

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE BILL 97  
PROPOSED COMMITTEE SUBSTITUTE H97-CSMCxfr-16 [v.4]

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Short Title: 2015 Appropriations Act.

(Public)

Sponsors:

Referred to:

February 24, 2015

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS  
3 OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER  
4 PURPOSES.

5 The General Assembly of North Carolina enacts:

6  
7 **PART I. INCOME TAX CHANGES**

8  
9 **EXTEND RESEARCH & DEVELOPMENT TAX CREDIT FOR FOUR YEARS**

10 **SECTION 1.1.(a)** G.S. 105-129.51(b) reads as rewritten:

11 "(b) This Article is repealed for taxable years beginning on or after ~~January 1,~~  
12 ~~2016.~~ January 1, 2020."

13 **SECTION 1.1.(b)** G.S. 105-129.50(6) reads as rewritten:

14 "(6) Qualified North Carolina research expenses. – Qualified research expenses,  
15 ~~other than including~~ North Carolina university research expenses, for  
16 research performed in this State."

17 **SECTION 1.1.(c)** This section is effective when this act becomes law.

18  
19 **EXTEND RENEWABLE ENERGY CREDIT FOR TWO YEARS FOR SOLAR**  
20 **PROJECTS AND FOR FOUR YEARS FOR ALL OTHER PROJECTS**

21 **SECTION 1.2.(a)** G.S. 105-129.16A(e), as amended by Section 1 of S.L. 2015-11,  
22 reads as rewritten:

23 "**§ 105-129.16A. Credit for investing in renewable energy property.**

24 ...

25 (e) Sunset. – Except for taxpayers covered by subsection (f) of this section, this section  
26 is repealed effective for renewable energy property placed into service on or after ~~January 1,~~  
27 ~~2016.~~ January 1, 2020."

28 **SECTION 1.2.(b)** G.S. 105-129.15 reads as rewritten:

29 "**§ 105-129.15. Definitions.**

30 The following definitions apply in this Article:

31 ...

32 (7) Renewable energy property. – Any of the following machinery and  
33 equipment or real property:

- 34 a. Biomass equipment that uses renewable biomass resources for  
35 biofuel production of ethanol, methanol, and biodiesel; anaerobic  
36 biogas production of methane utilizing agricultural and animal waste



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1 or garbage; or commercial thermal or electrical generation. The term  
 2 also includes related devices for converting, conditioning, and storing  
 3 the liquid fuels, gas, and electricity produced with biomass  
 4 equipment.

5 b. Combined heat and power system property. – Defined in section 48  
 6 of the Code.

7 c. Geothermal equipment that meets either of the following  
 8 descriptions:

9 1. It is a heat pump that uses the ground or groundwater as a  
 10 thermal energy source to heat a structure or as a thermal  
 11 energy sink to cool a structure.

12 2. It uses the internal heat of the earth as a substitute for  
 13 traditional energy for water heating or active space heating or  
 14 cooling.

15 d. Hydroelectric generators located at existing dams or in free-flowing  
 16 waterways, and related devices for water supply and control, and  
 17 converting, conditioning, and storing the electricity generated.

18 ~~e. Solar energy equipment that uses solar radiation as a substitute for  
 19 traditional energy for water heating, active space heating and  
 20 cooling, passive heating, daylighting, generating electricity,  
 21 distillation, desalination, detoxification, or the production of  
 22 industrial or commercial process heat. The term also includes related  
 23 devices necessary for collecting, storing, exchanging, conditioning,  
 24 or converting solar energy to other useful forms of energy.~~

25 f. Wind equipment required to capture and convert wind energy into  
 26 electricity or mechanical power, and related devices for converting,  
 27 conditioning, and storing the electricity produced or relaying the  
 28 electricity by cable from the turbine motor to the power grid.

29 "...."

30 **SECTION 1.2.(c)** G.S. 105-129.16A(c)(2) reads as rewritten:

31 "(2) Nonbusiness. – The following ceilings apply to renewable energy property  
 32 placed in service for a nonbusiness purpose:

33 a. ~~One thousand four hundred dollars (\$1,400) per dwelling unit for  
 34 solar energy equipment for domestic water heating, including pool  
 35 heating.~~

36 b. Three thousand five hundred dollars (\$3,500) per dwelling unit for  
 37 solar energy equipment for active space heating, combined active  
 38 space and domestic hot water systems, and passive space heating.

39 c. Eight thousand four hundred dollars (\$8,400) for each installation of  
 40 geothermal equipment.

