# GENERAL ASSEMBLY OF NORTH CAROLINA **SESSION 2017**

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# **HOUSE BILL 142** PROPOSED COMMITTEE SUBSTITUTE H142-PCS30105-SB-3

Short Title: Increase Oversight of OLBs.	(Public)
Sponsors:	
Referred to:	
February 22, 2017	
A BILL TO BE ENTITLED AN ACT TO INCREASE OVERSIGHT OF OCCUPATIONAL LICENSING I The General Assembly of North Carolina enacts: SECTION 1. G.S. 93B-1 reads as rewritten: "§ 93B-1. Definitions.Definitions; List of occupational licensing boards.	BOARDS.
(a) As used in this Chapter: Chapter, the following definitions apply:	
(1) "License" means any license (other than a privilege license license, other than a privilege license, certificate, or qualification which an individual is required to obtain beforengage in or represent himself or herself to be a member profession or occupation.	other evidence of ore he <u>or she</u> may
(2) "Occupational licensing board" means anyOccupational licensing board, committee, commission, or other agency in North receives no General Fund revenue and is established for the regulating the entry of persons into, and/or the conduct of particular profession or occupation, and which is authorize "occupational licensing board" does not include State age full time State employees, which as a part of their regular for licenses. given statutory authority to do all of the following:  a. Determine minimum qualifications required for particular profession or occupation.  b. Issue licenses to qualified applicants.  c. Regulate the conduct of licensees within a particular occupation.  d. Seek injunctive relief to prohibit unlicensed individue.	th Carolina which primary purpose of f persons within, a d to issue licenses; gencies, staffed by unctions may issue licensure for a gular profession or
engaging in certain activities as defined by statute.	ais of endues from
e. Collect fees to support agency operations.	
(b) Occupational licensing boards include only those boards specifical	
subsection. No additional boards or commissions shall be added to this list w	
been approved by the Joint Legislative Administrative Procedure Oversight	

- General Assembly as being necessary in that the profession subject to licensure affects the health, safety, or welfare of the public and that mandatory licensure is necessary to ensure minimum standards of competency so as to protect the public from unqualified persons or unprofessional conduct by persons or entities practicing in the profession. Occupational licensing boards shall
- include only the following:

(1) Acupuncture Licensing Board.



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	<u>(2)</u>	Alarm Systems Licensing Board.	
	<u>(3)</u>	Board of Examiners for Speech and Language Pathologists and	Audiologists.
	<u>(4)</u>	Midwifery Joint Subcommittee.	<u></u> _
	<u>(5)</u>	North Carolina Appraisal Board.	
	<u>(6)</u>	North Carolina Auctioneers Commission.	
	<u>(7)</u>	North Carolina Board for Licensing of Geologists.	
	<u>(8)</u>	North Carolina Board for Licensing of Soil Scientists.	
	<u>(9)</u>	North Carolina Board of Architecture.	
	<u>(10)</u>	North Carolina Board of Athletic Trainer Examiners.	
	(11)	North Carolina Board of Cosmetic Art Examiners.	
	(12)	North Carolina Board of Dietetics/Nutrition.	
	$\overline{(13)}$	North Carolina Board of Electrolysis Examiners.	
	$\frac{(14)}{(14)}$	North Carolina Board of Funeral Service.	
	$\frac{(15)}{(15)}$	North Carolina Board of Landscape Architects.	
	$\frac{(16)}{(16)}$	North Carolina Board of Licensed Professional Counselors.	
	$\frac{(17)}{(17)}$	North Carolina Board of Massage and Bodywork Therapy.	
	<u>(18)</u>	North Carolina Board of Nursing.	
	$\frac{(19)}{(19)}$	North Carolina Board of Occupational Therapy.	
	(20)	North Carolina Board of Pharmacy.	
	$\frac{(21)}{(21)}$	North Carolina Board of Physical Therapy Examiners.	
	(22)	North Carolina Board of Podiatry Examiners.	
	(23)	North Carolina Board of Recreational Therapy Licensure.	
	(24)	North Carolina Cemetery Commission.	
	(25)	• • • • • • • • • • • • • • • • • • •	ning Standard
	<u> </u>	Commission.	
	(26)	North Carolina Home Inspector Licensure Board.	
	(27)	North Carolina Interpreter and Transliterator Licensing Board.	
	(28)	North Carolina Irrigation Contractors' Licensing Board.	
	(29)	North Carolina Landscape Contractors' Licensing Board.	
	(30)	North Carolina Locksmith Licensing Board.	
	(31)	North Carolina Marriage and Family Therapy Licensure Board	<u>.</u>
	<u>(32)</u>	North Carolina Medical Board.	
	(33)	North Carolina On-Site Wastewater Contractors and Inspect	ors Certification
		Board.	
	<u>(34)</u>	North Carolina Psychology Board.	
	<u>(35)</u>	North Carolina Real Estate Commission.	
	<u>(36)</u>	North Carolina Respiratory Care Board.	
	<u>(37)</u>	North Carolina Social Work Certification and Licensure Board	<u>.</u>
	<u>(38)</u>	North Carolina State Board of Dental Examiners.	
	<u>(39)</u>	North Carolina State Board of Examiners for Engineers and Su	rveyors.
	<u>(40)</u>	North Carolina State Board of Examiners for Nursing Home Ad	dministrators.
	<u>(41)</u>	North Carolina State Board of Examiners in Optometry.	
	<u>(42)</u>	North Carolina State Board of Examiners of Fee-Based Programme Pro	acticing Pastora
		Counselors.	
	<u>(43)</u>	North Carolina State Board of Opticians.	
	(44)	North Carolina State Hearing Aid Dealers and Fitters Board.	
	<u>(45)</u>	North Carolina State Licensing Board for General Contractors.	
	(46)	North Carolina Substance Abuse Professional Practice Board.	
	(47)	North Carolina Veterinary Medical Board.	
		Private Protective Services Board.	
	<u>(48)</u>	Tivate Tiotective Services Board.	

