81.(c)** If House Bill 373, 2015 Regular Session, becomes law, that act
24 is amended by adding a new bill section to read:

25 **"SECTION 3.(b1)** G.S. 163-278.6 is amended by adding a new subdivision to
26 read:

27 **"(1a)** The term "affiliated party committee" means a General Assembly affiliated
28 party committee as established by G.S. 163-278.8B or Council of State
29 affiliated party committee as established by 163-278.8C."

30 **SECTION 81.(d)** If House Bill 373, 2015 Regular Session, becomes law,
31 G.S. 163-278.6(15), as amended by that act, reads as rewritten:

32 **"(15)** The term "political party" means any political party organized or operating
33 in this State, whether or not that party is recognized under the provisions of
34 G.S. 163-96. A special definition of "political party organization" that
35 applies only in Part 1A of this Article is set forth in G.S. 163-278.38Z. An
36 affiliated party committee is deemed a political party for this Article as set
37 forth in ~~G.S. 163-278.8B~~, G.S. 163-278.8B and G.S. 163-278.8C."

38 **SECTION 81.(e)** If House Bill 373, 2015 Regular Session, becomes law, that act is
39 amended to add two new bill sections to read:

40 **"SECTION 3.(s)** G.S. 163-278.13B(a)(2) reads as rewritten:

41 **"(2)** "Limited contributee" means a member of or candidate for the Council of
42 State, a member of or candidate for the ~~General Assembly~~, Assembly, an
43 affiliated party committee, or a Council of State affiliated party committee."

44 **SECTION 3.(t)** If any provision of this section or its application is held invalid, the
45 invalidity does not affect other provisions or applications of this section that can be given effect
46 without the invalid provisions or application, and to this end the provisions of this section are
47 severable."

48 **SECTION 81.(f)** If House Bill 373, 2015 Regular Session, becomes law
49 G.S. 163-278.38Z, as amended by that act, reads as rewritten:

50 **"§ 163-278.38Z. Definitions.**

51 As used in this Part:

1 ...
2 (3) "Candidate campaign committee" means any political committee organized
3 by or under the direction of a ~~candidate-candidate~~, except for an affiliated
4 party committee as defined in G.S. 163-278.6(1a).

5 ..."

6 **SECTION 82.** Section 3 of S.L. 2014-15 reads as rewritten:

7 "**SECTION 3.** Section 2 of this act becomes effective July 1, 2015. The remainder of this
8 act is effective when it becomes law, and the annual identification requirement for local school
9 administrative units applies beginning with the 2015-2016 school year. Beginning in the
10 2016-2017 school year, and annually thereafter, the identification of military-connected
11 students for all local school administrative units shall be completed by January 31 of each
12 school year. Local school administrative units may begin the annual identification of
13 military-connected students using the Uniform Education Reporting System beginning with the
14 2014-2015 school year."

15 **SECTION 83.** Section 9 of S.L. 2014-49 reads as rewritten:

16 "**SECTION 9.** Section 4 of this act becomes effective July 29, 2013. The remainder of this
17 act is effective when it becomes law, and Sections ~~1 through 7~~ 1, 2, 3, 5, 6, and 7 apply to
18 grants awarded beginning with the 2014-2015 school year."

19 **SECTION 84.** S.L. 2015-13 is amended by adding a new section to read:

20 "**SECTION 3.1.** S.L. 1975-95 is repealed."

21 **SECTION 85.** Section 2 of S.L. 2015-32 reads as rewritten:

22 "**SECTION 2.** The Joint Legislative ~~Commission~~ Oversight Committee on Justice and
23 Public Safety may study the current State and federal law regarding the authority for State
24 agencies to schedule controlled substances without legislative action and the procedure for that
25 scheduling or rescheduling."

26 **SECTION 86.** Section 7 of S.L. 2015-186 reads as rewritten:

27 "**SECTION 7.** This act becomes effective December 1, 2015, and applies to ~~convictions~~
28 offenses committed on or after that date. Prosecutions for offenses committed before the
29 effective date of this act are not abated or affected by this act, and the statutes that would be
30 applicable but for this act remain applicable to those prosecutions."

