



NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
House Bill 487\*

ADOPTED

H487-ABC-21 [v.2]

AMENDMENT NO. A  
(to be filled in by  
Principal Clerk)

Page 1 of 5

Amends Title [YES]  
Second Edition

Date June 1, 2017

Senator Brown

1 moves to amend the bill on page 1, line 5 by rewriting the line to read:  
2 "INCURRED AN INJURY DURING THE PERFORMANCE OF STATE ACTIVE DUTY;  
3 TO ADD ADDITIONAL PROTECTIONS FOR ACTIVE AND RESERVE NATIONAL  
4 GUARD MEMBERS UPON EARLY TERMINATION OF A RENTAL AGREEMENT; AND  
5 TO REQUIRE THE OFFICE OF THE SECRETARY OF STATE TO ANNUALLY  
6 COMPILE INFORMATION ABOUT THE NUMBER OF VETERAN-OWNED SMALL  
7 BUSINESSES AND SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESSES  
8 AND TO PROVIDE THIS INFORMATION TO THE DEPARTMENT OF MILITARY AND  
9 VETERANS AFFAIRS."; and

10 moves to amend the bill on page 2, lines 37-38, by rewriting the lines to read:

11 "SECTION 2. G.S. 42-45 reads as rewritten:

12 "**§ 42-45. Early termination of rental agreement by military personnel, surviving family**  
13 **members, or lawful representative.**

14 (a) Any member of the Armed Forces of the United States~~States~~, the Active Guard and  
15 Reserve under section 101 of Title 10 of the United States Code, or a military technician under  
16 section 10216 of Title 10 of the United States Code who (i) is required to move pursuant to  
17 permanent change of station orders to depart 50 miles or more from the location of the dwelling  
18 unit, or (ii) is prematurely or involuntarily discharged or released from active duty with the  
19 Armed Forces of the United States, may terminate the member's rental agreement for a  
20 dwelling unit by providing the landlord with a written notice of termination to be effective on a  
21 date stated in the notice that is at least 30 days after the landlord's receipt of the notice. The  
22 notice to the landlord must be accompanied by either a copy of the official military orders or a  
23 written verification signed by the member's commanding officer.

24 (a1) Any member of the Armed Forces of the United States~~States~~, the Active Guard and  
25 Reserve under section 101 of Title 10 of the United States Code, or a military technician under  
26 section 10216 of Title 10 of the United States Code who is deployed with a military unit for a  
27 period of not less than 90 days may terminate the member's rental agreement for a dwelling unit  
28 by providing the landlord with a written notice of termination. The notice to the landlord must  
29 be accompanied by either a copy of the official military orders or a written verification signed  
30 by the member's commanding officer. Termination of a lease pursuant to this subsection is  
31 effective 30 days after the first date on which the next rental payment is due or 45 days after the



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1 landlord's receipt of the notice, whichever is shorter, and payable after the date on which the  
2 notice of termination is delivered.

3 (a2) Upon termination of a rental agreement under this section, the tenant is liable for the  
4 rent due under the rental agreement prorated to the effective date of the termination payable at  
5 such time as would have otherwise been required by the terms of the rental agreement. The  
6 tenant is not liable for any other rent or damages due to the early termination of the tenancy  
7 except the liquidated damages provided in subsection (b) of this section. If a member  
8 terminates the rental agreement pursuant to this section 14 or more days prior to occupancy, no  
9 damages or penalties of any kind shall be due.

10 (a3) If a member of the ~~Armed Forces of the United States~~ States, the Active Guard and  
11 Reserve under section 101 of Title 10 of the United States Code, or a military technician under  
12 section 10216 of Title 10 of the United States Code dies while on active duty, then an  
13 immediate family member, or a lawful representative of the member's estate, may terminate the  
14 member's rental agreement for a dwelling unit by providing the landlord with a written notice  
15 of termination to be effective on the date described in subsection (a1) of this section. A copy of  
16 the death certificate, official military personnel casualty report, or letter from the commanding  
17 officer verifying the member's death must accompany the notice for this subsection to be  
18 effective. Termination of the member's lease obligations under this subsection shall also  
19 terminate the lease obligations of any cotenants who are immediate family members. If the  
20 member was a cotenant with a person who is not an immediate family member, then the  
21 termination shall relate only to the obligation of the member under the rental agreement. The  
22 prorated charges in subsection (a2) of this section and the liquidated damages provisions of  
23 subsection (b) of this section shall apply to any claims against the member's estate.

