

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 481
PROPOSED COMMITTEE SUBSTITUTE H481-PCS40394-MV-1

Short Title: GSC Technical Corrections 2025 Part 2.

(Public)

Sponsors:

Referred to:

March 25, 2025

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.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Subject to the grammatical rules and general drafting conventions of
7 capitalization, the Revisor of Statutes shall make the following changes:

- 8 (1) Subject to subdivision (2) of this section, replace "e-mail", "electronic mail",
9 or "electronic mailing" with "email" in G.S. 1-75.4, 1-507.34, 1-539.2A,
10 1A-1, Rule 4, 1A-1, Rule 5, and any other statutes in which any of these terms
11 appear. The Revisor of Statutes shall make a similar change when any of these
12 terms is plural.
- 13 (2) Replace "registered, certified, or electronic mail" with "registered mail,
14 certified mail, or email" in G.S. 143-293.
- 15 (3) Subject to subdivisions (4) and (5) of this section, make "Internet" lowercase
16 in G.S. 14-113.20, 14-113.30, 14-113.31, 14-118.7, 14-196.3, and any other
17 statutes in which the term appears.
- 18 (4) Replace "Internet protocol" with "Internet Protocol" in G.S. 105-164.3,
19 130A-480, and 143B-1400.
- 20 (5) Replace "internet web site", "internet website", "internet site", or "web site",
21 including any variation in capitalization of any of these terms, with "website"
22 in G.S. 7A-38.2, 7A-38.3F, 10B-36, 14-44.1, 14-202.5, and any other statutes
23 in which any of these terms appear. The Revisor of Statutes shall make a
24 similar change when any of these terms is plural.
- 25 (6) Replace "rule making" or "rule-making" with "rulemaking" in G.S. 7B-4001,
26 10B-126, 15C-12, 18B-105, 20-37.22, and any other statutes in which either
27 of these terms appear.

28 The Revisor of Statutes may delete duplicative language resulting from these changes
29 and may replace "an" with "a" to conform with these changes.

30 **SECTION 2.** G.S. 14-288.9 reads as rewritten:

31 "**§ 14-288.9. Assault on upon emergency personnel; punishments.**

32 (a) An assault upon emergency personnel is an assault upon any person ~~coming included~~
33 within the definition of "emergency personnel" ~~which in subsection (b) of this section that is~~
34 committed in an ~~area~~ area in which either of the following applies:

- 35 (1) ~~In which a~~ A declared state of emergency ~~exists; or exists.~~



* H 4 8 1 - P C S 4 0 3 9 4 - M V - 1 *

(2) Within the immediate ~~vicinity of which~~ vicinity, a riot is occurring or is imminent.

(b) ~~The~~ In this section, the term "emergency personnel" includes law-enforcement officers, ~~firemen, firefighters,~~ ambulance attendants, utility workers, doctors, nurses, members of the North Carolina National Guard, and other persons lawfully engaged in providing essential services or otherwise discharging or attempting to discharge ~~his or her~~ their official duties during ~~the~~ an emergency.

(c) ~~Any~~ A person who commits an assault upon emergency personnel is guilty of a Class H felony.

(d) ~~Any~~ A person who commits an assault upon emergency personnel with or through the use of ~~any~~ a dangerous weapon or substance ~~shall be punished as a Class F felon~~ is guilty of a Class F felony.

(e) ~~Any~~ A person who commits an assault upon emergency personnel causing serious bodily injury to the emergency personnel is guilty of a Class E felony.

(f) ~~Any~~ A person who commits an assault upon emergency personnel causing death to the emergency personnel is guilty of a Class D felony."

SECTION 3.(a) G.S. 15A-145.5 reads as rewritten:

"§ 15A-145.5. Expunction of certain misdemeanors and felonies; no age limitation.

(a) For purposes of this section, the term "nonviolent misdemeanor" or "nonviolent felony" means any misdemeanor or felony except the following:

...

(4) Any of the following sex-related or stalking offenses: G.S. 14-27.25(b), 14-27.30(b), 14-190.7, 14-190.8, 14-190.9, 14-202, 14-208.11A, 14-208.18, former 14-277.3, 14-277.3A, and 14-321.1.

(5) Any felony offense in Chapter 90 of the General Statutes ~~where the offense involves that~~ involves methamphetamines, heroin, or possession with intent to sell or deliver or sell and deliver cocaine.

(6) An offense under G.S. 14-12.12(b), 14-12.13, or 14-12.14, or any offense for which ~~punishment was determined pursuant to G.S. 14-3(e).~~ G.S. 14-3(c) was applied.

...

(c) A person may file a ~~petition, petition~~ petition in the court of the county where the person was convicted. ~~[The following applies:]~~ The following provisions apply:

(1) For expunction of one or more nonviolent misdemeanor convictions, the petition shall not be filed earlier than ~~one of the following:~~ the following, as applicable:

...

(2) For expunction of up to three nonviolent felony convictions, the petition shall not be filed earlier than ~~one of the following:~~ the following, as applicable:

a. For expunction of one nonviolent felony not subject to ~~the waiting period set forth in~~ sub-subdivision a1. of this subdivision, 10 years after the date of the conviction or 10 years after any active sentence, period of probation, or post-release ~~supervision,~~ supervision related to the conviction ~~listed in the petition,~~ has been served, whichever occurs later.

a1. For expunction of one nonviolent felony under G.S. 14-54(a), 15 years after the date of the conviction or 15 years after any active sentence, period of probation, or post-release ~~supervision,~~ supervision related to the conviction ~~listed in the petition,~~ has been served, whichever occurs later.

- 1 b. For expunction of two or three nonviolent felonies, 20 years after the
2 date of the most recent conviction listed in the petition, or 20 years
3 after any active sentence, period of probation, or post-release
4 ~~supervision, supervision~~ related to a conviction listed in the ~~petition,~~
5 petition has been served, whichever occurs later.

6 A person previously granted an expunction under this section is not eligible for relief under
7 this section for any offense committed after the date of the previous order for expunction. Except
8 as provided in subsections (c4) and (c5) of this section, a person previously granted an expunction
9 under this section for one or more misdemeanors is not eligible for expunction of additional
10 misdemeanors under this ~~section~~section, and a person previously granted an expunction under
11 this section for one or more felonies is not eligible for expunction of additional felonies under
12 this section.

13 (c1) A petition filed pursuant to this section shall contain, but not be limited to, the
14 following:

- 15 (1) An affidavit by the petitioner that the petitioner is of good moral character and
16 one of the following ~~statements:~~statements, as applicable:
17 ...
18 (2) ~~Verified affidavits~~ Affidavits of two persons who are not related to the
19 petitioner or to each other by blood or marriage, that they know the character
20 and reputation of the petitioner in the community in which the petitioner lives
21 and that the petitioner's character and reputation are good.
22 (3) A statement that the petition is a motion in the cause in the case ~~wherein~~in
23 which the petitioner was convicted.
24 (4) An application on a form approved by the Administrative Office of the Courts
25 requesting and authorizing ~~a~~all of the following:
26 a. A name-based State and national criminal history record check by the
27 State Bureau of Investigation using any information required by the
28 Administrative Office of the Courts to identify the ~~individual,~~ a
29 individual.
30 b. A search by the State Bureau of Investigation for any outstanding
31 warrants ~~on or pending criminal cases, and a cases.~~
32 c. A search of the confidential record of expunctions maintained by the
33 Administrative Office of the Courts.

34 The application shall be filed with the clerk of superior ~~court.~~ The court, who
35 ~~clerk of superior court~~ shall forward ~~the application~~ it to the State Bureau of
36 Investigation and to the Administrative Office of the ~~Courts, which shall~~
37 Courts to conduct the searches and report their findings to the court.

38 ...

39 Upon filing of the petition, the petition shall be served upon the district attorney of the court
40 ~~wherein in which~~ the case was tried resulting in conviction. The district attorney shall then have
41 30 days ~~thereafter in which~~ to file any an objection ~~thereto~~ and shall be duly notified as to the
42 date of the hearing of the petition. Upon good cause shown, the court may grant the district
43 attorney an additional 30 days to file an objection to the petition. The district attorney shall make
44 his or her best efforts to contact the victim, if any, to notify the victim of the request for
45 expunction prior to the date of the hearing. Upon request by the victim, the victim has a right to
46 be present at any hearing on the petition for ~~expunction~~ expunction, and the victim's views and
47 concerns shall be considered by the court at ~~such the~~ hearing.

48 The presiding judge ~~is authorized to may~~ call upon a probation officer for any additional
49 investigation or verification of the petitioner's conduct since the conviction. The court shall
50 review any other information the court deems relevant, including, but not limited to, affidavits

1 or other testimony provided by law enforcement officers, district attorneys, and victims of crimes
2 committed by the petitioner.

3 (c2) The court, after hearing a petition for expunction of one or more nonviolent
4 misdemeanors, shall order that the petitioner be restored, in the contemplation of the law, to the
5 status the petitioner occupied before the ~~arrest or indictment~~ arrest, indictment, or information,
6 except as provided in G.S. 15A-151.5, if the court finds all of the following:

7 ...

8 (3) The petitioner has no outstanding warrants or pending criminal cases, is not
9 under indictment, and no finding of probable cause exists against the
10 ~~defendant-petitioner~~ for a ~~felony, felony~~ in any federal court or state court in
11 the United States.

12 (3a) The petitioner is not free on bond or personal recognizance pending trial,
13 appeal, or sentencing in any federal court or state court in the United States
14 for a crime ~~which~~ that would prohibit the person from having ~~his or her~~ the
15 petition for expunction under this section granted.

16 ...

17 (6) The petitioner has no ~~convictions for a misdemeanor or felony~~ conviction that
18 is listed as an exception to the terms "nonviolent misdemeanor" or "nonviolent
19 felony" ~~as provided~~ in subsection (a) of this section.

20 ...

21 (c3) The court, after hearing a petition for expunction of one or up to three nonviolent
22 felonies, may order that the petitioner be restored, in the contemplation of the law, to the status
23 the petitioner occupied before the ~~arrest or indictment~~ arrest, indictment, or information, except
24 as provided in G.S. 15A-151.5, if the court finds all of the following:

25 ...

26 (3) The petitioner has no outstanding warrants or pending criminal cases, is not
27 under indictment, and no finding of probable cause exists against the
28 ~~defendant-petitioner~~ for a ~~felony, felony~~ in any federal court or state court in
29 the United States.

30 (3a) The petitioner is not free on bond or personal recognizance pending trial,
31 appeal, or sentencing in any federal court or state court in the United States
32 for a crime ~~which~~ that would prohibit the person from having his or her
33 petition for expunction under this section granted.

34 ...

35 (5) The petitioner has no outstanding restitution orders or civil judgments
36 representing amounts ordered for restitution entered against the petitioner.

37 (6) The petitioner has no ~~convictions for a misdemeanor~~ conviction that is listed
38 as an exception to the term "nonviolent misdemeanor" ~~as provided~~ in
39 subsection (a) of this section or any other felony ~~offense~~ conviction.

40 ...

41 (c4) A person ~~petitioning who petitions~~ petitioning for expunction of multiple convictions pursuant to
42 sub-subdivision b. of subdivision (1) of subsection (c) of this section or sub-subdivision b. of
43 subdivision (2) of subsection (c) of this ~~section, where the section and whose~~ section, and whose convictions were
44 obtained in more than one ~~county, county~~ county shall file a petition in each county of conviction. All
45 petitions shall be filed within a 120-day ~~period, period,~~ period, except that the court may grant a petition
46 for expunction filed outside this period if good cause is shown for the failure to file the petition
47 within this period. The granting of one petition shall not preclude the granting of any other
48 petition filed within the same 120-day period. ~~Notwithstanding the provisions of this subsection,~~
49 ~~upon good cause shown for the failure to file a petition within the 120-day period, the court may~~
50 ~~grant a petition for expunction filed outside the 120-day period.~~

51 ...

1 (d) No person as to whom an order has been entered pursuant to subsection (c) of this
2 section shall be held thereafter under any provision of any law to be guilty of perjury or otherwise
3 giving a false statement by reason of that person's failure to recite or acknowledge the arrest,
4 indictment, information, trial, or conviction. This subsection shall The effect of an expunction
5 under this section is governed by G.S. 15A-153, except that the protected nondisclosure under
6 G.S. 15A-153(b) does not apply to a sentencing hearing when the person has been convicted of
7 a subsequent criminal offense.

8 (d1) Persons pursuing certification under ~~the provisions of~~ Article 1 of Chapter 17C or
9 Article 2 of Chapter 17E of the General Statutes, however, shall disclose any and all convictions
10 to the certifying Commission, regardless of whether ~~or not~~ the convictions were expunged
11 pursuant to ~~the provisions of~~ this section.

12 (d2) Persons requesting that a disclosure statement be prepared by the North Carolina
13 Sheriffs' Education and Training Standards Commission pursuant to Article 3 of Chapter 17E of
14 the General Statutes, however, shall disclose any and all felony convictions to the North Carolina
15 Sheriffs' Education and Training Standards Commission regardless of whether ~~or not~~ the felony
16 convictions were expunged pursuant to ~~the provisions of~~ this section.

17 (d3) Persons required by State law to obtain a criminal history record check on a
18 prospective employee ~~shall~~ are not be deemed to have knowledge of any convictions expunged
19 under this section.

20 (e) ~~The~~ If the petition is granted, the court shall ~~also~~ order that the conviction ~~or~~
21 ~~convictions~~ be expunged from the records of the court and direct all law enforcement agencies
22 bearing record of the ~~same conviction~~ to expunge their records of the conviction. The clerk shall
23 notify State and local agencies of the court's order, as provided in G.S. 15A-150.

24 (f) Any other applicable State or local government agency shall expunge from its records
25 entries made as a result of the conviction ~~or convictions~~ ordered expunged under this section
26 upon receipt from the petitioner of an order entered pursuant to this section. ~~The~~ An agency shall
27 also vacate any administrative actions taken against a person whose record is expunged under
28 this section as a result of the charges or convictions expunged. A person whose administrative
29 action has been vacated by an occupational licensing board pursuant to an expunction under this
30 section may ~~then~~ reapply for licensure and ~~must~~ shall satisfy the board's ~~then current~~ education
31 and preliminary licensing requirements at the time of reapplication in order to obtain licensure.
32 This subsection ~~shall~~ does not apply to the Department of Justice for DNA records and samples
33 stored in the State DNA Database and the State DNA Databank.

34 (g) A person who files a petition for expunction of a criminal record under this section
35 ~~must~~ shall pay the clerk of superior court a fee of one hundred seventy-five dollars (\$175.00) at
36 the time the petition is filed. Fees collected under this subsection shall be deposited in the General
37 Fund. This subsection does not apply to petitions filed by an ~~indigent~~ indigent person."