31 **SECTION 86.3.** Section 8.37 of S.L. 2015-241 is amended by adding a new
32 subsection to read:

33 "(c) Of the funds appropriated to the Department of Public Instruction for the 2015-2016
34 fiscal year, the Department may use funds available in an amount no greater than five percent
35 (5%) of the amount reverted by the Department for the 2014-2015 fiscal year to implement the
36 DPI Flexibility Reduction for the 2015-2016 fiscal year."

37 **SECTION 86.5.(a)** Section 12A.5(b)(1) of S.L. 2015-241 reads as rewritten:

38 "(1) Beginning immediately upon receipt of the transferred funds, facilitate the
39 following:

40 a. ~~Establishment~~ Establishment, administration, and ongoing support of
41 the successor HIE Network described in subsection (a) of this
42 section. Not later than 30 days after receipt of the transferred funds
43 and notwithstanding any State laws pertaining to contracting
44 procedures or contract review and approval requirements, the State
45 CIO shall negotiate and enter into or amend a contract for services
46 with an effective date no later than 30 days from receipt of the
47 transferred funds. The contract for services shall include provisions
48 to accomplish all of the following:

49 1. The State's transition from the HIE Network established
50 under Article 29A of Chapter 90 of the General Statutes to

- 1 the successor HIE Network described in subsection (a) of this
 2 section.
- 3 2. Establishment, oversight, administration, and ongoing support
 4 for the successor HIE Network described in subsection (a) of
 5 this section.
- 6 3. Initial steps toward implementation of an HIE analytics data
 7 warehouse to be used solely for the purposes set forth in
 8 G.S. 90-414(a), as enacted by subsection (d) of this section.
- 9 b. Termination or assignment to the Authority by February 29, 2016, of
 10 any contracts pertaining to the HIE Network established under
 11 Article 29A of Chapter 90 of the General Statutes (i) between the
 12 State and the NC HIE and (ii) between the NC HIE and any third
 13 parties.
- 14 c. Pursuant to G.S. 143B-426.38A, as recodified by Section 7A.2(c) of
 15 this act, utilization of existing public-private partnerships and
 16 existing data and analytics contracts to do all of the following:
- 17 1. Ensure the provision of services necessary to accomplish the
 18 State's transition from the HIE Network established under
 19 Article 29A of Chapter 90 of the General Statutes to the
 20 successor HIE Network described in subsection (a) of this
 21 section.
- 22 2. Provide for the integration of health information exchange
 23 clinical data, including the implementation of a health
 24 information exchange analytics data warehouse, to be used
 25 solely for the purposes set forth in G.S. 90-414(a), as enacted
 26 by subsection (d) of this section.
- 27 3. Provide health information exchange stakeholders with access
 28 to specific health information exchange analytics in a manner
 29 that allows stakeholders to leverage historical and
 30 prescriptive data for the purpose of reducing healthcare costs
 31 and improving quality and access to care."

32 **SECTION 86.5.(b)** G.S. 90-414.3(9), as enacted by Section 12A.5(d) of S.L.
 33 2015-241, reads as rewritten:

34 "(9) HIPAA. – ~~The Sections 261 through 264 of the federal Health Insurance~~
 35 ~~Portability and Accountability Act of 1996, P.L. 104-191, as amended, and~~
 36 ~~any federal regulations adopted to implement these sections, as amended."~~

37 **SECTION 86.5.(c)** G.S. 90-414.9, as enacted by Section 12A.5(d) of S.L.
 38 2015-241, reads as rewritten:

39 "**§ 90-414.9. Participation by covered entities.**

40 (a) Each covered entity that ~~elects to participate~~participates in the HIE Network shall
 41 enter into a HIPAA compliant business associate agreement described in G.S. 90-414.5(b)(8)
 42 and a written participation agreement described in G.S. 90-414.5(b)(6) with the Authority or
 43 qualified organization prior to submitting data through or in the HIE Network.

44 (b) Each covered entity that ~~elects to participate~~participates in the HIE Network may
 45 authorize its business associates on behalf of the covered entity to submit data through, or
 46 access data stored in, the HIE Network in accordance with this Article and at the discretion of
 47 the Authority, as provided in G.S. 90-414.5(b)(8).