41 d. Ten thousand five hundred dollars (\$10,500) for each installation of  
 42 any other renewable energy property."

43 **SECTION 1.2.(d)** Subsections (b) and (c) of this section become effective January  
 44 1, 2018, and apply to renewable energy property placed into service on or after that date. The  
 45 remainder of this section is effective when this act becomes law.

46 **HISTORIC PRESERVATION TAX CREDIT**

47 **SECTION 1.3.(a)** Chapter 105 of the General Statutes is amended by adding a new  
 48 Article to read:

49 "Article 3L.

"Historic Rehabilitation Tax Credits Investment Program.

**"§ 105-129.100. Credit for rehabilitating income-producing historic structure.**

(a) Credit. – A taxpayer who is allowed a federal income tax credit under section 47 of the Code for making qualified rehabilitation expenditures for a certified historic structure located in this State is allowed a credit equal to the sum of the following:

(1) Base amount. – The percentage of qualified rehabilitation expenditures at the levels provided in the table below:

<u>Expenses</u>	<u>Up To</u>	<u>Rate</u>
<u>Over</u>		
<u>0</u>	<u>\$10 million</u>	<u>15.00%</u>
<u>\$10 million</u>	<u>\$20 million</u>	<u>10.00%</u>

(2) Development tier bonus. – An amount equal to five percent (5%) of qualified rehabilitation expenditures not exceeding twenty million dollars (\$20,000,000) if the certified historic structure is located in a development tier one or two area.

(3) Targeted investment bonus. – An amount equal to five percent (5%) of qualified rehabilitation expenditures not exceeding twenty million dollars (\$20,000,000) if the certified historic structure is located on an eligible targeted investment site.

(b) Pass-Through Entity. – Notwithstanding the provisions of G.S. 105-131.8 and G.S. 105-269.15, a pass-through entity that qualifies for the credit provided in this section may allocate the credit among any of its owners in its discretion as long as an owner's adjusted basis in the pass-through entity, as determined under the Code, at the end of the taxable year in which the certified historic structure is placed in service, is at least forty percent (40%) of the amount of credit allocated to that owner. Owners to whom a credit is allocated are allowed the credit as if they had qualified for the credit directly. A pass-through entity and its owners must include with their tax returns for every taxable year in which an allocated credit is claimed a statement of the allocation made by the pass-through entity and the allocation that would have been required under G.S. 105-131.8 or G.S. 105-269.15.

(c) Definitions. – The following definitions apply in this section:

(1) Certified historic structure. – Defined in section 47 of the Code.

(2) Development tier area. – Defined in G.S. 143B-437.08.

(3) Eligibility certification. – A certification obtained from the State Historic Preservation Officer that the site comprises an eligible targeted investment site.

(4) Eligible targeted investment site. – A site located in this State that satisfies all of the following conditions:

a. It was used as a manufacturing facility or for purposes ancillary to manufacturing, as a warehouse for selling agricultural products, or as a public or private utility.

b. It is a certified historic structure.

c. It has been at least sixty-five percent (65%) vacant for a period of at least two years immediately preceding the date the eligibility certification is made.

(5) Pass-through entity. – Defined in G.S. 105-228.90.

(6) Qualified rehabilitation expenditures. – Defined in section 47 of the Code.

(7) State Historic Preservation Officer. – The Deputy Secretary of the Office of Archives and History of the North Carolina Department of Cultural Resources, or the Deputy Secretary's designee, who acts to administer the historic preservation programs within the State.

1           (8) Targeted investment. – Qualified rehabilitation expenditures on a certified  
2           historic structure that is located on an eligible targeted investment site.

3           (d) Limitations. – The amount of credit allowed under this section with respect to  
4 qualified rehabilitation expenditures for an income-producing certified historic structure may  
5 not exceed four million five hundred thousand dollars (\$4,500,000).

6 **"§ 105-129.101. Credit for rehabilitating non-income-producing historic structure.**

7           (a) Credit. – A taxpayer who is not allowed a federal income tax credit under section 47  
8 of the Code and who has rehabilitation expenses of at least ten thousand dollars (\$10,000) for a  
9 State-certified historic structure located in this State is allowed a credit equal to fifteen percent  
10 (15%) of the rehabilitation expenses.

11           (b) Limitations. – The amount of credit allowed under this section with respect to  
12 rehabilitation expenses for a non-income-producing certified historic structure may not exceed  
13 twenty-two thousand five hundred dollars (\$22,500) per discrete property parcel. In the event  
14 that the taxpayer is the transferee of a State-certified historic structure for which rehabilitation  
15 expenses were made, the taxpayer as transferee is allowed a credit under this section only if the  
16 transfer takes place before the structure is placed in service. In this event, no other taxpayer  
17 may claim such credit. A taxpayer is allowed to claim a credit under this section no more than  
18 once in any five-year period, carryovers notwithstanding.