38 **SECTION 3.(b)** G.S. 15A-145 reads as rewritten:

39 **"§ 15A-145. Expunction of records for misdemeanors of first offenders under the age of 18**
40 **at the time of conviction of misdemeanor; expunction of certain other**
41 **misdemeanors and of underage persons possessing alcohol.**

42 (a) Whenever any person who has not previously been convicted of any felony, or
43 misdemeanor other than a traffic violation, under the laws of the United States, the laws of this
44 State or any other state, (i) pleads guilty to or is guilty of a misdemeanor other than a traffic
45 violation, and the offense was committed before the person attained the age of 18 years, or (ii)
46 pleads guilty to or is guilty of a misdemeanor possession of alcohol pursuant to
47 G.S. 18B-302(b)(1), and the offense was committed before the person attained the age of 21
48 years, he may file a petition in the court of the county where he was convicted for expunction of
49 the misdemeanor from his criminal record. The petition cannot be filed earlier than: (i) two years
50 after the date of the conviction, or (ii) the completion of any period of probation, whichever
51 occurs later, and the petition shall contain, but not be limited to, the following:

1 ...
 2 (2) ~~Verified affidavits~~ Affidavits of two persons who are not related to the
 3 petitioner or to each other by blood or marriage, that they know the character
 4 and reputation of the petitioner in the community in which ~~he~~ the petitioner
 5 lives and that ~~his~~ the petitioner's character and reputation are good.

6 ...
 7 (b1) ~~No person as to whom such order has been entered shall be held thereafter under any~~
 8 ~~provision of any laws to be guilty of perjury or otherwise giving a false statement by reason of~~
 9 ~~his failure to recite or acknowledge such arrest, or indictment, information, or trial, or response~~
 10 ~~to any inquiry made of him for any purpose. This subsection shall~~ The effect of an expunction
 11 under this section is governed by G.S. 15A-153, except that the protected nondisclosure under
 12 G.S. 15A-153(b) does not apply to a sentencing hearing when the person has been convicted of
 13 a subsequent criminal offense.

14"

15 **SECTION 3.(c)** G.S. 15A-145.1 reads as rewritten:

16 "**§ 15A-145.1. Expunction of records for first offenders under the age of 18 at the time of**
 17 **conviction commission of certain gang offenses.**

18 (a) Whenever any person who has not previously been convicted of any felony or
 19 misdemeanor other than a traffic violation under the laws of the United States or the laws of this
 20 State or any other state pleads guilty to or is guilty of (i) a Class H felony under Article 13A of
 21 Chapter 14 of the General Statutes or (ii) an enhanced offense under G.S. 14-50.22, or has been
 22 discharged and had the proceedings against the person dismissed pursuant to G.S. 14-50.29, and
 23 the offense was committed before the person attained the age of 18 years, the person may file a
 24 petition in the court of the county where the person was convicted for expunction of the offense
 25 from the person's criminal record. Except as provided in G.S. 14-50.29 upon discharge and
 26 dismissal, the petition cannot be filed earlier than (i) two years after the date of the conviction or
 27 (ii) the completion of any period of probation, whichever occurs later. The petition shall contain,
 28 but not be limited to, the following:

29 ...
 30 (2) ~~Verified affidavits~~ Affidavits of two persons who are not related to the
 31 petitioner or to each other by blood or marriage, that they know the character
 32 and reputation of the petitioner in the community in which the petitioner lives,
 33 and that the petitioner's character and reputation are good.

34 ...
 35 (b1) ~~No person as to whom such order has been entered shall be held thereafter under any~~
 36 ~~provision of any laws to be guilty of perjury or otherwise giving a false statement by reason of~~
 37 ~~the person's failure to recite or acknowledge such arrest, or indictment or information, or trial, or~~
 38 ~~response to any inquiry made of the person for any purpose. This subsection shall~~ The effect of
 39 an expunction under this section is governed by G.S. 15A-153, except that the protected
 40 nondisclosure under G.S. 15A-153(b) does not apply to a sentencing hearing when the person
 41 has been convicted of a subsequent criminal offense.

42"

43 **SECTION 3.(d)** G.S. 15A-145.2 reads as rewritten:

44 "**§ 15A-145.2. Expunction of records for first offenders not over 21 years of age at the time**
 45 **of the offense of certain drug offenses.**

46 (a) Whenever a person is discharged, and the proceedings against the person dismissed,
 47 pursuant to G.S. 90-96(a) or (a1), and the person was not over 21 years of age at the time of the
 48 offense, the person may apply to the court of the county where charged for an order to expunge
 49 from all official records, other than the confidential files retained under G.S. 15A-151, all
 50 recordation relating to the person's arrest, indictment or information, trial, finding of guilty, and

1 dismissal and discharge pursuant to this section. The applicant shall attach to the petition the
2 following:

3 ...

- 4 (2) ~~Verified affidavits~~ Affidavits by two persons who are not related to the
5 petitioner or to each other by blood or marriage, that they know the character
6 and reputation of the petitioner in the community in which he or she lives, and
7 that the petitioner's character and reputation are good;

8 ...

9 (a1) ~~No person as to whom such order was entered shall be held thereafter under any~~
10 ~~provision of any law to be guilty of perjury or otherwise giving a false statement by reason of the~~
11 ~~person's failures to recite or acknowledge such arrest, or indictment or information, or trial in~~
12 ~~response to any inquiry made of him or her for any purpose. This subsection shall~~ The effect of
13 an expunction under this section is governed by G.S. 15A-153, except that the protected
14 nondisclosure under G.S. 15A-153(b) does not apply to a sentencing hearing when the person
15 has been convicted of a subsequent criminal offense.

16"

17 **SECTION 3.(e)** G.S. 15A-145.3 reads as rewritten:

18 "**§ 15A-145.3. Expunction of records for first offenders not over 21 years of age at the time**
19 **of the offense of certain toxic vapors offenses.**

20 (a) Whenever a person is discharged and the proceedings against the person dismissed
21 under G.S. 90-113.14(a) or (a1), such person, if he or she was not over 21 years of age at the time
22 of the offense, may apply to the court of the county where charged for an order to expunge from
23 all official records, other than the confidential files retained under G.S. 15A-151, all recordation
24 relating to the person's arrest, indictment or information, trial, finding of guilty, and dismissal
25 and discharge pursuant to this section. The applicant shall attach to the petition the following:

26 ...

- 27 (2) ~~Verified affidavits~~ Affidavits by two persons who are not related to the
28 petitioner or to each other by blood or marriage, that they know the character
29 and reputation of the petitioner in the community in which the petitioner lives,
30 and that his or her character and reputation are good;

31 ...

32 (b1) ~~No person as to whom such order has been entered shall be held thereafter under any~~
33 ~~provision of any law to be guilty of perjury or otherwise giving a false statement by reason of the~~
34 ~~person's failures to recite or acknowledge such arrest, or indictment or information, or trial in~~
35 ~~response to any inquiry made of him or her for any purpose. This subsection shall~~ The effect of
36 an expunction under this section is governed by G.S. 15A-153, except that the protected
37 nondisclosure under G.S. 15A-153(b) does not apply to a sentencing hearing when the person
38 has been convicted of a subsequent criminal offense.

39"

40 **SECTION 3.(f)** G.S. 15A-145.4 reads as rewritten:

41 "**§ 15A-145.4. Expunction of records for first offenders who are under 18 years of age at**
42 **the time of the commission of a nonviolent felony.**

43 ...

44 (c) Whenever any person who had not yet attained the age of 18 years at the time of the
45 commission of the offense and has not previously been convicted of any felony or misdemeanor
46 other than a traffic violation under the laws of the United States or the laws of this State or any
47 other state pleads guilty to or is guilty of a nonviolent felony, the person may file a petition in
48 the court of the county where the person was convicted for expunction of the nonviolent felony
49 from the person's criminal record. The petition shall not be filed earlier than four years after the
50 date of the conviction or when any active sentence, period of probation, and post-release
51 supervision has been served, whichever occurs later. The person shall also perform at least 100

1 hours of community service, preferably related to the conviction, before filing a petition for
 2 expunction under this section. The petition shall contain the following:

3 ...
 4 (2) ~~Verified affidavits~~ Affidavits of two persons who are not related to the
 5 petitioner or to each other by blood or marriage, that they know the character
 6 and reputation of the petitioner in the community in which the petitioner lives
 7 and that the petitioner's character and reputation are good.

8 ...
 9 (f) ~~No person as to whom an order has been entered pursuant to subsection (e) of this~~
 10 ~~section shall be held thereafter under any provision of any laws to be guilty of perjury or~~
 11 ~~otherwise giving a false statement by reason of that person's failure to recite or acknowledge the~~
 12 ~~arrest, indictment, information, trial, or conviction. This subsection shall~~ The effect of an
 13 expunction under this section is governed by G.S. 15A-153, except that the protected
 14 nondisclosure under G.S. 15A-153(b) does not apply to a sentencing hearing when the person
 15 has been convicted of a subsequent criminal offense.

16"

17 **SECTION 3.(g)** G.S. 15A-145.6 reads as rewritten:

18 **"§ 15A-145.6. Expunctions for certain defendants convicted of prostitution.**

19 ...

20 (c) The petition shall contain all of the following:

21 ...

22 (2) ~~Verified affidavits~~ Affidavits of two persons, who are not related to the
 23 petitioner or to each other by blood or marriage, that they know the character
 24 and reputation of the petitioner in the community in which the petitioner lives
 25 and that the petitioner's character and reputation are good.

26 ...

27 (g) ~~No person as to whom an order has been entered pursuant to subsection (f) of this~~
 28 ~~section shall be held thereafter under any provision of any laws to be guilty of perjury or~~
 29 ~~otherwise giving a false statement by reason of that person's failure to recite or acknowledge the~~
 30 ~~arrest, indictment, information, trial, or conviction. This subsection shall~~ The effect of an
 31 expunction under this section is governed by G.S. 15A-153, except that the protected
 32 nondisclosure under G.S. 15A-153(b) does not apply to a sentencing hearing when the person
 33 has been convicted of a subsequent criminal offense.

34"

35 **SECTION 3.(h)** G.S. 15A-145.7 reads as rewritten:

36 **"§ 15A-145.7. Expunction of records for first offenders under 20 years of age at the time of**
 37 **the offense of certain offenses.**

38 (a) Whenever a person is discharged, and the proceedings against the person dismissed,
 39 pursuant to G.S. 14-277.8, and the person was under 20 years of age at the time of the offense,
 40 the person may apply to the court of the county where charged for an order to expunge from all
 41 official records, other than the confidential files retained under G.S. 15A-151, all recordation
 42 relating to the person's arrest, indictment or information, trial, finding of guilty, and dismissal
 43 and discharge pursuant to this section. The applicant shall attach to the petition the following:

44 ...

45 (2) ~~Verified affidavits~~ Affidavits by two persons who are not related to the
 46 petitioner or to each other by blood or marriage, that they know the character
 47 and reputation of the petitioner in the community in which he or she lives, and
 48 that the petitioner's character and reputation are ~~good~~ good.

49 ...

50 (b) ~~No person as to whom such order was entered shall be held thereafter under any~~
 51 ~~provision of any law to be guilty of perjury or otherwise giving a false statement by reason of the~~

1 ~~person's failures to recite or acknowledge such arrest, or indictment or information, or trial in~~
2 ~~response to any inquiry made of him or her for any purpose. This subsection shall~~ The effect of
3 an expunction under this section is governed by G.S. 15A-153, except that the protected
4 nondisclosure under G.S. 15A-153(b) does not apply to a sentencing hearing when the person
5 has been convicted of a subsequent criminal offense.

6"

7 **SECTION 3.(i)** G.S. 15A-145.8 reads as rewritten:

8 **"§ 15A-145.8. Expunction of records when charges are remanded to district court for**
9 **juvenile adjudication.**

10 (a) Upon remand pursuant to G.S. 7B-2200(c) or G.S. 7B-2200.5(d) or removal pursuant
11 to G.S. 15A-960, the court shall order expunction of all remanded or removed charges. ~~No person~~
12 ~~as to whom such an order has been entered shall be held thereafter under any provision of any~~
13 ~~law to be guilty of perjury, or to be guilty of otherwise giving a false statement or response to~~
14 ~~any inquiry made for any purpose, by reason of his or her failure to recite or acknowledge any~~
15 ~~expunged entries concerning apprehension or trial.~~ The effect of an expunction under this section
16 is governed by G.S. 15A-153.

17"

18 **SECTION 3.(j)** G.S. 15A-145.8A reads as rewritten:

19 **"§ 15A-145.8A. Expunction of records for offenders under the age of 18 at the time of**
20 **commission of certain misdemeanors and felonies upon completion of the**
21 **sentence.**

22 ...

23 (f) ~~No person as to whom such order has been entered shall be held thereafter under any~~
24 ~~provision of any laws to be guilty of perjury or otherwise giving a false statement by reason of~~
25 ~~that person's failure to recite or acknowledge such arrest, or indictment, information, or trial, or~~
26 ~~response to any inquiry made of the person for any purpose.~~ The effect of an expunction under
27 this section is governed by G.S. 15A-153.

28"

29 **SECTION 3.(k)** G.S. 15A-145.9 reads as rewritten:

30 **"§ 15A-145.9. Expunctions of certain offenses committed by human trafficking victims.**

31 ...

32 (g) Effect. – ~~No person as to whom an order has been entered pursuant to subsection (f)~~
33 ~~of this section shall be held thereafter under any provision of any laws to be guilty of perjury or~~
34 ~~otherwise giving false statement by reason of that person's failure to recite or acknowledge the~~
35 ~~arrest, indictment, information, trial, or conviction.~~ The effect of an expunction under this section
36 is governed by G.S. 15A-153.

37 Persons required by State law to obtain a criminal history record check on a prospective
38 employee shall not be deemed to have knowledge of any convictions expunged under this section.

39"

40 **SECTION 3.(l)** G.S. 15A-146 reads as rewritten:

41 **"§ 15A-146. Expunction of records when charges are dismissed or there are findings of not**
42 **guilty.**

43 ...

44 (a3) Effect of Expunction. – ~~Except as provided in G.S. 15A-151.5(b)(5), no person as to~~
45 ~~whom an order has been entered by a court or by operation of law under this section shall be held~~
46 ~~thereafter under any provision of any law to be guilty of perjury, or to be guilty of otherwise~~
47 ~~giving a false statement or response to any inquiry made for any purpose, by reason of the~~
48 ~~person's failure to recite or acknowledge any expunged entries concerning apprehension or~~
49 ~~trial.~~ The effect of an expunction under this section is governed by G.S. 15A-153.

50"

51 **SECTION 3.(m)** G.S. 15A-147 reads as rewritten:

1 **"§ 15A-147. Expunction of records when charges are dismissed or there are findings of not**
2 **guilty as a result of identity theft or mistaken identity.**

3 ...

4 (b) ~~No person as to whom such an order has been entered under this section shall be held~~
5 ~~thereafter under any provision of any law to be guilty of perjury, or to be guilty of otherwise~~
6 ~~giving a false statement or response to any inquiry made for any purpose, by reason of the~~
7 ~~person's failure to recite or acknowledge any expunged entries concerning apprehension, charge,~~
8 ~~or trial. The effect of an expunction under this section is governed by G.S. 15A-153.~~

9"

10 **SECTION 3.(n)** G.S. 15A-149 reads as rewritten:

11 **"§ 15A-149. Expunction of records when pardon of innocence is granted.**

12 ...