48 (c) Notwithstanding any State law or regulation to the contrary, each covered entity that
 49 ~~elects to participate~~participates in the HIE Network may disclose an individual's protected
 50 health information through the HIE Network to other covered entities for any purpose
 51 permitted by HIPAA, unless the individual has exercised the right to opt out."

1 **SECTION 86.5.(d)** Section 12A.5 of S.L. 2015-241 is amended by adding a new
2 subsection to read:

3 "SECTION 12A.5.(f1) Notwithstanding any provision of this section, covered entities that
4 are required to submit demographic and clinical information through the successor HIE
5 Network described in subsection (a) of this section pursuant to G.S. 90-414.4(b), as enacted by
6 subsection (d) of this section, shall not be required to submit such demographic and clinical
7 information through the successor HIE Network until (i) the State CIO certifies that the HIE
8 Network connection is operational and (ii) the Authority establishes a date for covered entities
9 to begin submitting demographic and clinical information through the operational connection to
10 the HIE Network or by other secure electronic means, as provided in G.S. 90-414.4(b), as
11 enacted by subsection (d) of this section."

12 **SECTION 86.5.(e)** Section 12A.5(g) of S.L. 2015-241 reads as rewritten:

13 "SECTION 12A.5.(g) Subsections Except as provided in subsection (f1) of this section,
14 subsections (d) and (e) of this section become effective October 1, 2015. Subsection (f) of this
15 section becomes effective on the date the State Chief Information Officer notifies the Revisor
16 of Statutes that all contracts pertaining to the HIE Network established under Article 29A of
17 Chapter 90 of the General Statutes (i) between the State and the NC HIE, as defined in
18 G.S. 90-413.3, and (ii) between the NC HIE and any third parties have been terminated or
19 assigned to the North Carolina Health Information Exchange Authority established under
20 Article 29B of Chapter 90 of the General Statutes, as enacted by subsection (d) of this section.
21 The remainder of this section becomes effective July 1, 2015."

22 **SECTION 87.(a)** Section 12F.17 of S.L. 2015-241 is repealed.

23 **SECTION 87.(b)** G.S. 168-2, as reenacted by Section 87(a) of this act, reads as
24 rewritten:

25 **"§ 168-2. Right of access to and use of public places.**

26 Persons with disabilities have the same right as persons without disabilities to the full and
27 free use of the streets, highways, sidewalks, walkways, public buildings, public facilities, and
28 all other buildings and facilities, both publicly and privately owned, which serve the public.
29 ~~The Department of Health and Human Services shall develop, print, and promote the~~
30 ~~publication ACCESS NORTH CAROLINA. It shall make copies of the publication available to~~
31 ~~the Department of Commerce for its use in Welcome Centers and other appropriate Department~~
32 ~~of Commerce offices. The Department of Commerce shall promote ACCESS NORTH~~
33 ~~CAROLINA in its publications (including providing a toll-free telephone line and an address~~
34 ~~for requesting copies of the publication) and provide technical assistance to the Department of~~
35 ~~Health and Human Services on travel attractions to be included in ACCESS NORTH~~
36 ~~CAROLINA. The Department of Commerce shall forward all requests for mailing ACCESS~~
37 ~~NORTH CAROLINA to the Department of Health and Human Services."~~

38 **SECTION 88.** Section 12H.23(a) of S.L. 2015-241 reads as rewritten:

39 "SECTION 12H.23.(a) The Department of Health and Human Services shall submit a
40 State Plan amendment to modify Section 4.19-A of the Medicaid State Plan, such that, effective
41 January 1, 2016, no Medicaid provider may receive reimbursement for Graduate Medical
42 Education (GME) ~~in addition as an add-on~~ to their DRG Unit Value (Base) rate under the DRG
43 payment rate methodology as defined in the current Medicaid State Plan. GME costs will
44 continue to be an allowable Medicaid cost to be recorded on the hospital's Medicaid cost report
45 in accordance with Medicare cost reporting requirements. GME costs will continue to be
46 allowable in the calculation of supplemental payments made as part of cost settlements,
47 Medicaid Reimbursement Initiative (MRI) and Upper Payment Limit (UPL) models as defined
48 in the State Plan and allowed by the Centers for Medicare and Medicaid Services (CMS). This
49 section shall not be construed to require the Department to submit any State Plan amendment to
50 CMS that increases State funding requirements or that would impair achievement of the
51 savings required by the "Hospital Inpatient Base Rates – GME" item in the Joint Conference

1 Committee Report on the Base, Expansion, and Capital Budgets in the amount of twelve
2 million seven hundred forty-eight thousand seven hundred ninety-five dollars (\$12,748,795) in
3 fiscal year 2015-2016 and the amount thirty-one million one hundred twenty-seven thousand
4 two hundred four dollars (\$31,127,204) in fiscal year 2016-2017."