- (16) If the occupational licensing board has a budget of at least fifty thousand dollars (\$50,000), a financial audit of its operations.
- (b) No later than October 31 of each year, each occupational licensing board shall file electronically with the Secretary of State, the Attorney General, the Office of State Budget and Management, and the Joint Legislative Administrative Procedure Oversight Committee a financial report that includes the source and amount of all funds credited to the occupational licensing board and the purpose and amount of all funds disbursed by the occupational licensing board during the previous fiscal year.
- (c) The reports required by this section shall be open to public <u>inspection.inspection and</u> shall be posted on the Internet Web site of the occupational licensing board.
- <u>Procedure Oversight Committee with the name and contact information of the individual responsible for filing the reports required by this section. Each occupational licensing board shall keep this information current and notify the Committee within 30 days of any changes in this information.</u>
- (d) The Joint Legislative Administrative Procedure Oversight Committee shall review the reports submitted pursuant to this section and shall notify any board that fails to file the reports required by this section. Failure of a board to comply with the reporting requirements of this section by October 31 of each year shall result in a suspension of the board's authority to expend any funds until such time as the board files the required reports. Suspension of a board's authority to expend funds under this subsection shall not affect the board's duty to issue and renew licenses or the validity of any application or license for which fees have been tendered in accordance with law. Each board shall adopt rules establishing a procedure for implementing this subsection and shall maintain an escrow account into which any fees tendered during a board's period of suspension under this subsection shall be deposited."

# **SECTION 3.** G.S. 93B-4 reads as rewritten:

# "§ 93B-4. Audit of Occupational Licensing Boards; payment of costs.

- (a) The State Auditor shall audit occupational licensing boards from time to time to ensure their proper operation. The books, records, and operations of each occupational licensing board shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes. In accordance with G.S. 147-64.7(b), the State Auditor may contract with independent professionals to meet the requirements of this section.
- (\$50,000) shall conduct an annual financial audit of its operations and provide a copy to the State Auditor."

#### **SECTION 4.** G.S. 93B-5 reads as rewritten:

# "§ 93B-5. Compensation, employment, and training of board members.

(a) <u>Board Notwithstanding the provisions of G.S. 138-5, board members shall receive as compensation for their services per diem not to exceed one two hundred dollars (\$100.00) (\$200.00) for each day during which they are engaged in the official business of the board.</u>

- (g) Within six months of a board member's initial appointment to the board, and at least once within every two calendar years thereafter, a board member shall receive training, either from the board's staff, including its legal advisor, or from an outside educational institution such as the School of Government of the University of North Carolina, on the statutes governing the board and rules adopted by the board, as well as the following State <u>and federal</u> laws, in order to better understand the obligations and limitations of a State agency:
  - (1) Chapter 150B, The Administrative Procedure Act.
  - (2) Chapter 132, The Public Records Law.
  - (3) Article 33C of Chapter 143, The Open Meetings Act.