13 (c) ~~No person as to whom such an order has been entered under this section shall be held~~
14 ~~thereafter under any provision of any law to be guilty of perjury, or to be guilty of otherwise~~
15 ~~giving a false statement or response to any inquiry made for any purpose, by reason of the~~
16 ~~person's failure to recite or acknowledge any expunged entries concerning apprehension, charge,~~
17 ~~or trial. The effect of an expunction under this section is governed by G.S. 15A-153."~~

18 **SECTION 3.(o)** G.S. 15A-153 reads as rewritten:

19 **"§ 15A-153. Effect of expunction; prohibited practices by employers, educational**
20 **institutions, agencies of State and local governments.**

21 (a) Purpose. – The purpose of this section is to clear the public record of any entry of any
22 arrest, criminal charge, or criminal conviction that has been expunged so that (i) the person who
23 is entitled to and ~~obtains~~ receives the expunction may omit reference to the charges or convictions
24 to potential employers and others and (ii) a records check for prior arrests and convictions will
25 not disclose the expunged entries. Nothing in this section shall be construed to prohibit an
26 employer from asking a job applicant about criminal charges or convictions that have not been
27 expunged and are part of the public record.

28 (b) Nondisclosure Protected. – ~~No person as to whom an order of expunction has been~~
29 ~~entered who receives an expunction pursuant to this Article shall be held thereafter under any~~
30 ~~provision of any laws to be is~~ is guilty of perjury or otherwise giving a false statement by reason of
31 that person's failure following expunction to recite or acknowledge ~~any the~~ expunged arrest,
32 apprehension, charge, indictment, information, trial, or conviction in response to any inquiry
33 made of ~~him or her~~ the person for any purpose other than as provided in subsection (e) of this
34 section.

35"

36 **SECTION 4.** G.S. 48-3-309 reads as rewritten:

37 **"§ 48-3-309. Mandatory preplacement criminal checks of prospective adoptive parents**
38 **seeking to adopt a minor who is in the custody or placement responsibility of a**
39 **county department of social services and mandatory preplacement criminal**
40 **checks of all individuals 18 years of age or older who reside in the prospective**
41 **adoptive home, history checks.**

42 (a) The Department shall ensure that the criminal histories of all prospective adoptive
43 parents seeking to adopt a minor who is in the custody or placement responsibility of a county
44 department of social services and the criminal histories of all individuals 18 years of age or older
45 who reside in the prospective adoptive home are checked prior to placement and, based on the
46 criminal history, a determination is made as to the prospective adoptive parent's fitness to have
47 responsibility for the safety and well-being of children and whether other individuals required to
48 be checked are fit for an adoptive child to reside with them in the home. The Department shall
49 ensure that all individuals required to be checked are checked prior to placement for county, state,
50 and federal criminal histories.

1 (b) A county department of social services shall issue an unfavorable preplacement
2 assessment to a prospective adoptive parent if an individual required to submit to a criminal
3 history check pursuant to subsection (a) of this section has a criminal history. A county
4 department of social services shall issue an unfavorable preplacement assessment to a
5 prospective adoptive parent if the county department of social services determines, pursuant to
6 G.S. 48-3-303(e), that, based on other criminal convictions, whether felony or misdemeanor, the
7 prospective adoptive parent is unfit to have responsibility for the safety and well-being of
8 children or other individuals required to be checked are unfit for an adoptive child to reside with
9 them in the home.

10 ~~histories~~

11 (c) The State Bureau of Investigation shall provide to the Department of Health and
12 Human Services the criminal history of any individual required to be checked under subsection
13 (a) of this section as requested by the Department and obtained from the State and National
14 Repositories of Criminal Histories. The Department shall provide to the State Bureau of
15 Investigation, along with the request, the fingerprints of any individual to be checked, any
16 additional information required by the State Bureau of Investigation, and a form consenting to
17 the check of the criminal record and to the use of fingerprints and other identifying information
18 required by the State or National Repositories signed by the individual to be checked. The
19 fingerprints of any individual to be checked shall be used by the State Bureau of Investigation
20 for a search of the State's criminal history record file, and the State Bureau of Investigation shall
21 forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history
22 record check.

23 (d) At the time of the request for a preplacement assessment or at a subsequent time prior
24 to placement, any individual whose criminal history is to be checked shall be furnished with a
25 statement substantially similar to the following:

26
27 "NOTICE

28
29 MANDATORY CRIMINAL HISTORY CHECK: NORTH CAROLINA LAW
30 REQUIRES THAT A CRIMINAL HISTORY CHECK BE CONDUCTED PRIOR TO
31 PLACEMENT ON PROSPECTIVE ADOPTIVE PARENTS SEEKING TO ADOPT A
32 MINOR WHO IS IN THE CUSTODY OR PLACEMENT RESPONSIBILITY OF A
33 COUNTY DEPARTMENT OF SOCIAL SERVICES AND ON ALL PERSONS 18
34 YEARS OF AGE OR OLDER WHO RESIDE IN THE PROSPECTIVE ADOPTIVE
35 HOME.

36 "Criminal history" means a county, State, or federal conviction of a felony by a court of
37 competent jurisdiction or a pending felony indictment of a crime for child abuse or
38 neglect, spousal abuse, a crime against a child, including child pornography, or for a crime
39 involving violence, including rape, sexual assault, or homicide, other than physical
40 assault or battery; a county, State, or federal conviction of a felony by a court of
41 competent jurisdiction or a pending felony indictment for physical assault, battery, or a
42 drug-related offense, if the offense was committed within the past five years; or similar
43 crimes under federal law or under the laws of other states. Your fingerprints will be used
44 to check the criminal history records of the State Bureau of Investigation (SBI) and the
45 Federal Bureau of Investigation (FBI).

46 If it is determined, based on your criminal history, that you are unfit to have responsibility
47 for the safety and well-being of children or have an adoptive child reside with you, you
48 shall have the opportunity to complete, or challenge the accuracy of, the information
49 contained in the SBI or FBI identification records.

50 If the prospective adoptive parent is denied a favorable preplacement assessment by a
51 county department of social services as a result of a criminal history check as required

1 under G.S. 48-3-309(a), the prospective adoptive parent may request a review of the
2 assessment pursuant to G.S. 48-3-308(a).

3 Any person who intentionally falsifies any information required to be furnished to
4 conduct the criminal history is guilty of a Class 2 misdemeanor."
5

6 Refusal to consent to a criminal history check by any individual required to be checked under
7 ~~G.S. 48-3-309(a)~~ subsection (a) of this section is grounds for the issuance by a county department
8 of social services of an unfavorable preplacement assessment. Any person who intentionally
9 falsifies any information required to be furnished to conduct the criminal history is guilty of a
10 Class 2 misdemeanor.

11 ...

12 (g) There is no liability for negligence on the part of a State or local agency, or the
13 employees of a State or local agency, arising from any action taken or omission by any of them
14 in carrying out the provisions of this section. The immunity established by this subsection ~~shall~~
15 does not extend to gross negligence, wanton conduct, or intentional wrongdoing that would
16 otherwise be actionable. The immunity established by this subsection ~~shall be is~~ deemed to have
17 been waived to the extent of indemnification by insurance, indemnification under Article 31A of
18 Chapter 143 of the General Statutes, and to the extent sovereign immunity is waived under the
19 Tort Claims Act, as set forth in Article 31 of Chapter 143 of the General Statutes.

20 (h) The State Bureau of Investigation ~~shall perform the State and national criminal history~~
21 ~~checks on prospective adoptive parents seeking to adopt a minor in the custody or placement~~
22 ~~responsibility of a county department of social services and all individuals 18 years of age or~~
23 ~~older who reside in the prospective adoptive home and shall charge the Department of Health~~
24 ~~and Human Services a reasonable fee only for conducting the checks of the national criminal~~
25 ~~history records authorized required by this section. The Division of Social Services, Services of~~
26 ~~the Department of Health and Human Services, Services shall bear the costs of implementing~~
27 ~~this section."~~

28 **SECTION 5.(a)** G.S. 58-36-43 reads as rewritten:

29 **"§ 58-36-43. Optional approved program enhancements authorized not altering coverage**
30 **under not within Rate Bureau jurisdiction.**

31 (a) Member companies writing private passenger automobile, homeowners', dwelling, or
32 residential private flood insurance under this Article may incorporate optional enhancements to
33 ~~their automobile, homeowners', dwelling, and residential private flood~~ these programs as an
34 endorsement to an automobile, homeowners', dwelling, or residential private flood policy issued
35 under this Article a policy if the insurer has filed the proposed ~~enhancement~~ enhancements with
36 the Commissioner and ~~if the proposed enhancement is approved by the Commissioner. the~~
37 Commissioner has approved them. Any approved optional enhancements ~~shall be considered~~ are
38 outside the authority of the Rate Bureau. If ~~the a~~ proposed enhancement will include an additional
39 premium charge, the proposed premium charge shall be included with the proposed program
40 enhancements filed with the Commissioner. The Commissioner shall review the proposed
41 premium charges and approve them if the Commissioner finds that they are based on sound
42 actuarial principles. Amendments to ~~private passenger automobile, homeowners', dwelling, or~~
43 ~~residential private flood~~ program enhancements are subject to the same requirements as initial
44 filings. ~~dwelling, residential private flood~~

45 A company shall not condition (i) the acceptance or renewal of a policy, (ii) any underwriting
46 criteria, or (iii) any rating criteria upon the acceptance by the policyholder of any optional
47 ~~automobile or homeowners'~~ enhancements authorized by this section. A rate amendment
48 authorized by this section is not a rate deviation and is not subject to the requirements for rate
49 deviations set forth in G.S. 58-36-30(a).

50 (b) Repealed by S.L. 2023-133, s. 16(c), as amended by S.L. 2024-29, s. 9(b), effective
51 July 1, 2025."

1 **SECTION 5.(b)** This section becomes effective July 1, 2025.

2 **SECTION 6.(a)** Part 1 of Article 45 of Chapter 66 of the General Statutes reads as
3 rewritten:

4 "Part 1. Pawnbrokers and ~~Cash~~Currency Converters.

5 "**§ 66-385. Short title.**

6 This Part shall be known and may be cited as the Pawnbrokers and ~~Cash~~Currency Converters
7 Modernization Act.

8 "**§ 66-386. Purpose.**

9 The making of pawn loans and the acquisition and disposition of tangible personal property
10 by and through pawnshops and ~~cash-currency~~currency converters vitally affects the general economy of
11 this State and the public interest and welfare of its citizens. In recognition of these facts, it is the
12 policy of this State and the purpose of ~~the Pawnbrokers and Cash Converters Modernization Act~~
13 this Part to do all of the following:

- 14 (1) Ensure a sound system of making loans and acquiring and disposing of
15 tangible personal property by and through ~~pawnshops,~~pawnshops and to
16 prevent unlawful property transactions, particularly in stolen property,
17 through licensing and regulating pawnbrokers.
- 18 (2) Ensure a sound system of acquiring and disposing of tangible personal
19 property by and through ~~cash-currency~~currency converters and to prevent unlawful
20 property transactions, particularly in stolen property, by requiring record
21 keeping by ~~cash-currency~~currency converters.
- 22 (3) Provide for pawnbroker licensing fees and investigation fees of licensees.
- 23 (4) Ensure financial responsibility to the State and the general public.
- 24 (5) Ensure compliance with federal and State laws.
- 25 (6) Assist local governments in the exercise of their police authority.

26 "

27 **SECTION 6.(b)** G.S. 25-9-201 reads as rewritten:

28 "**§ 25-9-201. General effectiveness of security agreement.**

29 (a) General ~~effectiveness.~~Effectiveness. – Except as otherwise provided in this
30 Chapter, a security agreement is effective according to its terms between the parties, against
31 purchasers of the collateral, and against creditors.

32 (b) Applicable ~~consumer laws and other law.~~Consumer Laws and Other Law. – A
33 transaction subject to this Article is subject to any applicable rule of law ~~which that~~ establishes a
34 different rule for consumers, to any other ~~statute, rule, or regulation~~statute or rule of this State
35 that regulates the rates, charges, agreements, and practices for loans, credit sales, or other
36 extensions of credit, and to any consumer-protection ~~statute, rule, or regulation~~statute or rule of
37 this State, including Chapter 24 of the General Statutes, the Retail Installment Sales Act (Chapter
38 25A of the General Statutes), the North Carolina Consumer Finance Act (Article 15 of Chapter
39 53 of the General Statutes), and the Pawnbrokers and ~~Cash~~Currency Converters Modernization
40 Act (Part 1 of Article 45 of Chapter 66 of the General Statutes).

41 (c) Other ~~applicable law controls.~~Applicable Law Controls. – In case of conflict
42 between this Article and a rule of ~~law, statute, or regulation~~law described in subsection (b) of
43 this section, the rule of ~~law, statute, or regulation~~law controls. Failure to comply with a ~~statute~~
44 ~~or regulation~~law described in subsection (b) of this section has only the effect the ~~statute or~~
45 ~~regulation~~law specifies.

46 (d) Further ~~deference to other applicable law.~~Deference to Other Applicable Law. –
47 This Article does ~~not~~neither of the following:

- 48 (1) Validate any rate, charge, agreement, or practice that violates a rule of ~~law,~~
49 ~~statute, or regulation~~law described in subsection (b) of this ~~section;~~ or section.
- 50 (2) Extend the application of ~~the rule of law, statute, or regulation~~a rule of law to
51 a transaction not otherwise subject to it."

1 **SECTION 7.(a)** The subunits of G.S. 75D-3 are renumbered to conform to the
2 General Statutes numbering system, and the definitions in G.S. 75D-3 are reordered so that they
3 appear in alphabetical order.

4 **SECTION 7.(b)** G.S. 75D-3, as amended by subsection (a) of this section and
5 Section 1(b) of S.L. 2024-22, reads as rewritten:

6 **"§ 75D-3. Definitions.**

7 ~~As used in this Chapter, the term:~~ The following definitions apply in this Chapter:

- 8 (1) ~~"Attorney General" means the Attorney General.~~ – The Attorney General of
9 North Carolina or any employee of the Department of Justice designated by
10 ~~him~~ the Attorney General in writing. Any district attorney of this State, with
11 ~~his~~ the Attorney General's consent, may be designated in writing by the
12 Attorney General to enforce the provisions of this Chapter.
- 13 (2) ~~a. "Beneficial interest" means either~~ Beneficial interest. – Either of the
14 following:
- 15 ~~1.a.~~ 1.a. The interest of a person as a beneficiary under ~~any other a~~ a trust
16 arrangement pursuant to which a trustee holds legal or record title to
17 real property for the benefit of ~~such person; or the person.~~
- 18 ~~2.b.~~ 2.b. The interest of a person under any other form of express fiduciary
19 arrangement pursuant to which ~~any other another~~ another person holds legal or
20 record title to real property for the benefit of ~~such the~~ the person.
- 21 ~~b. "Beneficial interest" The term does not include the interest of a~~
22 ~~stockholder in a corporation or the interest of a partner in either a general~~
23 ~~partnership or limited partnership. A beneficial interest shall be is~~ deemed to
24 be located where the real property owned by the trustee is located.
- 25 (3) ~~"Civil proceeding" means any Civil proceeding.~~ – A civil proceeding
26 commenced by the Attorney General or an injured person under any provision
27 of this Chapter.
- 28 (4) ~~"Criminal proceeding" means any Criminal proceeding.~~ – A criminal action
29 commenced by the State for a violation of any provision of those criminal laws
30 referred to in G.S. 75D-3(c), set forth in subdivision (8) of this section.
- 31 (5) ~~"Documentary material" means any Documentary material.~~ – A book, paper,
32 document, writing, drawing, graph, chart, photograph, phonocord, magnetic
33 tape, computer printout, other data compilation from which information can
34 be obtained or from which information can be translated into useable form, or
35 other tangible item.
- 36 (6) ~~"Enterprise" means any Enterprise.~~ – A person, sole proprietorship,
37 partnership, corporation, business trust, union chartered under the laws of this
38 State, or other legal entity; or any an unchartered union, association, or group
39 of individuals associated in fact although not a legal entity; and it entity. The
40 term includes illicit as well as licit enterprises and governmental as well as
41 other entities.
- 42 (7) ~~"Pattern of racketeering activity" means engaging Pattern of racketeering~~
43 ~~activity.~~ – Engaging in at least two incidents of racketeering activity that have
44 the same or similar purposes, results, accomplices, victims, or methods of
45 commission or otherwise are interrelated by distinguishing characteristics and
46 are not isolated and unrelated incidents, provided incidents so long as at least
47 one of such these incidents occurred after October 1, 1986, and that at least
48 one other of such these incidents occurred within a four-year period of time
49 of the other, excluding any periods of imprisonment, after the commission of
50 a prior incident of racketeering activity.