5 **SECTION 89.** S.L. 2015-241 is amended by adding a new section to read:

6 **"AMEND COST SETTLEMENT OF LOCAL HEALTH DEPARTMENTS**

7 **SECTION 12H.30.** The Department of Health and Human Services shall submit a
8 Medicaid State Plan amendment request to the Centers for Medicare and Medicaid Services
9 (CMS) to amend the annual cost settlement methodology for local health departments required
10 by Article 2 of Chapter 130A of the General Statutes. The State Plan amendment shall provide
11 a methodology that maximizes identification of allowable Medicaid costs in order to assure that
12 North Carolina is receiving the maximum federal reimbursement for local health departments'
13 treatment of Medicaid-eligible patients consistent with Medicare reimbursement principles.
14 The State Plan amendment required by this section shall be submitted by February 15, 2016
15 and shall apply to cost reports with a fiscal year beginning July 1, 2016 and thereafter. This
16 section shall not be construed to require the Department to submit to CMS a State Plan
17 amendment that increases State funding requirements."

18 **SECTION 89.5.(a)** G.S. 143B-135.188, as recodified and amended by subsection
19 14.30(n) of S.L. 2015-241, is rewritten to read:

20 **"§ 143B-135.188. North Carolina Aquariums; fees; fund.**

21 ...

22 (b) Fund. – The North Carolina Aquariums Fund is hereby created as a special and
23 nonreverting fund. The North Carolina Aquariums Fund shall be used for the following:

- 24 (1) Repair, renovation, expansion, maintenance, and educational exhibit
25 construction at existing aquariums.
- 26 (2) Payment of the debt service and lease payments related to the financing of
27 expansions of aquariums.
- 28 (3) Matching of private funds that are raised for these purposes.

29 (c) Disposition of Fees. – All ~~entrance-fee~~ receipts shall be credited to the ~~aquariums'~~
30 ~~General Fund operating budget. At the end of each fiscal year, the Secretary may transfer from~~
31 ~~the North Carolina aquariums' General Fund operating budget to the North Carolina Aquariums~~
32 ~~Fund an amount not to exceed the sum of the following:~~

33 ~~(1) One million dollars (\$1,000,000).~~

34 ~~(2) The amount needed to cover the expenses described by subdivision (2) of subsection~~
35 ~~(b) this section. Fund. Receipts so credited that are necessary to support the personnel and~~
36 ~~operational expenses of the aquariums shall be transferred to the aquariums' General Fund~~
37 ~~operating budget on a monthly basis.~~

38 (d) Approval. – ~~The Secretary may approve the use of the North Carolina Aquariums~~
39 ~~Fund for repair and renovation projects at the aquariums-related facilities that comply with the~~
40 ~~following:~~

41 ~~(1) The total project cost is less than three hundred thousand dollars (\$300,000).~~

42 ~~(2) The project meets the requirements of G.S. 143C-4-3(b).~~

43"

44 **SECTION 89.5.(b)** G.S. 143B-135.209, as recodified and amended by subsection
45 14.30(p) of S.L. 2015-241, is rewritten to read:

46 **"§ 143B-135.209. North Carolina Zoo Fund.**

47 (a) Fund. – The North Carolina Zoo Fund is created as a special fund. The North
48 Carolina Zoo Fund shall be used for the following types of projects at the North Carolina
49 Zoological Park and to match private funds raised for these types of projects:

- 50 (1) Repair, renovation, expansion, maintenance, and educational exhibit
51 construction.

- 1 (2) Renovations of exhibits in habitat clusters, visitor services facilities, and
 2 support facilities (including greenhouses and temporary animal holding
 3 areas).
 4 (3) The acquisition, maintenance, or replacement of tram equipment as required
 5 to maintain adequate service to the public.