24 (b) In consideration of early termination of the rental agreement, the tenant is liable to  
25 the landlord for liquidated damages provided the tenant has completed less than nine months of  
26 the tenancy and the landlord has suffered actual damages due to loss of the tenancy. The  
27 liquidated damages shall be in an amount no greater than one month's rent if the tenant has  
28 completed less than six months of the tenancy as of the effective date of termination, or  
29 one-half of one month's rent if the tenant has completed at least six but less than nine months of  
30 the tenancy as of the effective date of termination.

31 (c) The provisions of this section may not be waived or modified by the agreement of  
32 the parties under any circumstances. Nothing in this section shall affect the rights established  
33 by G.S. 42-3."

34 **SECTION 3.** G.S. 55-1-40 reads as rewritten:

35 "**§ 55-1-40. Chapter definitions.**

36 In this Chapter unless otherwise specifically provided:

37 ...

38 (20a) "Service-disabled veteran" means a veteran with a disability that was  
39 incurred or aggravated during the veteran's service in the Armed Forces of  
40 the United States.

41 (20b) "Service-disabled veteran-owned small business" means a business that  
42 satisfies both of the following requirements:

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- 1           a.     The business's net annual receipts do not exceed one million dollars  
2                     (\$1,000,000).  
3           b.     One or more service-disabled veterans own more than fifty percent  
4                     (50%) of the business.

5 ...

6           (25a) "Veteran" means an individual entitled to any benefits or rights under the  
7                     laws of the United States by reason of service in the armed Forces of the  
8                     United States.

9           (25b) "Veteran-owned small business" means a business that satisfies both of the  
10                    following requirements:

- 11           a.     The business's net annual receipts do not exceed one million dollars  
12                     (\$1,000,000).  
13           b.     One or more veterans own more than fifty percent (50%) of the  
14                     business.

15 ...."

16           **SECTION 4.** G.S. 55-16-22 is amended by adding a new subsection to read:

17           "(a4) The Secretary of Revenue and the Secretary of State shall also provide appropriate  
18           space and instructions on the annual report form for a domestic corporation or foreign  
19           corporation to voluntarily indicate whether or not the corporation is a veteran-owned small  
20           business or a service-disabled veteran-owned small business."

21           **SECTION 5.** Part 2 of Article 16 of Chapter 55 of the General Statutes is amended  
22 by adding a new section to read:

23           "§55-16-22.2. Report of veteran-owned small businesses and service-disabled  
24           veteran-owned small businesses.

25           Using the information reported pursuant to G.S. 55-16-22(a4), the Secretary of State shall  
26           compile summary information on an aggregate basis about the number of veteran-owned small  
27           businesses and the number of service-disabled veteran-owned small businesses reporting in this  
28           State. The Secretary of State shall annually report this summary information to the Department  
29           of Military and Veterans Affairs by March 1 of each year."

30           **SECTION 6.** G.S. 55-1-40 reads as rewritten:

31           **"§ 57D-1-03. Definitions.**

32           In this Chapter unless otherwise specifically provided:

33 ...

34           (32a) Service-disabled veteran. – A veteran with a disability that was incurred or  
35                    aggravated during the veteran's service in the Armed Forces of the United  
36                    States.

37           (33b) Service-disabled veteran-owned small business. – A business that satisfies  
38                    both of the following requirements:

- 39           a.     The business's net annual receipts do not exceed one million dollars  
40                     (\$1,000,000).  
41           b.     One or more service-disabled veterans own more than fifty percent  
42                     (50%) of the business.

43 ...

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(35) Veteran. – An individual entitled to any benefits or rights under the laws of the United States by reason of service in the armed Forces of the United States.