- 1 (8) a. ~~"Racketeering activity" means to~~ Racketeering activity. – To commit, to
 2 attempt to commit, or to solicit, coerce, or intimidate another person to commit
 3 an act ~~or acts which that~~ would be chargeable by indictment if ~~such the act or~~
 4 ~~acts were was~~ accompanied by the necessary mens rea or criminal intent under
 5 the following laws of this State:
- 6 ~~1.a.~~ Article 5 of Chapter 90 of the General Statutes ~~of North Carolina~~
 7 relating to controlled substances and counterfeit controlled
 8 ~~substances; substances.~~
- 9 ~~2.b.~~ Chapter 14 of the General Statutes ~~of North Carolina~~ except Articles
 10 9, 22A, ~~38, 40, 43, 46, 47, 59~~ thereof; ~~and further excepting G.S.~~
 11 ~~Sections 14-78.1, and 59 of that Chapter and G.S. 14-82, 14-86,~~
 12 ~~14-145, 14-146, 14-147, 14-177, 14-178, 14-179, 14-183, 14-184,~~
 13 ~~14-186, 14-190.9, 14-195, 14-197, 14-201, 14-202, 14-247, 14-248,~~
 14 ~~14-313 thereof; and 14-313.~~
- 15 3. ~~Any conduct involved in a "money laundering" activity, including~~
 16 ~~activity covered by G.S. 14-118.8; and~~
- 17 b. ~~"Racketeering activity" The term also includes the description in Title 18,~~
 18 ~~United States Code, Section 1961(1): "racketeering activity," as defined in 18~~
 19 ~~U.S.C. § 1961(1), and any conduct involved in a money laundering activity,~~
 20 ~~including activity covered by G.S. 14-118.8.~~
- 21 (9) ~~"Real property" means any~~ Real property. – Any real property situated in this
 22 State or ~~any an~~ interest in ~~such the~~ real property, including, but not limited to,
 23 ~~any a~~ lease of or mortgage upon ~~such the~~ real property.
- 24 (10) ~~"RICO lien notice" means the~~ RICO lien notice. – The notice described in
 25 G.S. 75D-13.
- 26 (11) a. ~~"Trustee" means either~~ Trustee. – Either of the following:
- 27 ~~1.a.~~ ~~Any A~~ person ~~who that~~ holds legal or record title to real property ~~for~~
 28 ~~in which any other another~~ person has a beneficial ~~interest; or~~ interest.
- 29 ~~2.b.~~ ~~Any A~~ successor trustee ~~or trustees to any of the foregoing persons to~~
 30 ~~a person described in sub-subdivision a. of this subdivision.~~
- 31 b. ~~"Trustee" The term does not include the following; either~~
- 32 1. ~~Any (i)~~ a person appointed or acting as a personal
 33 representative under Chapter 35A of the General Statutes
 34 relating to guardian and ward, or under Chapter 28A of the
 35 General Statutes relating to the administration of ~~estates; or~~
 36 ~~estates or~~
- 37 2. ~~Any (ii)~~ a person appointed or acting as a trustee of ~~any a~~
 38 testamentary trust or as trustee of ~~any an~~ indenture of trust
 39 under which any bonds are to be issued."

40 **SECTION 7.(c)** G.S. 75D-5 reads as rewritten:

41 **"§ 75D-5. RICO civil forfeiture proceedings.**

42 (a) All property of every kind used or intended for use in the course of, derived from, or
 43 realized through a racketeering activity or pattern of racketeering activity is subject to forfeiture
 44 to the State. Forfeiture shall be had by a civil procedure known as a RICO forfeiture proceeding.

45 (b) A RICO forfeiture proceeding ~~shall be is~~ governed by Chapter 1A of the General
 46 Statutes ~~of North Carolina~~ except to the extent that special rules of procedure are stated in this
 47 Chapter.

48 (c) A RICO forfeiture proceeding ~~shall be is~~ an in rem proceeding against the property.

49 (d) A RICO forfeiture proceeding shall be instituted by complaint and prosecuted only
 50 by the Attorney ~~General of North Carolina or his designated representative.~~ General. The
 51 proceeding may be commenced and a final judgment rendered ~~thereon~~ before or after seizure of

1 the property and before or after ~~any a~~ criminal conviction ~~of any person~~ for violation of those
2 laws ~~any law~~ set forth in ~~G.S. 75D-3(e); G.S. 75D-3(8).~~

3 (e) If the complaint is filed before seizure, it shall state what property is sought to be
4 forfeited, that the property is within the jurisdiction of the court, the grounds for forfeiture, and
5 the names of all persons known to have or claim an interest in the property. The court shall
6 determine ex parte whether there is reasonable ground to believe that the property is subject to
7 forfeiture and, if the State so alleges, whether notice to those persons having or claiming an
8 interest in the property prior to seizure would cause the loss or destruction of the property. ~~If the~~
9 ~~court finds:~~ The court shall take action as follows:

- 10 (1) ~~That~~ If the court finds that reasonable ground does not exist to believe that the
11 property is subject to forfeiture, it shall dismiss the ~~complaint; or~~ complaint.
- 12 (2) ~~That~~ If the court finds that reasonable ground does exist to believe the property
13 is subject to forfeiture but there is not reasonable ground to believe that prior
14 notice would result in loss or destruction, it shall order service on all persons
15 known to have or claim an interest in the property prior to a further hearing
16 on whether a writ of seizure should ~~issue; or~~ issue.
- 17 (3) ~~That~~ If the court finds that there is reasonable ground to believe that the
18 property is subject to forfeiture and ~~to believe~~ that prior notice would cause
19 loss or destruction, it ~~shall~~ shall, without any further hearing or notice, issue a
20 writ of seizure directing the sheriff of or any other law enforcement officer in
21 the county where the property is found to seize it.

22 (f) Seizure may be effected by a law enforcement officer authorized to enforce the penal
23 laws of this State prior to the filing of the complaint and without a writ of seizure if the seizure
24 is incident to a lawful arrest, search, or inspection and the officer has probable cause to believe
25 the property is subject to forfeiture and will be lost or destroyed if not seized. Within 24 hours of
26 the time of seizure, the seizure shall be reported by the officer to the district attorney of the
27 prosecutorial district as defined in G.S. 7A-60 in which the seizure is effected who shall
28 immediately report ~~such the~~ seizure to the Attorney General. The Attorney General shall, within
29 30 days after receiving notice of seizure, examine the evidence surrounding ~~such the~~ seizure, and
30 if ~~he the~~ the Attorney General believes reasonable ground exists for forfeiture under this Chapter,
31 the Attorney General shall file a complaint for forfeiture. The complaint shall state, in addition
32 to the information required in subsection (e) of this section, the date and place of seizure.

33 (g) After the complaint is filed or the seizure effected, whichever is later, every person
34 known to have or claim an interest in the property, or in the property or enterprise of which the
35 subject property is a part or represents any interest, shall be served, if not previously served, with
36 a copy of the complaint and a notice of seizure in the manner provided by Chapter 1A of the
37 ~~General Statutes of North Carolina. Statutes.~~ Service by publication may be ordered upon any
38 party whose whereabouts cannot be determined with reasonable diligence within 30 days of the
39 filing of the complaint.

- 40 (h) (1) ~~Any A~~ person claiming an interest in the ~~property;~~ property may become a
41 party to the action at any time prior to judgment whether named in the
42 complaint or not. ~~Any A~~ party claiming a substantial interest in the property,
43 upon ~~motion~~ motion, may be allowed by the court to take possession of the
44 property upon posting bond with good and sufficient security in double the
45 amount of the property's value conditioned to pay the value of any interest in
46 the property found to be subject to forfeiture or the value of any interest of
47 another not subject to forfeiture.
- 48 (2) The court, upon ~~such any~~ terms and conditions ~~as it may prescribe;~~ that it
49 prescribes, may order that the property be sold by an innocent party ~~who that~~
50 holds a lien on or security interest in the property at ~~anytime~~ any time during
51 the proceedings. Any proceeds from ~~such the~~ sale over and above the amount

1 necessary to satisfy the lien or security interest shall be paid into court pending
2 final judgment in the forfeiture proceeding. No ~~such~~ sale shall be ordered,
3 however, unless the obligation upon which the lien or security interest is based
4 is in default.

- 5 (3) Pending final judgment in the forfeiture proceeding, the court may make any
6 other disposition of the property necessary to protect it or in the interest of
7 substantial ~~justice~~, justice and ~~which that~~ adequately protects the interests of
8 innocent parties.

9 (i) The interest of an innocent party in the property ~~shall not be~~ is not subject to forfeiture.
10 An innocent party is one ~~who that~~ did not have actual or constructive knowledge that the property
11 was subject to forfeiture. An attorney who is paid a fee for representing ~~any a~~ a person subject to
12 this ~~act, shall be~~ Chapter is rebuttably presumed to be an innocent party as to that fee transaction.

13 (j) Subject to the requirement of protecting the interest of all innocent parties, the court
14 may, after judgment of forfeiture, make any of the following orders for disposition of the
15 property:

- 16 (1) Destruction of the property or contraband, the possession of, or use of, which
17 is ~~illegal~~; illegal.
- 18 (2) Retention for official use by a law enforcement agency, the ~~State~~ State, or any
19 political subdivision thereof. When ~~such the~~ the agency or political subdivision
20 no longer has use for ~~such the~~ the property, it shall be disposed of by judicial sale
21 as provided in Article 29A of Chapter 1 of the General ~~Statutes of North~~
22 ~~Carolina, Statutes~~, and the proceeds shall be paid to the State
23 ~~Treasurer~~; Treasurer.
- 24 (3) Transfer to the Department of Natural and Cultural Resources of property
25 useful for historical or instructional ~~purposes~~; purposes.
- 26 (4) Retention of the property by ~~any an~~ an innocent party having an interest ~~therein~~,
27 in it, including the right to restrict sale of an interest to outsiders, such as a
28 right of first refusal, upon payment or approval of a plan for payment into
29 court of the value of any forfeited interest in the property. The plan may
30 include, in the case of an innocent party ~~who that~~ holds an interest in the
31 property through ~~an estate a tenancy~~ by the entirety, ~~or an undivided interest~~
32 ~~in the property, interest, or a lien on or security interest in the property,~~
33 interest, the sale of the property by the innocent party under ~~such any~~ any terms
34 and conditions ~~as may be~~ prescribed by the court and the payment into court
35 of any proceeds from ~~such the~~ the sale over and above the amount necessary to
36 satisfy ~~the divided ownership value of the innocent party's interest or the lien~~
37 ~~or security interest.~~ interest. Proceeds paid into the court ~~must shall~~ shall then be
38 paid to the State ~~Treasurer~~; Treasurer.
- 39 (5) Judicial sale of the property as provided in Article 29A of Chapter 1 of the
40 General ~~Statutes of North Carolina, Statutes~~, with the proceeds being paid to
41 the State ~~Treasurer~~; Treasurer.
- 42 (6) Transfer of the property to ~~any an~~ an innocent party having an interest ~~therein in~~
43 it equal to or greater than the value of the ~~property~~; property.
- 44 (7) Any other disposition of the property ~~which that~~ is in the interest of substantial
45 justice and adequately protects innocent parties, with any proceeds being paid
46 to the State Treasurer.

47 (k) In addition to ~~the provisions of an in rem action under~~ subsections (c) through (g)
48 ~~relating to in rem actions, of this section~~, the State may bring an in personam action for the
49 forfeiture of any property subject to forfeiture under subsection (a) of this section.

50 (l) Upon the entry of a final civil judgment of forfeiture in favor of the ~~State~~ State, the
51 following provisions apply:

- 1 (1) The title of the State to the forfeited property ~~shall relate back as follows:~~
- 2 a. In the case of real property or a beneficial interest, ~~relate the title~~
- 3 relates back to the date of the filing of the RICO lien notice in the
- 4 official record of the county where the real property or beneficial
- 5 interest is ~~located and, if located.~~ If no RICO lien notice is filed, then
- 6 the title relates back to the date of the filing of any notice of lis pendens
- 7 in the official records of the county where the real property or
- 8 beneficial interest is ~~located and, if located.~~ If no RICO lien notice or
- 9 notice of lis pendens is so filed, ~~then the title relates back~~ to the date
- 10 of the recording of the final judgment of forfeiture in the official
- 11 records of the county where the real property or beneficial interest is
- 12 ~~located; and located.~~
- 13 b. In the case of personal property, ~~relate the title relates back~~ to the date
- 14 the personal property was seized pursuant to ~~the provisions of this~~
- 15 Chapter.
- 16 (2) If property subject to forfeiture is conveyed, alienated, disposed of, or
- 17 otherwise rendered unavailable for forfeiture after the filing of a RICO lien
- 18 notice or after the filing of a RICO civil ~~proceeding proceeding,~~ whichever is
- 19 earlier, the Attorney General may, on behalf of the State, institute an action in
- 20 an appropriate court against the person named in the RICO lien notice or the
- 21 defendant in the civil proceeding and the court shall enter final judgment
- 22 against the person named in the RICO lien notice or the defendant in the civil
- 23 proceeding in an amount equal to the fair market value of the property,
- 24 together with investigative costs and ~~attorney's attorneys'~~ fees incurred by the
- 25 Attorney General in the action."

26 **SECTION 7.(d)** G.S. 75D-8 reads as rewritten:

27 "**§ 75D-8. Available RICO civil remedies.**

28 (a) As part of a final judgment of forfeiture, any judge of the superior court may, after

29 giving reasonable notice to potential innocent claimants, enjoin violations of G.S. 75D-4, by

30 issuing ~~appropriate one or more of the following~~ orders and judgments:

- 31 (1) Ordering ~~any a~~ defendant to divest ~~himself oneself~~ of ~~any an~~ interest in any
- 32 enterprise, real property, or personal property including property held by a
- 33 tenancy by the entirety. ~~Where~~ If property is held by a tenancy by the entirety
- 34 and one of the spouses is an innocent person as defined in G.S. 75D-5(i), upon
- 35 entry of a final judgment of forfeiture of entirety property, the judgment
- 36 operates, ~~operates~~ to convert the tenancy by the entirety to a tenancy in
- 37 common, and only the one-half undivided interest of the offending spouse
- 38 shall be forfeited according to ~~the provisions of this Chapter;~~ this Chapter.
- 39 (2) Imposing reasonable restrictions upon the future activities or investments of
- 40 ~~any a~~ defendant in the same or similar type of endeavor as the enterprise in
- 41 which ~~he the~~ defendant was engaged in violation of ~~G.S. 75D-4; G.S. 75D-4.~~
- 42 (3) Ordering the dissolution or reorganization of ~~any enterprise;~~ an enterprise.
- 43 (4) Ordering the suspension or revocation of ~~any a~~ license, permit, or prior
- 44 approval granted to ~~any an~~ enterprise by ~~any agency of the State;~~ a State
- 45 agency.
- 46 (5) Ordering the forfeiture of the charter of a corporation organized under the laws
- 47 of this State or the revocation of a certificate authorizing a foreign corporation
- 48 to conduct business ~~within in~~ this State upon a finding that the board of
- 49 directors or a managerial agent acting on behalf of the corporation, in
- 50 conducting affairs of the corporation, has authorized or engaged in conduct in
- 51 violation of ~~G.S. 75D-4, G.S. 75D-4~~ and that, for the prevention of future

1 unlawful activity, the public interest requires that the charter of the
2 corporation be dissolved or the certificate be ~~revoked~~; revoked.