6 (b) Disposition of Fees. – All fee receipts shall be credited to the North Carolina
 7 Zoological Park's General Fund operating budget. ~~At the end of each fiscal year, the Secretary~~
 8 ~~may transfer from the North Carolina Zoological Park's General Fund operating budget to the~~
 9 ~~North Carolina Zoo Fund an amount not to exceed one million dollars (\$1,000,000). All~~
 10 ~~unbudgeted receipts at the end of each fiscal year shall be deposited into the North Carolina~~
 11 ~~Zoo Fund.~~

12 (c) ~~Approval. The Secretary may approve the use of the North Carolina Zoo Fund for~~
 13 ~~repair and renovation projects at the North Carolina Zoological Park recommended by the~~
 14 ~~Council that comply with the following:~~

- 15 (1) ~~The total project cost is less than three hundred thousand dollars (\$300,000).~~
 16 (2) ~~The project meets the requirements of G.S. 143C-4-3(b).~~

17"

18 **SECTION 90.** Section 15.13B.(b) of S.L. 2015-241 reads as rewritten:

19 "**SECTION 15.13B.(b)** This section becomes effective October 1, ~~2015~~2016."

20 **SECTION 90.5.** Section 32.14A of S.L. 2015-241 is rewritten to read:

21 "**SECTION 32.14A.(a)** The Revenue Laws Study Committee is directed to study
 22 the calculation of the sales factor under G.S. 105-130.4(l) using market-based sourcing. To help
 23 the Committee determine the effect of market-based sourcing on State revenues and corporate
 24 taxpayers, each corporate taxpayer that satisfies the following requirements with respect to the
 25 taxable year beginning in 2014 is required to file an informational report with the Department
 26 of Revenue as provided in this section:

- 27 (1) The taxpayer had apportionable income greater than ten million dollars
 28 (\$10,000,000).
 29 (2) The taxpayer had a North Carolina apportionment percentage less than one
 30 hundred percent (100%).
 31 (3) The taxpayer was subject to apportionment of income based in whole or in
 32 part on the sales factor as determined under G.S. 105-130.4(l).

33 **SECTION 32.14A.(b)** On or before February 1, 2016, the Department of Revenue
 34 must publish guidelines for computing the sales factor based on market-based sourcing. The
 35 guidelines required by this subsection are not subject to the provisions of Chapter 150B of the
 36 General Statutes with respect to rulemaking. The guidelines published by the Department of
 37 Revenue must be based on the following:

- 38 (1) Market-based sourcing of receipts based on the following principles:
 39 a. In the case of sale, rental, lease, or license of real property, if and to
 40 the extent the property is located in this State.
 41 b. In the case of rental, lease, or license of tangible personal property, if
 42 and to the extent the property is located in this State.
 43 c. In the case of sale of a service, if and to the extent the service is
 44 delivered to a location in this State.
 45 d. In the case of intangible property that is rented, leased, or licensed, if
 46 and to the extent the property is used in this State. Intangible
 47 property utilized in marketing a good or service to a consumer is
 48 "used in this State" if that good or service is purchased by a
 49 consumer who is in this State.
 50 e. In the case of intangible property that is sold, if and to the extent the
 51 property is used in this State. A contract right, government license, or

1 similar intangible property that authorizes the holder to conduct a
2 business activity in a specific geographic area is "used in this State"
3 if the geographic area includes all or part of this State. Receipts from
4 intangible property sales that are contingent on the productivity, use,
5 or disposition of the intangible property shall be treated as receipts
6 from the rental, lease, or licensing of the intangible property as
7 provided under subdivision (4) of this subsection. All other receipts
8 from a sale of intangible property shall be excluded from the
9 numerator and denominator of the sales factor.

10 (2) The most recent model regulations with respect to market-based sourcing
11 drafted by the UDITPA Section 17 Work Group convened by the Multistate
12 Tax Commission.

13 (3) Any other model apportionment regulations and model statutes with respect
14 to the allocation and apportionment of income consistent with those adopted
15 by the Multistate Tax Commission and that are not inconsistent with the
16 principles outlined in subdivision (1) of this subsection.

17 **SECTION 32.14A.(c)** The guidelines required by subsection (b) of this section
18 apply to the informational report required by this section only. These guidelines may not be
19 used by the Department of Revenue for any other purpose without further legislative
20 authorization and compliance with the provisions of Chapter 150B of the General Statute with
21 respect to rulemaking.