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- 1 (4) Articles 31 and 31A of Chapter 143, The State Tort Claims Act and The 2 Defense of State Employees Law. 3
  - Chapter 138A, The State Government Ethics Act. (5)
  - (6) Chapter 120C, Lobbying.
  - Antitrust law and State action immunity. (7)

Completion of the training requirements contained in Chapter 138A and Chapter 120C of the General Statutes satisfies the requirements of subdivisions (5) and (6) of this subsection."

**SECTION 5.(a)** Chapter 93B of the General Statutes is amended by adding six new sections to read:

# "§ 93B-17. Occupational licensing board rule making.

- Each occupational licensing board shall adopt rules for the receipt and resolution of complaints, for taking disciplinary or enforcement actions against its licensees, and for taking enforcement actions against persons not licensed by the board.
- Any interpretation, clarification, or other delineation of the scope of practice of an occupational licensing board shall be adopted as a rule.

### "§ 93B-18. Unlicensed activity.

- An occupational licensing board shall have the authority to investigate unlicensed activity and notify unlicensed persons and entities of the possible violation of the law and administrative rules and any civil action or criminal penalty that may be imposed by a court. The notification shall not indicate that the occupational licensing board has made any finding of a violation but may indicate the board's belief or opinion that a particular act may violate the board's enabling statutes, include factual information regarding legislation and court proceedings concerning the potential violation, and provide notice of the board's intention to pursue administrative remedies or court proceedings with regard to the potential violation.
- Any occupational licensing board providing notification to unlicensed persons and (b) entities of a possible violation of the law and administrative rules and any civil action or criminal penalty that may be imposed by a court shall include the following statement in the notification:

You are hereby notified that the opinion expressed herein is not a legal determination. An occupational licensing board does not have the authority to order you to discontinue your current practices. Only a court may determine that you have violated or are violating any law and, if appropriate, impose a remedy or penalty for the violation. Further, pursuant to G.S. 150B-4, you may have the right, prior to initiation of any court action by the occupational licensing board, to request a declaratory ruling regarding whether your particular conduct is lawful. You are further notified that any right to a declaratory ruling supplements any other legal rights that you may already have to establish the legality of your conduct with respect to the goods or services you offer or provide.

# "§ 93B-19. Venue for court enforcement.

The venue for occupational licensing boards seeking a court order for injunctive relief or to show cause for failure to comply with a subpoena lawfully issued by the occupational licensing board shall be in the superior court of the county where the defendant resides or in the county where the occupational licensing board has its principal place of business.

# "§ 93B-20. Injunctive relief.

An occupational licensing board may appear in its own name in superior court in actions for injunctive relief to restrain the violation of the provisions of a statute administered by the board or a rule or order of the board. The superior court shall have the jurisdiction to grant these injunctions or restraining orders or take other appropriate action even if criminal prosecution has been or may be instituted as a result of the violations, or whether the person is a licensee of the board. No board shall issue such orders independently of the superior court unless specifically authorized to do so

#### "§ 93B-21. Jurisdictional disputes between boards.

 It is the policy of the State that jurisdictional disputes among occupational licensing boards shall be resolved through informal procedures. If a jurisdictional dispute among occupational licensing boards cannot be resolved through informal procedures, any affected board may commence an administrative proceeding to resolve the jurisdictional dispute by filing a petition with the Office of Administrative Hearings and serving the petition on all affected boards. Once the petition is filed and the required fee is paid, the dispute shall become a contested case and shall be conducted by the Office of Administrative Hearings under Articles 3 and 4 of Chapter 150B of the General Statutes.

# "§ 93B-22. Complaint process.

Each occupational licensing board shall develop and implement a complaint process that provides for all of the following:

- (1) A description of the complaint process on the board's Web site, including the types of violations that are under the jurisdictional authority of the board.
- (2) <u>Electronic complaint submission via the board's Web site, including a prominently displayed link to a complaint form.</u>
- (3) The ability to provide complainants with a written description of the final disposition of each complaint."