3 (6) Appointment of a receiver pursuant to ~~the provisions of Article 38 of Chapter~~
4 1 of the General Statutes of North Carolina, to collect, ~~conserve~~ conserve, and
5 dispose of all the proceeds, money, ~~profits~~ profits, and property, both real and
6 personal, ~~subject to the provisions of this Chapter~~ in accordance with the
7 ~~provisions hereof this Chapter~~, as directed by the final judgment of the
8 superior court having jurisdiction over the parties or subject matter of the
9 ~~action~~; or action.

10 (7) Any other equitable remedy appropriate to effect complete forfeiture of
11 property subject to forfeiture, or to prevent future violations of this Chapter.

12 (b) The State through the Attorney General may institute a proceeding under G.S. 75D-5.
13 In ~~such the~~ proceeding, relief shall be granted in conformity with the principles that govern the
14 granting of injunctive relief from threatened loss or damage in other civil cases, ~~provided that no~~
15 ~~showing of special or irreparable damage to the person shall have to be made and provided further~~
16 ~~that the State shall not be cases. However, the State is not required to show special or irreparable~~
17 ~~damage, nor is the State required to execute any bond before or after obtaining temporary~~
18 ~~restraining orders or preliminary injunctions.~~

19 (c) ~~Any~~ An innocent person ~~who that~~ is injured or damaged in ~~his~~ business or property
20 by reason of any violation of G.S. 75D-4 involving a pattern of racketeering activity ~~shall have~~
21 ~~has~~ a cause of action for three times the actual damages sustained and reasonable ~~attorneys~~
22 ~~attorneys'~~ fees. For purposes of this subsection, "pattern of racketeering activity" ~~shall require~~
23 ~~requires~~ that at least one act of racketeering activity be an act of racketeering activity other than
24 (i) an act indictable under 18 U.S.C. § 1341 or ~~U.S.C. § 1343~~, 18 U.S.C. § 1343 or (ii) an act
25 ~~which that~~ is an offense involving fraud in the sale of securities. ~~Any~~ A person filing a private
26 action under this subsection ~~must shall~~ concurrently notify the Attorney General in writing of the
27 commencement of the action. Thereafter, the Attorney General may file a motion for a protective
28 order in the court where the private action is pending and shall be granted a stay of the private
29 action for a reasonable time if the court finds ~~either~~; either of the following:

30 (1) The bringing of a private action is likely to materially interfere with or impair
31 a public forfeiture ~~action~~; or action.

32 (2) The public interest is so great as to require the Attorney General to investigate
33 and bring a forfeiture action.

34 (d) ~~Any~~ An injured innocent person ~~shall have~~ has a right or claim to forfeited ~~property~~
35 ~~property~~, or to the proceeds derived ~~therefrom~~ from it, that is superior to any right or claim the
36 State has in the same property or proceeds. To enforce ~~such a claim~~ the claim, the injured innocent
37 person ~~must shall~~ intervene in the forfeiture proceeding prior to its final disposition.

38 (e) A final conviction in ~~any a~~ criminal proceeding ~~for a violation of those laws set forth~~
39 ~~in G.S. 75D-3(e)~~, ~~shall estop~~ estops the defendant in any subsequent civil action or proceeding
40 under this Chapter as to all matters proved in the criminal proceeding.

41 (f) A defendant in an action commenced by the State pursuant to this Chapter ~~whose~~
42 ~~convictions of two or more criminal offenses of those criminal statutes as set forth in G.S.~~
43 ~~75D-3(e) have become final, which offenses have occurred within a four-year period of each~~
44 ~~other as set forth in G.S. 75D-3(b)~~ shall be who has two or more final convictions for violating
45 any law set forth in G.S. 75D-3(8) and whose violations occurred within a four-year period as
46 set forth in G.S. 75D-3(7) is deemed to have, have per se violated ~~the provisions of~~
47 G.S. 75D-4(a)(1) or (2) as of the date of the second conviction.

48 (g) Any party is entitled to a jury trial in any action brought under this Chapter."

49 **SECTION 7.(e)** This section is effective when it becomes law and applies to actions
50 or proceedings commenced on or after that date.

1 **SECTION 8.(a)** The definitions in G.S. 85B-1 are reordered so that they appear in
2 alphabetical order.

3 **SECTION 8.(b)** G.S. 85B-1, as amended by subsection (a) of this section, reads as
4 rewritten:

5 **"§ 85B-1. Definitions.**

6 For the purposes of this ~~Chapter~~ Chapter, the following definitions ~~shall~~ apply:

- 7 (1) ~~"Absolute Auction" means the~~ Absolute auction. – The sale of real or personal
8 property at auction in which the item offered for auction is sold to the highest
9 bidder without reserve, without the requirement of ~~any~~ a minimum bid, and
10 without competing bids of any type by the owner, or agent of the owner, of
11 the property.
- 12 (2) ~~"Auction" means the~~ Auction. – The sale of goods or real estate by means of
13 exchanges between an auctioneer and members of an audience, the exchanges
14 consisting of a series of invitations for offers made by the auctioneer, offers
15 by members of the audience, and the acceptance by the auctioneer of the
16 highest or most favorable offer.
- 17 (3) ~~"Auction Firm" means a~~ Auction firm. – A sole proprietorship of which the
18 owner is not a licensed auctioneer, or ~~any~~ a partnership, association, or
19 corporation, not otherwise exempt from this Chapter, that does any of the
20 following:
21 a. ~~sells~~ Sells, either directly or through agents, real or personal property
22 at auction, ~~or that~~ auction.
23 b. ~~arranges,~~ Arranges, sponsors, manages, ~~conducts~~ conducts, or
24 advertises ~~auctions,~~ or that auctions.
25 c. ~~in~~ In the regular course of ~~business~~ business, uses or allows the use of
26 its facilities for auctions.
27 ~~This definition~~ This term applies whether or not an owner or officer of the
28 business acts as an auctioneer.
- 29 (4) ~~"Auctioneer" means any~~ Auctioneer. – A person who conducts or offers to
30 conduct ~~auctions and~~ auctions. This term includes apprentice auctioneers
31 except ~~as when~~ when stricter standards are specified by this Chapter for apprentice
32 auctioneers.
- 33 (5) ~~"Auctioneering", "conduct of auction", or "conduct of business" means, in~~
34 Auctioneering, conduct of auction, or conduct of business. – In addition to the
35 actual calling of bids, any of the following:
36 a. Contracting for auction.
37 b. Accepting consignments of items for sale at auction.
38 c. Advertising an auction.
39 d. Offering items for sale at auction.
40 e. Accepting payment or disbursing monies for items sold at auction.
41 f. Otherwise soliciting, arranging, sponsoring, or managing an auction
42 or holding oneself out as an auctioneer or auction firm.
- 43 (6) ~~"Consignment" means, unless~~ Consignment. – Unless otherwise modified by
44 written agreement, the act of delivering or transferring goods or real estate in
45 fact or constructively to an auctioneer or the auctioneer's agent in trust for the
46 purpose of resale at auction ~~whereby~~ by which title does not pass to the buyer
47 until there is an action indicating a sale. ~~For purposes of this section,~~
48 ~~consignment may also mean~~ This term includes a bailment for sale.
- 49 (7) ~~"Designated person" means any~~ Designated person. – A person approved by
50 the Board to have the authority to transact business for a licensed auction firm.

- 1 (8) ~~"Estate Sale" means the Estate sale. – The liquidation by sale at auction of real~~
 2 ~~or personal property of a specified person.~~
 3 (9) ~~"Fund" means Fund. – Auctioneer Recovery Fund.~~
 4 (10) ~~"Owner" means the Owner. – The bona fide owner of the property being~~
 5 ~~offered for sale; sale. The following provisions apply:~~
 6 ~~a. in In the case of partnerships, "owner" this term means a general~~
 7 ~~partner in a partnership that owns the property being offered for sale,~~
 8 ~~provided that sale so long as, in the case of a limited partnership it~~
 9 ~~partnership, the partnership has filed a certificate of limited~~
 10 ~~partnership as required by Chapter 59 of the General Statutes; Statutes.~~
 11 ~~b. in In the case of corporations, "owner" this term means an officer or~~
 12 ~~director or employee or someone acting on behalf of the employee of~~
 13 ~~officer, director, employee, or agent of a corporation that owns the~~
 14 ~~property being offered for sale provided that so long as the corporation~~
 15 ~~is registered to do business in the this State."~~

16 **SECTION 9.** G.S. 128-26A is redesignated as G.S. 128-26.1.

17 **SECTION 10.(a)** G.S. 131A-3 reads as rewritten:

18 **"§ 131A-3. Definitions.**

19 ~~As used or referred to in this Article, the following words and terms shall have the following~~
 20 ~~meanings, unless the context clearly indicates otherwise:~~

- 21 (1) ~~"Bonds" or "notes" means the revenue bonds or bond anticipation notes,~~
 22 ~~respectively, authorized to be issued by the Commission under this Article;~~
 23 (2) ~~"Commission" means the North Carolina Medical Care Commission, created~~
 24 ~~by Part 10 of Article 3 of Chapter 143B of the General Statutes, or, should~~
 25 ~~said Commission be abolished or otherwise divested of its functions under this~~
 26 ~~Article, the public body succeeding it in its principal functions, or upon which~~
 27 ~~are conferred by law the rights, powers and duties given by this Article to the~~
 28 ~~Commission;~~
 29 (3) ~~"Cost" as applied to any health care facilities means the cost of construction~~
 30 ~~or acquisition; the cost of acquisition of property, including rights in land and~~
 31 ~~other property, both real and personal and improved and unimproved; the cost~~
 32 ~~of demolishing, removing or relocating any buildings or structures on land so~~
 33 ~~acquired, including the cost of acquiring any land to which such buildings or~~
 34 ~~structures may be moved or relocated; the cost of all machinery, fixed and~~
 35 ~~movable equipment and furnishings; financing charges, interest prior to and~~
 36 ~~during construction and, if deemed advisable by the Commission, for a period~~
 37 ~~not exceeding two years after the estimated date of completion of~~
 38 ~~construction, the cost of engineering and architectural surveys, plans and~~
 39 ~~specifications; the cost of consulting and legal services and other expenses~~
 40 ~~necessary or incident to determining the feasibility or practicability of~~
 41 ~~constructing or acquiring such health care facilities; the cost of administrative~~
 42 ~~and other expenses necessary or incident to the construction or acquisition of~~
 43 ~~such health care facilities, and the financing of the construction or acquisition~~
 44 ~~thereof, including reasonable provision for working capital and a reserve for~~
 45 ~~debt service; the cost of reimbursing any public or nonprofit agency for any~~
 46 ~~payments made for any cost described above or the refinancing of any cost~~
 47 ~~described above, provided that no payment shall be reimbursed or any cost be~~
 48 ~~refinanced if such payment was made or such cost was incurred earlier than~~
 49 ~~two years prior to the effective date of this Article; provided further, that it is~~
 50 ~~the intent that any costs described above shall be payable solely from the~~
 51 ~~revenues of the health care facilities;~~

- 1 (4) ~~"Health care facilities" means any one or more buildings, structures, additions,~~
2 ~~extensions, improvements or other facilities, whether or not located on the~~
3 ~~same site or sites, machinery, equipment, furnishings or other real or personal~~
4 ~~property suitable for health care or medical care; and includes, without~~
5 ~~limitation: general hospitals, chronic diseases, maternity, mental, tuberculosis~~
6 ~~and other specialized hospitals; facilities for intensive care and self-care;~~
7 ~~nursing homes, including skilled nursing facilities and intermediate care~~
8 ~~facilities; facilities for continuing care of the elderly and infirm; clinics and~~
9 ~~outpatient facilities; clinical, pathological and other laboratories; health care~~
10 ~~research facilities; laundries; training facilities for nurses, interns, physicians~~
11 ~~and other staff members; food preparation and food service facilities;~~
12 ~~administration buildings, central service and other administrative facilities;~~
13 ~~communication, computer; and other electronic facilities, fire fighting~~
14 ~~facilities, pharmaceutical facilities and recreational facilities; storage space,~~
15 ~~X ray, laser, radiotherapy and other apparatus and equipment; dispensaries;~~
16 ~~utilities; vehicular parking lots and garages; office facilities for health care~~
17 ~~facilities staff members and physicians; and such other health care facilities~~
18 ~~eustomarily under the jurisdiction of or provided by hospitals, or any~~
19 ~~combination of the foregoing, with all necessary, convenient or related~~
20 ~~interests in land, machinery, apparatus, appliances, equipment, furnishings,~~
21 ~~appurtenances, site preparation, landscaping and physical amenities;~~
22 (5) ~~"Non-profit agency" means any nonprofit corporation existing or hereafter~~
23 ~~created and empowered to acquire, by lease or otherwise, operate or maintain~~
24 ~~health care facilities;~~
25 (6) ~~"Public agency" means any county, city, town, hospital district or other~~
26 ~~political subdivision of the State existing or hereafter created pursuant to the~~
27 ~~laws of the State authorized to acquire, by lease or otherwise, operate or~~
28 ~~maintain health care facilities;~~
29 (7) ~~"State" means the State of North Carolina;~~
30 (8) ~~"Federally guaranteed security" means any security, investment or evidence~~
31 ~~of indebtedness issued pursuant to any provision of federal law for the purpose~~
32 ~~of financing or refinancing the cost of any health care facilities which is~~
33 ~~insured or guaranteed, directly or indirectly, in whole or in part as to the~~
34 ~~repayment of principal or interest by the United States of America or any~~
35 ~~instrumentality thereof;~~
36 (9) ~~"Federally insured mortgage note" means any loan secured by a mortgage or~~
37 ~~deed of trust on any health care facilities owned or leased by any public or~~
38 ~~nonprofit agency which is insured or guaranteed, directly or indirectly, in~~
39 ~~whole or in part as to the repayment of principal and interest by the United~~
40 ~~States of America or any instrumentality thereof, or any commitment by the~~
41 ~~United States of America or any instrumentality thereof to so insure or~~
42 ~~guarantee such a loan secured by a mortgage or a deed of trust.~~
43 (10) ~~"Continuing care" means the furnishing, pursuant to a continuing care~~
44 ~~agreement, of shelter, food, and nursing care to an individual not related by~~
45 ~~consanguinity or affinity to the provider furnishing such care. Other personal~~
46 ~~services provided shall be designated in the continuing care agreement.~~
47 ~~Continuing care shall include only life care, care for life, or care for a term of~~
48 ~~years;~~
49 (11) ~~"Life care" or "care for life" means a life lease, life membership, life estate, or~~
50 ~~similar agreement between an individual and a provider by which the~~