22 **SECTION 32.14A.(d)** The informational report must be in a form required by the
23 Secretary of Revenue and contain the following information:

24 (1) The apportionment percentage and sales factor used with respect to the
25 corporation's 2014 North Carolina corporate tax return.

26 (2) The apportionment percentage and sales factor as calculated under
27 subsection (b) of this section with respect to the corporation's 2014 taxable
28 year.

29 (3) The primary economic sector under NAICS in which the corporation has
30 business activities. The term "NAICS" has the same meaning as defined in
31 G.S. 105-228.90.

32 (4) Any other information prescribed by the Secretary.

33 **SECTION 32.14A.(e)** The informational report is due by April 15, 2016. A
34 taxpayer may not request an extension of time to file the informational report. The Secretary
35 shall assess a civil penalty of five thousand dollars (\$5,000) for failure to timely file an
36 informational report required under this section. The Secretary may reduce or waive the penalty
37 as provided in G.S. 105-237.

38 **SECTION 32.14A.(f)** This section is effective when it becomes law."

39 **SECTION 91.(a)** If House Bill 117, 2015 Regular Session, becomes law, Section
40 1(j) of that act reads as rewritten:

41 "**SECTION 1.(j)** Subsections (d) and (h) of this section are effective when this act
42 becomes law. The remainder of this section becomes effective ~~July 1, October 1,~~ 2015, and
43 applies to awards made under Part 2G of Article 10 of Chapter 143B of the General Statutes on
44 or after that date."

45 **SECTION 91.(b)** This section is effective when it becomes law.

46 **SECTION 91.2.** If Senate Bill 279, 2015 Regular Session, becomes law the
47 provisions contained in Sections 6, 7(a), 7(b), 7(c), 8(a) and 8(b) of that act apply except as
48 otherwise provided by Federal law or by more specific state law."

49 **SECTION 91.3.** If House Bill 540, 2015 Regular Session, becomes law, it is
50 amended by deleting the name "William Franklin "Billy" Graham, Jr." and substituting in its

1 place throughout the bill with the name "William Franklin Graham, II", and, where that name
2 appeared at the end of a sentence, by inserting a period as needed.

3 **SECTION 91.4.** Notwithstanding any other provision of law, the pilot program
4 established by the Department of Health and Human Services, Division of Health Service
5 Regulation, to study the use of electronic supervision devices as an alternative means of
6 supervision during sleep hours at facilities for children and adolescents who have a primary
7 diagnosis of mental illness and/or emotional disturbance shall remain in effect and shall extend
8 to facilities that are authorized to provide services in accordance with Section .1700 of the
9 North Carolina Administrative Code, Residential Treatment Staff Secure for Children or
10 Adolescents, currently owned or operated with the facility currently authorized to waive the
11 requirement set forth in 10A NCAC 27G .1704(c) or any related or subsequent rule or
12 regulation by the Commission for Mental Health, Developmental Disabilities, and Substance
13 Abuse Services setting minimum overnight staffing requirements. The waiver for these
14 facilities shall remain in effect; however, the Division reserves the right to rescind the waiver
15 if, at the time of the facility's license renewal, there are outstanding deficiencies that have
16 remained uncorrected upon follow-up surveys that are related to electronic supervision."

17 **SECTION 91.5.(a)** Students enrolled in the Halifax County Schools shall be
18 permitted to participate in the residential science, mathematics, engineering, and technology
19 (STEM) enrichment program for traditionally underserved students supported by the sum of
20 one hundred eighty thousand dollars (\$180,000) in nonrecurring funds appropriated to the State
21 Board of Education for each fiscal year of the 2015-2017 fiscal biennium by S.L. 2015-241.

22 **SECTION 91.5.(b)** This section is effective July 1, 2015.

23 **SECTION 91.7.** If any provision of this act or its application is held invalid, the
24 invalidity does not affect other provisions or applications of this act that can be given effect
25 without the invalid provisions or application, and to this end the provisions of this act are
26 severable.

27 **PART III. EFFECTIVE DATE**

28 **SECTION 92.** Except as otherwise provided, this act is effective when it becomes
29 law.
30