**SECTION 5.(b)** The complaint process provided for in G.S. 93B-22 shall be implemented and active on each board's Web site no later than January 1, 2018.

**SECTION 6.** G.S. 115C-457.2 reads as rewritten:

# "§ 115C-457.2. Remittance of moneys to the Fund.

The clear proceeds of all civil penalties, civil forfeitures, and civil fines that are collected by a State agency and that the General Assembly is authorized to place in a State fund pursuant to Article IX, Section 7(b) of the Constitution shall be remitted to the Office of State Budget and Management by the officer having custody of the funds within 10 days after the close of the calendar month in which the revenues were received or collected. Notwithstanding any other law, all such funds shall be deposited in the Civil Penalty and Forfeiture Fund. The clear proceeds of these funds include the full amount of all civil penalties, civil forfeitures, and civil fines collected under authority conferred by the State, diminished only by the actual costs of collection, not to exceed twenty percent (20%) of the amount collected. The collection cost percentage to be used by a State agency shall be established and approved by the Office of State Budget and Management on an annual basis based upon the computation of actual collection costs by each agency for the prior fiscal year. Occupational licensing boards as defined in G.S. 93B-1 shall satisfy the annual reporting obligation imposed under this section by including the information required in the occupational licensing board's annual report required pursuant to G.S. 93B-2."

**SECTION 7.** G.S. 143C-9-4 reads as rewritten:

# "§ 143C-9-4. Biennial fee report.

The Office of State Budget and Management shall prepare a report biennially on the fees charged by each State department, bureau, division, board, commission, institution, and agency during the previous two fiscal years. The report shall include the statutory or regulatory authority for each fee, the amount of the fee, when the amount of the fee was last changed, the number of times the fee was collected during the prior fiscal year, and the total receipts from the fee during the prior fiscal year. The Office of State Budget and Management shall obtain the information required under this section for occupational licensing boards as defined in G.S. 93B-1 from the annual report filed by each occupational licensing board pursuant to G.S. 93B-2."

**SECTION 8.** G.S. 143D-7 reads as rewritten:

# "§ 143D-7. Agency management responsibilities.

(a) The management of each State agency bears full responsibility for establishing and maintaining a proper system of internal control within that agency. Each principal executive officer and each principal fiscal officer shall annually certify, in a manner prescribed by the State

Controller, that the agency has in place a proper system of internal control. The State Controller shall develop policies and procedures to direct agencies in their evaluation.

- (b) The management of each State agency also bears the responsibility periodically to submit accurate and complete financial information to the State Controller for compilation into North Carolina State government's various financial reports and other related financial information disseminated to the public. With the submission of such periodic reports to the State Controller, each agency's principal executive officer and each agency's principal fiscal officer shall certify, in a manner prescribed by the State Controller, to the accuracy and completeness of the financial information submitted.
- (c) Occupational licensing boards as defined in G.S. 93B-1 shall satisfy the annual reporting obligation imposed under this section by including the information required in the occupational licensing board's annual report required pursuant to G.S. 93B-2."

**SECTION 9.** G.S. 150B-38(a) reads as rewritten:

# "§ 150B-38. Scope; hearing required; notice; venue.

- (a) The provisions of this Article shall apply to:
  - (1) Occupational licensing agencies.boards, as defined by G.S. 93B-1.
  - (2) The State Banking Commission, the Commissioner of Banks, and the Credit Union Division of the Department of Commerce.
  - (3) The Department of Insurance and the Commissioner of Insurance.
  - (4) The State Chief Information Officer in the administration of the provisions of Article 14 of Chapter 143B of the General Statutes.
  - (5) The North Carolina State Building Code Council.
  - (6) The State Board of Elections in the administration of any investigation or audit under the provisions of Article 22A of Chapter 163 of the General Statutes.
  - (7) The Securities Division of the Department of the Secretary of State."