- 1 individual pays a fee for the right to occupy a space in the continuing care
2 facility and to receive continuing care for life; and
3 (12) ~~"Care for a term of years" means an agreement between an individual and a
4 provider whereby the individual pays a fee for the right to occupy space in a
5 continuing care facility, and to receive continuing care, for at least one year,
6 but for less than the life of the member.~~

7 The following definitions apply in this Article:

- 8 (1) Bonds or notes. – The revenue bonds or bond anticipation notes, respectively,
9 authorized to be issued by the Commission under this Article.
10 (2) Care for a term of years. – An agreement between an individual and a provider
11 by which the individual pays a fee for the right to occupy space in a continuing
12 care facility and to receive continuing care for at least one year but for less
13 than the life of the member.
14 (3) Commission. – The North Carolina Medical Care Commission, created by
15 Part 10 of Article 3 of Chapter 143B of the General Statutes, or a successor
16 body.
17 (4) Continuing care. – The furnishing, pursuant to a continuing care agreement,
18 of shelter, food, and nursing care to an individual not related by consanguinity
19 or affinity to the provider furnishing the care. Other personal services
20 provided shall be designated in the continuing care agreement. This term
21 includes only life care, care for life, or care for a term of years.
22 (5) Cost. – As applied to any health care facilities, any of the following:
23 a. The cost of construction or acquisition.
24 b. The cost of acquisition of property, including property rights, both real
25 and personal and improved and unimproved.
26 c. The cost of demolishing, removing, or relocating any buildings or
27 structures on land acquired, including the cost of acquiring any land to
28 which the buildings or structures may be moved or relocated.
29 d. The cost of all machinery, fixed and movable equipment, and
30 furnishings.
31 e. Financing charges, interest prior to and during construction, and, if
32 deemed advisable by the Commission, for a period not exceeding two
33 years after the estimated date of completion of construction, the cost
34 of engineering and architectural surveys, plans, and specifications.
35 f. The cost of consulting and legal services and other expenses necessary
36 or incident to determining the feasibility or practicability of
37 constructing or acquiring the health care facilities.
38 g. The cost of administrative and other expenses necessary or incident to
39 the construction or acquisition of the health care facilities and the
40 financing of the construction or acquisition, including reasonable
41 provision for working capital and a reserve for debt service.
42 h. The cost of reimbursing a public or nonprofit agency for any payments
43 made for any cost described in this subdivision or the refinancing of
44 any cost described in this subdivision. This term, however, does not
45 include any reimbursement or refinancing costs that are not payable
46 solely from the revenues of the health care facilities.
47 (6) Federally guaranteed security. – A security, investment, or evidence of
48 indebtedness issued pursuant to federal law for the purpose of financing or
49 refinancing the cost of a health care facility and that is insured or guaranteed,
50 directly or indirectly, in whole or in part as to the repayment of principal or
51 interest by the United States of America or any instrumentality thereof.

- 1 (7) Federally insured mortgage note. – A loan secured by a mortgage or deed of
2 trust on a health care facility owned or leased by a public or nonprofit agency
3 and that is insured or guaranteed, directly or indirectly, in whole or in part as
4 to the repayment of principal and interest by the United States of America or
5 any instrumentality thereof, or by a commitment of the United States of
6 America or any instrumentality thereof.
- 7 (8) Health care facilities. – Any one or more buildings, structures, additions,
8 extensions, improvements, or other facilities, whether or not located on the
9 same site, machinery, equipment, furnishings, or other real or personal
10 property suitable for health care or medical care. The term includes, without
11 limitation, any of the following facilities related to health care:
- 12 a. General hospitals or specialized hospitals, such as hospitals for chronic
13 diseases, maternity, or mental health.
- 14 b. Facilities for intensive care and self-care.
- 15 c. Nursing homes, including skilled nursing facilities and intermediate
16 care facilities.
- 17 d. Facilities for the continuing care of the elderly and infirm.
- 18 e. Clinics and outpatient facilities.
- 19 f. Clinical, pathological, and other laboratories.
- 20 g. Health care research facilities.
- 21 h. Laundries.
- 22 i. Training facilities for nurses, interns, physicians, and other staff
23 members.
- 24 j. Food preparation and food service facilities.
- 25 k. Administration buildings, central service facilities, and other
26 administrative facilities.
- 27 l. Communication, computer, and other electronic facilities, firefighting
28 facilities, pharmaceutical facilities, and recreational facilities.
- 29 m. Storage space.
- 30 n. X-ray, laser, radiotherapy, and other apparatus and equipment.
- 31 o. Dispensaries.
- 32 p. Utilities.
- 33 q. Vehicular parking lots and garages.
- 34 r. Office facilities for staff members and physicians of a health care
35 facility.
- 36 s. Other facilities customarily under the jurisdiction of or provided by
37 hospitals, or any combination of the facilities listed in this subdivision,
38 with all related interests in land, machinery, apparatus, appliances,
39 equipment, furnishings, appurtenances, site preparation, landscaping,
40 and physical amenities.
- 41 (9) Life care or care for life. – A life lease, life membership, life estate, or similar
42 agreement between an individual and a provider by which the individual pays
43 a fee for the right to occupy a space in the continuing care facility and to
44 receive continuing care for life.
- 45 (10) Nonprofit agency. – A nonprofit corporation authorized to acquire, by lease
46 or otherwise, operate, or maintain health care facilities.
- 47 (11) Public agency. – A county, city, town, hospital district, or other political
48 subdivision of the State authorized to acquire, by lease or otherwise, operate,
49 or maintain health care facilities.
- 50 (12) State. – State of North Carolina."
- 51 **SECTION 10.(b)** G.S. 143B-181.16 reads as rewritten:

1 **"§ 143B-181.16. Long-Term Care Ombudsman Program/Office; definition. Definitions.**

2 Unless the content clearly requires otherwise, as used in this Article:

- 3 (1) ~~"Long-term care facility" means any skilled nursing facility and intermediate~~
 4 ~~care facility as defined in G.S. 131A-3(4) or any adult care home as defined~~
 5 ~~in G.S. 131D-20(2).~~
- 6 (1a) ~~Reserved for future codification purposes.~~
- 7 (1b) ~~"Programmatic supervision" means the monitoring of the performance of the~~
 8 ~~duties of the Regional Ombudsman and ensuring that the Area Agency on~~
 9 ~~Aging has personnel policies and procedures consistent with the laws and~~
 10 ~~policies governing the Ombudsman Program as performed by the State~~
 11 ~~Ombudsman.~~
- 12 (1c) ~~"Regional Ombudsman" means a person employed by an Area Agency on~~
 13 ~~Aging who is certified and designated by the State Ombudsman to carry out~~
 14 ~~the functions of the Regional Ombudsman Office established by this Article,~~
 15 ~~42 U.S.C. § 3001, et seq. and regulations promulgated thereunder.~~
- 16 (2) ~~"Resident" means any person who is receiving treatment or care in any~~
 17 ~~long-term care facility.~~
- 18 (3) ~~"State Ombudsman" means the State Ombudsman as defined by the Older~~
 19 ~~Americans Act of 1965, as amended, 42 U.S.C. § 3001 et seq., and regulations~~
 20 ~~promulgated thereunder, who carries out the duties and functions established~~
 21 ~~by this Article and 42 U.S.C. § 3001, et seq. and regulations promulgated~~
 22 ~~thereunder.~~
- 23 (4) ~~"Willful interference" means actions or inactions taken by an individual in an~~
 24 ~~attempt to intentionally prevent, interfere with, or attempt to impede the~~
 25 ~~Ombudsman or a representative of the Office from performing any of the~~
 26 ~~functions, responsibilities, or duties set forth in 42 U.S.C. § 3001 et seq., and~~
 27 ~~regulations promulgated thereunder.~~

28 The following definitions apply in this Article:

- 29 (1) Long-term care facility. – A skilled nursing facility, intermediate care facility,
 30 or adult care home as defined in G.S. 131D-20.
- 31 (2) Programmatic supervision. – The monitoring of the performance of the duties
 32 of the Regional Ombudsman and ensuring that the Area Agency on Aging has
 33 personnel policies and procedures consistent with the laws and policies
 34 governing the Ombudsman Program as performed by the State Ombudsman.
- 35 (3) Regional Ombudsman. – A person employed by an Area Agency on Aging
 36 who is certified and designated by the State Ombudsman to carry out the
 37 functions of the Regional Ombudsman Office established by this Article, the
 38 Older Americans Act of 1965, 42 U.S.C. § 3001, et seq., and the regulations
 39 promulgated under that act.
- 40 (4) Resident. – A person who is receiving treatment or care in a long-term care
 41 facility.
- 42 (5) State Ombudsman. – The State Ombudsman, as defined by the Older
 43 Americans Act of 1965, 42 U.S.C. § 3001, et seq., and the regulations
 44 promulgated under it, who carries out the duties and functions established by
 45 those laws and this Article.
- 46 (6) Willful or unnecessary obstruction. – Actions or inactions taken by an
 47 individual in an attempt to intentionally prevent, interfere with, or attempt to
 48 impede the State Ombudsman or Regional Ombudsman from performing any
 49 of the functions, responsibilities, or duties set forth in the Older Americans
 50 Act of 1965, 42 U.S.C. § 3001, et seq., and the regulations promulgated under
 51 it."

1 **SECTION 11.1.(a)** G.S. 131E-176(5a) is recodified as G.S. 131E-176(5c).

2 **SECTION 11.1.(b)** G.S. 131E-176(10) is recodified as G.S. 131E-176(7e).

3 **SECTION 11.1.(c)** G.S. 131E-176(13) is recodified as G.S. 131E-176(13d). The
4 Revisor of Statutes shall substitute "G.S. 131E-176" for "G.S. 131E-176(13)" wherever it
5 appears in G.S. 90-414.4.

6 **SECTION 11.2.(a)** G.S. 131E-176, as amended by Section 11.1 of this act, reads as
7 rewritten:

8 **"§ 131E-176. Definitions.**

9 The following definitions apply in this Article:

10 (1) Adult care home. – A facility with seven or more beds licensed under Part 1
11 of Article 1 of Chapter 131D of the General Statutes or under this Chapter that
12 provides residential care for aged individuals or individuals with disabilities
13 whose principal need is a home ~~which~~that provides the supervision and
14 personal care appropriate to their age and disability and for whom medical
15 care is only occasional or incidental.

16 ...

17 (1b) Ambulatory surgical facility. – A facility designed for the provision of a
18 specialty ambulatory surgical program or a multispecialty ambulatory surgical
19 program. An ambulatory surgical facility serves patients who require local,
20 regional, or general anesthesia and a period of post-operative observation. An
21 ambulatory surgical facility may only admit patients for a period of less than
22 24 hours and ~~must~~shall provide at least one designated operating room or
23 gastrointestinal endoscopy room and at least one designated recovery room,
24 have available the necessary equipment and trained personnel to handle
25 emergencies, provide adequate quality assurance and assessment by an
26 evaluation and review committee, and maintain adequate medical records for
27 each patient. An ambulatory surgical facility may be operated as a part of a
28 ~~physician~~physician's or dentist's office, ~~provided~~office so long as the facility
29 is licensed under Part 4 of Article 6 of this Chapter, but the performance of
30 incidental, limited ambulatory surgical procedures ~~which~~that do not
31 constitute an ambulatory surgical program and ~~which~~that are performed in a
32 physician's or dentist's office does not make that office an ambulatory surgical
33 facility.

34 (1c) Ambulatory surgical program. – A formal program for providing on a
35 same-day basis those surgical procedures ~~which~~that require local, regional,
36 or general anesthesia and a period of post-operative observation to patients
37 whose admission for more than 24 hours is determined, prior to surgery or
38 gastrointestinal endoscopy, to be medically unnecessary.

39 (2) Bed capacity. – Space used exclusively for inpatient care, including space
40 designed or remodeled for licensed inpatient beds even though temporarily
41 not used for ~~such~~these purposes. The number of beds to be counted in ~~any~~a
42 patient room shall be the maximum number for which adequate square footage
43 is provided as established by rules of the Department except that single beds
44 in single rooms are counted even if the room contains inadequate square
45 footage. ~~The term "bed capacity"~~This term also refers to the number of
46 dialysis stations in kidney disease treatment centers, including freestanding
47 dialysis units.

48 ...

49 (2d) Capital expenditure. – An expenditure for a project, including but not limited
50 to ~~to~~, the cost of construction, engineering, and equipment ~~which~~that, under
51 generally accepted accounting ~~principles~~principles, is not properly

- 1 chargeable as an expense of operation and maintenance. Capital expenditure
 2 includes, in addition, the fair market value of an acquisition made by donation,
 3 lease, or comparable arrangement by which a person obtains equipment, the
 4 expenditure for which would have been considered a capital expenditure
 5 under this Article if the person had acquired it by purchase.
 6 ...
 7 (3) Certificate of need. – A written order ~~which~~that affords the person so
 8 designated as the legal proponent of the proposed project the opportunity to
 9 proceed with the development of the project.
 10 ...
 11 (5) Change in bed capacity. – Any of the following:
 12 a. ~~Any~~A relocation of health service facility ~~beds,~~beds or dialysis
 13 stations from one licensed facility or campus to another.
 14 b. ~~Any~~A redistribution of health service facility bed capacity among the
 15 categories of health service facility bed.
 16 c. ~~Any~~An increase in the number of health service facility ~~beds,~~beds or
 17 dialysis stations in kidney disease treatment centers, including
 18 freestanding dialysis units.
 19 ...
 20 (5c) Chemical dependency treatment facility. – A public or private facility, or unit
 21 in a facility, ~~which~~that is engaged in providing ~~24-hour-a-day~~24-hour-a-day
 22 treatment for chemical dependency or a substance use disorder. This treatment
 23 may include detoxification, administration of a therapeutic regimen for the
 24 treatment of individuals with chemical dependence or substance use disorders,
 25 and related services. The facility or unit may be any of the following:
 26 ...
 27 (7) Develop. – When used in connection with health services, means to undertake
 28 those activities ~~which~~that will result in the offering of institutional health
 29 service or the incurring of a financial obligation in relation to the offering of
 30 ~~such a~~the service.
 31 (7a) **(Effective until November 21, 2026 – see note)** Diagnostic center. – A
 32 freestanding facility, program, or provider, including but not limited to,
 33 physicians' offices, clinical laboratories, radiology centers, and mobile
 34 diagnostic programs, in which the total cost of all the medical diagnostic
 35 equipment utilized by the facility ~~which cost~~that costs ten thousand dollars
 36 (\$10,000) or more exceeds three million dollars (\$3,000,000). In determining
 37 whether the medical diagnostic equipment in a diagnostic center costs more
 38 than three million dollars (\$3,000,000), the costs of the equipment, studies,
 39 surveys, designs, plans, working drawings, specifications, construction,
 40 installation, and other activities essential to acquiring and making operational
 41 the equipment shall be included. The capital expenditure for the equipment
 42 ~~shall be~~is deemed to be the fair market value of the equipment or the cost of
 43 the equipment, whichever is greater. ~~Beginning September 30, 2022, and on~~
 44 On September 30 of each year thereafter, year, the cost threshold amount in
 45 this subdivision shall be adjusted using the Medical Care Index component of
 46 the Consumer Price Index published by the U.S. Department of Labor for the
 47 12-month period preceding the previous September 1.
 48 ...
 49 (7c) Gamma knife. – Equipment ~~which~~that emits photon beams from a stationary
 50 radioactive cobalt source to treat lesions deep within the brain and is one type
 51 of stereotactic radiosurgery.