(36) Veteran-owned small business. – A business that satisfies both of the following requirements:

a. The business's net annual receipts do not exceed one million dollars (\$1,000,000).

b. One or more veterans own more than fifty percent (50%) of the business."

**SECTION 7.** G.S. 57D-2-24 is amended by adding a new subsection to read:

"(a1) The Secretary of State shall also provide appropriate space and instructions on the annual report form for a limited liability company to voluntarily indicate whether or not it is a veteran-owned small business or a service-disabled veteran-owned small business."

**SECTION 8.** Part 2 of Article 2 of Chapter 57D of the General Statutes is amended by adding a new section to read:

**"§ 57D-2-25. Report of veteran-owned small businesses and service-disabled veteran-owned small businesses.**

Using the information reported pursuant to G.S. 55-16-22(a4), the Secretary of State shall compile summary information on an aggregate basis about the number of veteran-owned small businesses and the number of service-disabled veteran-owned small businesses reporting in this State. The Secretary of State shall annually report this summary information to the Department of Military and Veterans Affairs by March 1 of each year."

**SECTION 9.** G.S. 59-84.4 is amended by adding a new subsection to read:

"(a1) The Secretary of State shall also provide appropriate space and instructions on the annual report form for a registered limited liability partnership or foreign limited liability partnership to voluntarily indicate whether or not it is a veteran-owned small business or a service-disabled veteran-owned small business."

**SECTION 10.** G.S. 59-32 reads as rewritten:

**"§ 59-32. Definition of terms.**

As used in this Chapter, except as otherwise defined in Article 5 of this Chapter for purposes of that Article, unless the context otherwise requires:

...

(8) "Service-disabled veteran" means a veteran with a disability that was incurred or aggravated during the veteran's service in the Armed Forces of the United States.

(9) "Service-disabled veteran-owned small business" means a business that satisfies both of the following requirements:

a. The business's net annual receipts do not exceed one million dollars (\$1,000,000).

b. One or more service-disabled veterans own more than fifty percent (50%) of the business.

...

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(10) "Veteran" means an individual entitled to any benefits or rights under the laws of the United States by reason of service in the Armed Forces of the United States.

(11) "Veteran-owned small business" means a business that satisfies both of the following requirements:

a. The business's net annual receipts do not exceed one million dollars (\$1,000,000).

b. One or more veterans own more than fifty percent (50%) of the business."

SECTION 11. Article 3B of Chapter 59 of the General Statutes is amended by adding a new section to read:

**§ 59-84.5. Report of veteran-owned small businesses and service-disabled veteran-owned small businesses.**

Using the information reported pursuant to G.S. 55-16-22(a4), the Secretary of State shall compile summary information on an aggregate basis about the number of veteran-owned small businesses and the number of service-disabled veteran-owned small businesses reporting in this State. The Secretary of State shall annually report this summary information to the Department of Military and Veterans Affairs by March 1 of each year."

SECTION 12. In the instructions of the annual report forms, the Office of the Secretary of State and the Department of Revenue may include an explanation that status as a veteran-owned small business or service-disabled veteran-owned small business is being requested to assist the State in documenting the importance and impact of the State's military population in our communities and on our State and local economies. The Office of the Secretary of State shall submit the first annual report required by G.S. 55-16-22.2, 57D-2-25, and 59-84.5 to the Department of Military and Veterans Affairs no later than March 1, 2019."

SECTION 13. Sections 1 and 2 of this act are effective when it becomes law. Section 1 applies to state duty, as defined in this act, commencing on or after that date. Section 2 applies to lease agreements entered into or renewed on or after that date. The remainder of this act becomes effective January 1, 2018, and applies to annual reports filed by business entities on or after that date."

**ADOPTED**

SIGNED \_\_\_\_\_

Amendment Sponsor

SIGNED \_\_\_\_\_

Committee Chair if Senate Committee Amendment

ADOPTED 45-0

FAILED \_\_\_\_\_

TABLED \_\_\_\_\_

*Sarah Lang  
June 1, 2017*