**SECTION 10.** G.S. 150B-45 reads as rewritten:

#### "§ 150B-45. Procedure for seeking review; waiver.

- (a) Procedure. To obtain judicial review of a final decision under this Article, the person seeking review must file a petition within 30 days after the person is served with a written copy of the decision. The petition must be filed as follows:
  - (1) Contested tax cases. A petition for review of a final decision in a contested tax case arising under G.S. 105-241.15 must be filed in the Superior Court of Wake County.
  - Other final decisions. A petition for review of any other final decision under this Article must be filed in the superior court of the county where the person aggrieved by the administrative decision resides, in the county where the agency has its principal place of business, or in the case of a person residing outside the State, in the county where the contested case which resulted in the final decision was filed. If a petitioner files a petition in a county other than as provided in this subdivision, the superior court may order a change of venue pursuant to G.S. 1-83; provided, however, that improper venue shall not be grounds for dismissal of the petition.
- (b) Waiver. A person who fails to file a petition within the required time waives the right to judicial review under this Article. For good cause shown, however, the superior court may accept an untimely petition."
- **SECTION 11.** The Joint Legislative Administrative Procedure Oversight Committee shall continue to monitor and study the effects of the opinion in *North Carolina State Board of Dental Examiners v. Federal Trade Commission* and other issues related to the scope of practice jurisdiction of occupational licensing boards.

**SECTION 12.(a)** G.S. 86A-3 reads as rewritten:

"§ 86A-3. Qualifications for certificate as a registered barber.

A certificate of registration as a registered barber shall be issued by the Board to any person who meets all of the following qualifications:

- (1) Has attended an approved barber school for at least 1528 hours.
- (2) Has completed a 12-month apprenticeship under the supervision of a licensed barber, as provided in G.S. 86A-24.
- (3) Has passed a clinical examination conducted by the Board.
- (4) Has submitted to the Board the affidavit required by G.S. 86A-24(c) certifying that the applicant has served the apprenticeship required by subdivision (2).
- (5) Has received a high school diploma or its equivalency or a high school graduation equivalency certificate and provided documentation thereof to the Board."

**SECTION 12.(b)** G.S. 86A-22 reads as rewritten:

# "§ 86A-22. Licensing and regulating barber schools and colleges.

The North Carolina State Board of Barber Examiners may approve barber schools or colleges in the State, and may prescribe rules and regulations for their operation. The Board shall adopt rules establishing criteria for barber schools and colleges to maintain their accreditation. No barber school or college shall be approved by the Board unless the school or college meets all of the following requirements:

- (1) Each school shall provide a course of instruction of at least <u>1528-1,528</u> hours.
- (2) Each school shall employ at least two instructors for the first 40 enrolled students and employ at least one additional instructor for every additional 20 enrolled students. Schools that are organized as nonprofits and have obtained a ruling from the Internal Revenue Service recognizing their tax-exempt status shall have at least one instructor for every 20 enrolled students. No school, whether for profit or nonprofit, shall provide practical training and theoretical training simultaneously unless at least two instructors are present.
- (2a) Each student shall have received a high school diploma or its equivalency or a high school graduation equivalency certificate and provided documentation thereof to the Board and the school.
- (3) An application for a student's permit, on a form prescribed by the Board, must be filed with the Board before the student enters school. No student may enroll without having obtained a student's permit.

**SECTION 13.** G.S. 143B-68 reads as rewritten:

# "§ 143B-68. Public Librarian Certification Commission – members; selection; quorum; compensation.

The Public Librarian Certification Commission of the Department of Natural and Cultural Resources shall consist of five members as follows: (i) the chairman of the North Carolina Association of Library Trustees, (ii) the chairman of the public libraries section of the North Carolina Library Association, (iii) an individual (ii) two individuals named by the Governor upon the nomination of the North Carolina Library Association, (iv)(iii) the dean of a State or regionally accredited graduate school of librarianship in North Carolina appointed by the Governor Governor, and (v)(iv) one member at large appointed by the Governor.

The members shall serve four-year terms or while holding the appropriate chairmanships. Any appointment to fill a vacancy created by the resignation, dismissal, death or disability of a member shall be for the balance of the unexpired term.

The Governor shall have the power to remove any member of the Commission from office for misfeasance, malfeasance, and nonfeasance according to the provisions of G.S. 143B-13 of the Executive Organization Act of 1973.

The members of the Commission shall receive per diem, and necessary travel expenses in accordance with the provisions of G.S. 138-5.

1	A majority of the Commission shall constitute a quorum for the transaction of business.
2	All clerical and other services required by the Commission shall be supplied by the Secretar
3	of the Department through the regular staff of the Department."
4	<b>SECTION 14.</b> Except as otherwise provided, this act is effective when it become
5	aw.