- 1 ...
- 2 (7e) Health maintenance organization (HMO). – A public or private organization
- 3 ~~which that~~ has received its certificate of authority under Article 67 of Chapter
- 4 58 of the General Statutes and ~~which that~~ either is a qualified health
- 5 maintenance organization under ~~Section 1310(d) of the Public Health Service~~
- 6 ~~Act~~ 42 U.S.C. § 300e-9, or satisfies all of the following:
- 7 ...
- 8 b. Is compensated, except for copayments, for the provision of the basic
- 9 health care services listed in sub-subdivision a. of this subdivision to
- 10 enrolled participants by a payment ~~which that~~ is paid on a periodic
- 11 basis without regard to the date the health care services are provided
- 12 and ~~which that~~ is fixed without regard to the frequency, extent, or kind
- 13 of health service actually provided.
- 14 c. Provides physicians' services primarily (i) directly through physicians
- 15 who are either employees or partners of ~~such organizations, these~~
- 16 organizations or (ii) through arrangements with individual physicians
- 17 or one or more groups of physicians organized on a group practice or
- 18 individual practice basis.
- 19 ...
- 20 (9a) Health service. – An organized, interrelated activity that is medical,
- 21 diagnostic, therapeutic, rehabilitative, or a combination ~~thereof of those~~ and
- 22 that is integral to the prevention of disease or the clinical management of an
- 23 individual who is sick or injured or who has a disability. ~~"Health service"~~ The
- 24 term does not include administrative and other activities that are not integral
- 25 to clinical management.
- 26 (9b) **(Effective until November 21, 2025 – see note)** Health service facility. – A
- 27 hospital; long-term care hospital; rehabilitation facility; nursing home facility;
- 28 adult care home; kidney disease treatment center, including freestanding
- 29 hemodialysis units; intermediate care facility for individuals with intellectual
- 30 disabilities; home health agency office; diagnostic center; hospice office,
- 31 hospice inpatient facility, or hospice residential care facility; ~~and~~ or
- 32 ambulatory surgical facility.
- 33 ...
- 34 (9c) Health service facility bed. – A bed licensed for use in a health service facility
- 35 in the categories of (i) acute care beds; ~~(iii)-(ii)~~ rehabilitation beds; ~~(iv)-(iii)~~
- 36 nursing home beds; ~~(v)-(iv)~~ intermediate care beds for individuals with
- 37 intellectual disabilities; ~~(vii)-(v)~~ hospice inpatient facility beds; ~~(viii)-(vi)~~
- 38 hospice residential care facility beds; ~~(ix)-(vii)~~ adult care home beds; and ~~(x)~~
- 39 (viii) long-term care hospital beds.
- 40 ...
- 41 (12) Home health agency. – A private organization or public agency, whether
- 42 owned or operated by one or more persons or legal entities, ~~which that~~
- 43 furnishes or offers to furnish home health services.
- 44 (12a) Home health services. – Items and services furnished to an individual by a
- 45 home health agency, or by others under arrangements ~~with such others~~ made
- 46 by the agency, on a visiting basis, and except for sub-subdivision e. of this
- 47 subdivision, in a place of temporary or permanent residence used as the
- 48 individual's home as follows:
- 49 ...
- 50 d. Medical supplies, other than drugs and ~~biologicals~~ biologicals, and the
- 51 use of medical appliances.

- 1 e. Any of the items and services listed in this subdivision ~~which that~~ are
 2 provided on an outpatient basis under arrangements made by the home
 3 health agency at a ~~hospital or nursing home facility~~ hospital, nursing
 4 home facility, or rehabilitation ~~center~~ facility and the furnishing of
 5 which involves the use of equipment ~~of such a nature~~ that the items
 6 and services cannot readily be made available to the individual at
 7 home, or ~~which that~~ are furnished at the facility while the individual is
 8 there to receive ~~any such the~~ item or service, but not including
 9 transportation of the individual in connection with ~~any such the~~ item
 10 or service.
- 11 ...
- 12 (13a) Hospice. – Any coordinated program of home care with provision for inpatient
 13 care for terminally ill patients and their families. This care is provided by a
 14 medically directed interdisciplinary team, directly or through an agreement
 15 under the direction of an identifiable hospice administration. A hospice
 16 program of care provides palliative and supportive medical and other health
 17 services to meet the physical, psychological, social, spiritual, and special
 18 needs of patients and their ~~families, which~~ families that are experienced during
 19 the final stages of terminal illness and during dying and bereavement.
- 20 (13b) Hospice inpatient facility. – A freestanding licensed hospice facility or a
 21 designated inpatient unit in an existing health service facility ~~which that~~
 22 provides palliative and supportive medical and other health services to meet
 23 the physical, psychological, social, spiritual, and special needs of terminally
 24 ill patients and their families in an inpatient setting. For purposes of this
 25 Article only, a hospital ~~which that~~ has a contractual agreement with a licensed
 26 hospice to provide inpatient services to a hospice patient as defined in
 27 ~~G.S. 131E-201(4)~~ G.S. 131E-201 and provides those services in a licensed
 28 acute care bed is not a hospice inpatient facility and ~~is not subject to the~~
 29 ~~requirements in sub-subdivision (5)b. of this section for hospice inpatient~~
 30 ~~beds.~~ the services provided in this manner are not a redistribution of health
 31 service facility bed capacity among the categories of health service facility
 32 bed.
- 33 (13c) Hospice residential care facility. – A freestanding licensed hospice facility
 34 ~~which that~~ provides palliative and supportive medical and other health
 35 services to meet the physical, psychological, social, spiritual, and special
 36 needs of terminally ill patients and their families in a group residential setting.
- 37 (13d) Hospital. – A public or private institution ~~which that~~ is primarily engaged in
 38 providing to inpatients, by or under supervision of physicians, diagnostic
 39 services and therapeutic services for medical diagnosis, treatment, and care of
 40 injured, disabled, or sick persons, or rehabilitation services for the
 41 rehabilitation of injured, disabled, or sick persons. The term includes all
 42 facilities licensed pursuant to G.S. 131E-77, except long-term care hospitals.
- 43 ...
- 44 (14a) Intermediate care facility for individuals with intellectual disabilities. –
 45 Facilities licensed pursuant to Article 2 of Chapter 122C of the General
 46 Statutes for the purpose of providing health and habilitative services based on
 47 the developmental model and principles of normalization for individuals with
 48 intellectual disabilities, autism, cerebral palsy, ~~epilepsy~~ epilepsy, or related
 49 conditions.
- 50 ...

- 1 (14e) Kidney disease treatment center. – A facility that is certified as an end-stage
 2 renal disease facility by the Centers for Medicare and Medicaid ~~Services,~~
 3 Services of the United States Department of Health and Human Services,
 4 Services pursuant to 42 C.F.R. § 405.
- 5 (14f) ~~"Legacy Medical Care Facility" means a Legacy Medical Care Facility.~~ – A
 6 facility that meets all of the following requirements:
 7 a. Is not presently operating.
 8 b. Has not continuously operated for at least the past six months.
 9 c. Within the last 24 ~~months;~~ months, both of the following:
 10 1. Was operated by a person holding a license under
 11 ~~G.S. 131E-77; and~~ G.S. 131E-77.
 12 ...
- 13 (14k) Long-term care hospital. – A hospital that has been classified and designated
 14 as a long-term care hospital by the Centers for Medicare and Medicaid
 15 ~~Services,~~ Services of the United States Department of Health and Human
 16 ~~Services,~~ Services pursuant to 42 C.F.R. § 412.
 17 ...
- 18 (14n) Main campus. – ~~All~~ Both of the following for the purposes of
 19 G.S. 131E-184(f) and (g) only:
 20 ...
- 21 (14o) **(Effective until November 21, 2026 – see note)** Major medical equipment. –
 22 A single unit or single system of components with related functions ~~which that~~
 23 is used to provide medical and other health services and ~~which that~~ costs more
 24 than two million dollars (\$2,000,000). In determining whether the major
 25 medical equipment costs more than two million dollars (\$2,000,000), the costs
 26 of the equipment, studies, surveys, designs, plans, working drawings,
 27 specifications, construction, installation, and other activities essential to
 28 acquiring and making operational the major medical equipment ~~shall be is~~
 29 included. The capital expenditure for the equipment ~~shall be is~~ deemed to be
 30 the fair market value of the equipment or the cost of the equipment, whichever
 31 is greater. ~~Major medical equipment~~ This term does not include replacement
 32 equipment as defined in this section. ~~Beginning September 30, 2022, and on~~
 33 equipment. On September 30 of each year thereafter, year, the cost threshold
 34 amount in this subdivision shall be adjusted using the Medical Care Index
 35 component of the Consumer Price Index published by the U.S. Department of
 36 Labor for the 12-month period preceding the previous September 1.
 37 ...
- 38 (15b) Neonatal intensive care services. – Those services provided by a health service
 39 facility to high-risk newborn infants who require constant nursing care,
 40 including but not limited ~~to~~ to, continuous cardiopulmonary and other
 41 supportive care.
- 42 (16) New institutional health services. – Any of the following:
 43 ...
 44 b. **(Effective until November 21, 2025 – see note)** Except as otherwise
 45 provided in G.S. 131E-184(e), the obligation by ~~any a~~ person of a
 46 capital expenditure exceeding four million dollars (\$4,000,000) to
 47 develop or expand a health service or a health service facility, or ~~which~~
 48 that relates to the provision of a health service. The cost of any studies,
 49 surveys, designs, plans, working drawings, specifications, and other
 50 activities, including ~~staff effort and consulting and staff effort,~~
 51 consulting, and other services, essential to the acquisition,

- 1 improvement, expansion, or replacement of ~~any a~~ plant or equipment
 2 with respect to which an expenditure is made ~~shall be~~ is included in
 3 determining if the expenditure exceeds four million dollars
 4 (\$4,000,000). ~~Beginning September 30, 2022, and on~~ On September
 5 30 of each year thereafter, year, the amount in this sub-subdivision
 6 shall be adjusted using the Medical Care Index component of the
 7 Consumer Price Index published by the U.S. Department of Labor for
 8 the 12-month period preceding the previous September 1.
 9 ...
 10 c. ~~Any A~~ change in bed capacity.
 11 ...
 12 e. A change in a project that was subject to certificate of need review and
 13 for which a certificate of need was issued, if the change is proposed
 14 during the development of the project or within one year after the
 15 project was completed. For purposes of this subdivision, a change in a
 16 project is a change of more than fifteen percent (15%) of the approved
 17 capital expenditure amount or the addition of a health service that is to
 18 be located in the facility, or portion ~~thereof, of the facility,~~ that was
 19 constructed or developed in the project.
 20 f. The development or offering of ~~a health service as listed in this~~
 21 ~~subdivision~~ any of the following health services by or on behalf of ~~any~~
 22 a person:
 23 ...
 24 f1. The acquisition by purchase, donation, lease, transfer, or comparable
 25 arrangement of any of the following equipment by or on behalf of ~~any~~
 26 a person:
 27 ...
 28 l. The purchase, lease, or acquisition of ~~any a~~ health service facility, or
 29 portion ~~thereof, of a health service facility,~~ or a controlling interest in
 30 the health service facility or portion ~~thereof, of the health service~~
 31 facility, if the health service facility was developed under a certificate
 32 of need issued pursuant to G.S. 131E-180.
 33 m. ~~Any A~~ conversion of nonhealth service facility beds to health service
 34 facility beds.
 35 n. The construction, ~~development~~ development, or other establishment of
 36 a hospice, hospice inpatient facility, or hospice residential care
 37 ~~facility;~~ facility.
 38 o. The opening of an additional office by an existing home health agency
 39 or hospice within its service area as defined by rules adopted by the
 40 Department; or the opening of ~~any an~~ office by an existing home health
 41 agency or hospice outside its service area as defined by rules adopted
 42 by the Department.
 43 p. The acquisition by purchase, donation, lease, transfer, or comparable
 44 arrangement by ~~any a~~ person of major medical equipment.
 45 ...
 46 s. The furnishing of mobile medical equipment to ~~any a~~ person to provide
 47 health services in North ~~Carolina, which~~ Carolina that was not in use
 48 in North Carolina prior to ~~the adoption of this provision, March 18,~~
 49 1993, if the equipment would otherwise be subject to review in
 50 accordance with sub-subdivision f1. of this subdivision or

- 1 sub-subdivision p. of this subdivision if it had been acquired in North
 2 Carolina.
- 3 t. Repealed by Session Laws 2001-242, s. 4, effective June 23, 2001.
- 4 u. The construction, development, establishment, increase in ~~the~~ number,
 5 or relocation of an operating room or gastrointestinal endoscopy room
 6 in a licensed health service facility, other than the relocation of an
 7 operating room or gastrointestinal endoscopy room within the same
 8 building or on the same grounds or to grounds not separated by more
 9 than a public right-of-way adjacent to the grounds where the operating
 10 room or gastrointestinal endoscopy room is currently located.
- 11 ...
- 12 (17a) Nursing care. – Any of the following:
- 13 ...
- 14 c. Health-related care and services provided on a regular basis to
 15 individuals ~~who~~ who, because of their mental or physical ~~condition~~
 16 condition, require care and services above the level of room and ~~board,~~
 17 ~~which~~ board that can be made available to them only through
 18 institutional facilities.
- 19 These are services ~~which~~ that are not primarily for the care and treatment
 20 of mental diseases.
- 21 ...
- 22 (20) Project or capital expenditure project. – A proposal to undertake a capital
 23 expenditure that results in the offering of a new institutional health service. A
 24 project, or capital expenditure project, or proposed project may refer to the
 25 project from its earliest planning stages up through the point at which the
 26 specified new institutional health service may be offered. In the case of facility
 27 construction, the point at which the new institutional health service may be
 28 offered ~~must~~ shall take place after the facility is capable of being fully licensed
 29 and operated for its intended use, and at that time it shall be considered a health
 30 service facility.
- 31 (21) Psychiatric facility. – A public or private facility licensed pursuant to Article
 32 2 of Chapter 122C of the General Statutes and ~~which~~ that is primarily engaged
 33 in providing to inpatients, by or under the supervision of a physician,
 34 psychiatric services for the diagnosis and treatment of individuals with mental
 35 illnesses.
- 36 ...
- 37 (22) Rehabilitation facility. – A public or private inpatient facility ~~which~~ that is
 38 operated for the primary purpose of assisting in the rehabilitation of
 39 individuals with disabilities through an integrated program of medical and
 40 other services ~~which are~~ provided under competent, professional supervision.
- 41 (22a) Replacement equipment. – Equipment that costs less than three million dollars
 42 (\$3,000,000) and is purchased for the sole purpose of replacing comparable
 43 medical equipment currently in use ~~which~~ that will be sold or otherwise
 44 disposed of when replaced. In determining whether the replacement
 45 equipment costs less than three million dollars ~~(\$3,000,000)~~ (\$3,000,000), the
 46 costs of equipment, studies, surveys, designs, plans, working drawings,
 47 specifications, construction, installation, and other activities essential to
 48 acquiring and making operational the replacement equipment ~~shall be~~ is
 49 included. The capital expenditure for the equipment ~~shall be~~ is deemed to be
 50 the fair market value of the equipment or the cost of the equipment, whichever
 51 is greater. ~~Beginning September 30, 2023, and on~~ On September 30 of each

1 ~~year thereafter, year,~~ the cost threshold amount in this subdivision shall be
 2 adjusted using the Medical Care Index component of the Consumer Price
 3 Index published by the U.S. Department of Labor for the 12-month period
 4 preceding the previous September 1.

5 ...

6 (24a) Service area. – The area of the State, as defined in the State Medical Facilities
 7 Plan or in rules adopted by the Department, ~~which that~~ receives services from
 8 a health service facility.

9 ...

10 (25) State Medical Facilities Plan. – The plan prepared in accordance with
 11 G.S. 131E-176.2 by the Department of Health and Human Services and the
 12 North Carolina State Health Coordinating ~~Council, Council~~ and approved by
 13 the Governor. ~~In preparing the Plan, the Department and the State Health~~
 14 ~~Coordinating Council shall maintain a mailing list of persons who have~~
 15 ~~requested notice of public hearings regarding the Plan. Not less than 15 days~~
 16 ~~prior to a scheduled public hearing, the Department shall notify persons on its~~
 17 ~~mailing list of the date, time, and location of the hearing. The Department~~
 18 ~~shall hold at least one public hearing prior to the adoption of the proposed Plan~~
 19 ~~and at least six public hearings after the adoption of the proposed Plan by the~~
 20 ~~State Health Coordinating Council. The Council shall accept oral and written~~
 21 ~~comments from the public concerning the Plan.~~

22"

23 **SECTION 11.2.(b)** Article 9 of Chapter 131E of the General Statutes is amended by
 24 adding a new section to read:

25 **"§ 131E-176.2. State Medical Facilities Plan.**

26 The Department of Health and Human Services and the North Carolina State Health
 27 Coordinating Council shall prepare and present to the Governor for approval the State Medical
 28 Facilities Plan. In preparing the Plan, the Department and the State Health Coordinating Council
 29 shall maintain a mailing list of persons that have requested notice of public hearings regarding
 30 the Plan. Not less than 15 days prior to a scheduled public hearing, the Department shall notify
 31 persons on its mailing list of the date, time, and location of the hearing. The Department shall
 32 hold at least one public hearing prior to the adoption of the proposed Plan and at least six public
 33 hearings after the adoption of the proposed Plan by the State Health Coordinating Council. The
 34 Council shall accept oral and written comments from the public concerning the Plan."

35 **SECTION 11.2.(c)** G.S. 131E-177 reads as rewritten:

36 **"§ 131E-177. Department of Health and Human Services is designated State Health**
 37 **Planning and Development Agency; powers and duties.**

38 The Department of Health and Human Services is designated as the State Health Planning
 39 and Development Agency for the State of North ~~Carolina, Carolina~~ and ~~is empowered to exercise~~
 40 has all of the following powers and duties:

- 41 (1) ~~To establish~~ Establish standards and criteria or plans required to carry out the
 42 provisions and purposes of this Article and to adopt rules pursuant to Chapter
 43 150B of the General ~~Statutes, Statutes~~ to carry out the purposes and provisions
 44 of this ~~Article; Article.~~
- 45 (2) Adopt, amend, and repeal ~~such rules and regulations, consistent with the laws~~
 46 ~~of this State, rules,~~ as may be required by the federal government for
 47 grants-in-aid for health service facilities and health planning ~~which that~~ may
 48 be made available by the federal government. This section shall be liberally
 49 construed in order that the State and its citizens may benefit from ~~such~~
 50 ~~grants-in-aid; these grants-in-aid.~~

- 1 (3) Define, by rule, procedures for submission of periodic reports by persons or
- 2 health service facilities subject to agency review under this ~~Article;~~Article.
- 3 (4) Develop policy, criteria, and standards for health service facilities ~~planning;~~
- 4 ~~shall~~ planning. The Department shall conduct statewide registration and
- 5 inventories of and make determinations of need for health service facilities,
- 6 health services as specified in G.S. 131E-176(16)f., and equipment as
- 7 specified in G.S. 131E-176(16)f1., ~~which shall include~~ including
- 8 consideration of adequate geographic location of equipment and services; and
- 9 develop a State Medical Facilities ~~Plan;~~Plan.
- 10 (5) Implement, by rule, criteria for project ~~review;~~review.
- 11 (6) ~~Have the power to grant, Grant,~~ deny, or withdraw a certificate of need and to
- 12 impose ~~such~~ sanctions as ~~are~~ provided for by this ~~Article;~~Article.
- 13 (7) Solicit, accept, ~~hold~~ hold, and administer on behalf of the State any grants or
- 14 devises of money, ~~securities~~ securities, or property to the Department for use
- 15 by the Department in the administration of this ~~Article;~~ and Article.
- 16 (8) Repealed by Session Laws 1987, c. 511, s. 1.
- 17 (9) Collect fees for submitting applications for certificates of need.
- 18 (10) ~~The authority to review~~ Review all records in any recording medium of any
- 19 person or health service facility subject to agency review under this Article
- 20 ~~which that~~ pertain to construction and acquisition activities, ~~staffing~~ staffing,
- 21 or costs and charges for patient care, including but not limited to, construction
- 22 contracts, architectural contracts, consultant contracts, purchase orders,
- 23 cancelled checks, accounting and financial records, debt instruments, loan and
- 24 security agreements, staffing records, utilization ~~statistics~~ statistics, and any
- 25 other records the Department deems ~~to be~~ reasonably necessary to determine
- 26 compliance with this Article.

27 The Secretary of Health and Human Services ~~shall have~~ has final decision-making authority

28 with regard to all functions described in this section."

29 **SECTION 11.3.(a)** G.S. 131E-176(7a), as amended by Section 11.2 of this act, reads

30 as rewritten:

31 "(7a) **(Effective November 21, 2026 – see note)** Diagnostic center. – A

32 freestanding facility, program, or provider, including but not limited to,

33 physicians' offices, clinical laboratories, radiology centers, and mobile

34 diagnostic programs, in which the total cost of all the medical diagnostic

35 equipment utilized by the facility that costs ten thousand dollars (\$10,000) or

36 more exceeds three million dollars (\$3,000,000). No facility, program, or

37 provider, ~~including,~~ including but not limited to, physicians' offices, clinical

38 laboratories, radiology centers, or mobile diagnostic programs, shall be

39 deemed a diagnostic center solely by virtue of having a magnetic resonance

40 imaging scanner in a county with a population of greater than 125,000

41 according to the 2020 federal decennial census or any subsequent federal

42 decennial census. In determining whether the medical diagnostic equipment

43 in a diagnostic center costs more than three million dollars (\$3,000,000), the

44 costs of the equipment, studies, surveys, designs, plans, working drawings,

45 specifications, construction, installation, and other activities essential to

46 acquiring and making operational the equipment shall be included. The capital

47 expenditure for the equipment is deemed to be the fair market value of the

48 equipment or the cost of the equipment, whichever is greater. On September

49 30 of each year, the cost threshold amount in this subdivision shall be adjusted

50 using the Medical Care Index component of the Consumer Price Index

published by the U.S. Department of Labor for the 12-month period preceding the previous September 1."

SECTION 11.3.(b) G.S. 131E-176(14o), as amended by Section 11.2 of this act, reads as rewritten:

"(14o) **(Effective November 21, 2026 – see note)** Major medical equipment. – A single unit or single system of components with related functions that is used to provide medical and other health services and that costs more than two million dollars (\$2,000,000). In determining whether the major medical equipment costs more than two million dollars (\$2,000,000), the costs of the equipment, studies, surveys, designs, plans, working drawings, specifications, construction, installation, and other activities essential to acquiring and making operational the major medical equipment is included. The capital expenditure for the equipment is deemed to be the fair market value of the equipment or the cost of the equipment, whichever is greater. This term does not include replacement ~~equipment.~~ equipment or magnetic resonance imaging scanners in counties with a population greater than 125,000 according to the 2020 federal decennial census or any subsequent federal decennial census. On September 30 of each year, the cost threshold amount in this subdivision shall be adjusted using the Medical Care Index component of the Consumer Price Index published by the U.S. Department of Labor for the 12-month period preceding the previous September 1."

SECTION 11.3.(c) G.S. 131E-176(16)f1.7., as amended by Section 11.2 of this act, reads as rewritten:

"7. **(Effective November 21, 2026 – see note)** Magnetic resonance imaging scanner. This sub-sub-subdivision applies only to counties with a population of 125,000 or ~~less~~ fewer according to the 2020 federal decennial census or any subsequent federal decennial census."

SECTION 11.3.(d) This section becomes effective November 21, 2026.

SECTION 11.4.(a) G.S. 131E-176(9b), as amended by Section 11.2 of this act, reads as rewritten:

"(9b) **(Effective November 21, 2025 – see note)** Health service facility. – A hospital; long-term care hospital; rehabilitation facility; nursing home facility; adult care home; kidney disease treatment center, including freestanding hemodialysis units; intermediate care facility for individuals with intellectual disabilities; home health agency office; diagnostic center; hospice office, hospice inpatient facility, or hospice residential care facility; or ambulatory surgical facility. ~~The term "health service facility"~~ This term does not include a qualified urban ambulatory surgical facility."

SECTION 11.4.(b) This section becomes effective November 21, 2025.

SECTION 12. G.S. 150B-1 reads as rewritten:

"§ 150B-1. Policy and scope.

(a) Purpose. – This Chapter establishes a uniform system of administrative ~~rule-making~~ rulemaking and adjudicatory procedures for agencies. The procedures ensure that the functions of ~~rule-making, rulemaking,~~ investigation, advocacy, and adjudication are not all performed by the same person in the administrative process.

(b) Rights. – This Chapter confers procedural rights.

(c) Full Exemptions. – This Chapter applies to every agency ~~except~~ except the following:

...

(d) Exemptions from ~~Rule-Making.~~ Rulemaking. – Article 2A of this Chapter does not apply to the following:

- 1 (1) The Commission.
- 2 (2) Repealed by Session Laws 2000-189, s. 14, effective July 1, 2000.
- 3 (3) Repealed by Session Laws 2001-474, s. 34, effective November 29, 2001.
- 4 (4) The Department of Revenue, with respect to the notice and hearing
- 5 requirements contained in Part 2 of Article ~~2A~~2A of this Chapter. With
- 6 respect to the Secretary of Revenue's authority to redetermine the State net
- 7 taxable income of a corporation under G.S. 105-130.5A, the Department is
- 8 subject to the ~~rule-making~~rulemaking requirements of G.S. 105-262.1.
- 9 (5) The North Carolina Global TransPark Authority with respect to the
- 10 acquisition, construction, operation, or use, including fees or charges, of any
- 11 portion of a cargo airport complex.
- 12 (6) The Department of ~~Public Safety~~Adult Correction, with respect to matters
- 13 relating to executions under Article 19 of Chapter 15 of the General Statutes
- 14 and matters relating solely to persons in its custody or under its supervision,
- 15 including prisoners, probationers, and parolees.
- 16 ...
- 17 (26) The Board of Agriculture in the Department of Agriculture and Consumer
- 18 Services with respect to the following:
- 19 a. Annual admission fees for the State Fair.
- 20 b. Operating hours, admission fees, or related activity fees at State
- 21 forests.
- 22 The Board shall annually post the admission fee and operating hours schedule
- 23 on its ~~Web site~~website and provide notice of the schedule, along with a
- 24 citation to this section, to all persons named on the mailing list maintained
- 25 pursuant to G.S. 150B-21.2(d).
- 26 c. Fee schedules for the preparation of forest management plans
- 27 developed pursuant to G.S. 106-1004.
- 28 d. Fees for State phytosanitary certificates.
- 29 (27) The Department of Natural and Cultural Resources with respect to operating
- 30 hours, admission fees, or related activity fees ~~at~~at the following:
- 31 a. The North Carolina Zoological Park pursuant to G.S. 143B-135.205.
- 32 b. State parks pursuant to G.S. 143B-135.16.
- 33 c. The North Carolina Aquariums pursuant to G.S. 143B-135.188.
- 34 d. The North Carolina Museum of Natural Sciences.
- 35 The exclusion from ~~rule-making~~rulemaking for the setting of operating hours
- 36 set forth in this subdivision (i) ~~shall~~does not apply to a decision to eliminate
- 37 all public operating hours for the sites and facilities listed and (ii) does not
- 38 authorize any of the sites and facilities listed in this subdivision that do not
- 39 currently charge an admission fee to charge an admission fee until authorized
- 40 by an act of the General Assembly.
- 41 ...
- 42 (e) Exemptions From Contested Case Provisions. – The contested case provisions of this
- 43 Chapter apply to all agencies and all proceedings not expressly exempted from the Chapter. The
- 44 contested case provisions of this Chapter do not apply to the following:
- 45 ...
- 46 (5) Hearings required pursuant to the Rehabilitation Act of 1973, (Public Law
- 47 93-122), as amended and federal regulations ~~promulgated thereunder~~adopted
- 48 under it. G.S. 150B-51(a) is considered a contested case hearing provision that
- 49 does not apply to these hearings.
- 50 ...

1 (22) ~~The Department of Public Safety, with respect to matters relating to~~
2 ~~executions under Article 19 of Chapter 15 of the General Statutes.~~

3 "

4 **SECTION 13.(a)** Section 4C.11(c) of S.L. 2024-53 reads as rewritten:

5 "**SECTION 4C.11.(c)** No later than November 15, 2024, the Department of Environmental
6 Quality shall prepare and submit to the United States National Oceanic and Atmospheric
7 Administration for approval by that agency the proposed change made to G.S. 113A-118, as
8 enacted by subsection (b) of this section. ~~The Department of Environmental Quality shall report~~
9 ~~to the Environmental Review Commission on the status of their activities pursuant to this section~~
10 ~~quarterly, beginning January 1, 2025, until such time as the General Assembly repeals this~~
11 ~~reporting requirement."~~

12 **SECTION 13.(b)** Section 4C.12(c) of S.L. 2024-53 reads as rewritten:

13 "**SECTION 4C.12.(c)** No later than November 15, 2024, the Department of Environmental
14 Quality shall prepare and submit to the United States National Oceanic and Atmospheric
15 Administration for approval by that agency the proposed change made to G.S. 113A-115.1, as
16 enacted by subsection (b) of this section. ~~The Department of Environmental Quality shall report~~
17 ~~to the Environmental Review Commission on the status of their activities pursuant to this section~~
18 ~~quarterly, beginning January 1, 2025, until such time as the General Assembly repeals this~~
19 ~~reporting requirement."~~

20 **SECTION 13.(c)** This section is retroactively effective October 25, 2024.

21 **SECTION 14.** Section 4 of Chapter 601 of the 1983 Session Laws reads as rewritten:

22 "Sec. 4. This act shall become effective July 1, 1983, and shall be reconsidered on or before
23 July 1, 1989, and every six years thereafter, by the Joint Legislative Commission on
24 Governmental Operations. 1983."

25 **SECTION 15.** Except as otherwise provided, this act is effective when it becomes
26 law.