19           (c) Definitions. – The following definitions apply in this section:

20           (1) Certified rehabilitation. – Repairs or alterations consistent with the Secretary  
21 of the Interior's Standards for Rehabilitation and certified as such by the  
22 State Historic Preservation Officer.

23           (2) Discrete property parcel. – A lot or tract described by metes and bounds, a  
24 deed or plat of which has been recorded in the deed records of the county in  
25 which the property is located, and on which a State-certified historic  
26 structure is located, or a single condominium unit in a State-certified historic  
27 structure.

28           (3) Placed in service. – The later of the date on which the rehabilitation is  
29 completed or the date on which the property is used for its intended purpose.

30           (4) Rehabilitation expenses. – Expenses incurred in the certified rehabilitation of  
31 a certified historic structure and added to the property's basis. The expenses  
32 must be incurred within any 24-month period per discrete property parcel.  
33 The term does not include the cost of acquiring the property, the cost  
34 attributable to the enlargement of an existing building, the cost of site work  
35 expenditures, or the cost of personal property.

36           (5) State-certified historic structure. – A structure that is individually listed in  
37 the National Register of Historic Places or is certified by the State Historic  
38 Preservation Officer as contributing to the historic significance of a National  
39 Register Historic District or a locally designated historic district certified by  
40 the United States Department of the Interior.

41           (6) State Historic Preservation Officer. – Defined in G.S. 105-129.100(c)(7).

42 **"§ 105-129.102. Rules; fees.**

43           (a) Rules. – The North Carolina Historical Commission, in consultation with the State  
44 Historic Preservation Officer, may adopt rules needed to administer any certification process  
45 required by this Article.

46           (b) Fees. – The North Carolina Historical Commission, in consultation with the State  
47 Historic Preservation Officer, may adopt a schedule of fees for providing any certifications  
48 required by this Article, or Article 3D or 3H as they provided as of December 31, 2014. In  
49 establishing the fee schedule, the Commission shall consider the administrative and personnel  
50 costs incurred by the Department of Cultural Resources. An application fee may not exceed one

1 percent (1%) of the completed qualifying rehabilitation expenditures. The proceeds of the fees  
2 are receipts of the Department of Cultural Resources and must be used for performing its duties  
3 under this Article.

4 **"§ 105-129.103. Tax credited; credit limitations.**

5 (a) Tax Credited. – The credits provided in this Article are allowed against the franchise  
6 tax imposed in Article 3 of this Chapter, the income taxes levied in Article 4 of this Chapter, or  
7 the gross premiums tax imposed in Article 8B of this Chapter. The taxpayer may take a credit  
8 allowed by this Article against only one of the taxes against which it is allowed. The taxpayer  
9 must elect the tax against which a credit will be claimed when filing the return on which it is  
10 claimed, and this election is binding. Any carryforwards of a credit must be claimed against the  
11 same tax.

12 (b) Return. – A taxpayer may claim a credit allowed by this Article on a return filed for  
13 the taxable year in which the certified historic structure was placed into service. When an  
14 income-producing certified historic structure as defined in G.S. 105-129.100 is placed into  
15 service in two or more phases in different years, the amount of credit that may be claimed in a  
16 year is the amount based on the qualified rehabilitation expenditures associated with the phase  
17 placed into service during that year.

18 (c) Cap. – A credit allowed under this Article may not exceed the amount of the tax  
19 against which it is claimed for the taxable year reduced by the sum of all credits allowed,  
20 except payments of tax made by or on behalf of the taxpayer. Any unused portion of the credit  
21 may be carried forward for the succeeding nine years.

22 (d) Forfeiture for Disposition. – A taxpayer who is required under section 50 of the  
23 Code to recapture all or part of the federal credit for rehabilitating an income-producing historic  
24 structure located in this State forfeits the corresponding part of the State credit allowed under  
25 G.S. 105-129.100 with respect to that historic structure. If the credit was allocated among the  
26 owners of a pass-through entity, the forfeiture applies to the owners in the same proportion that  
27 the credit was allocated.

28 (e) Forfeiture for Change in Ownership. – If an owner of a pass-through entity that has  
29 qualified for the credit allowed under G.S. 105-129.100 disposes of all or a portion of the  
30 owner's interest in the pass-through entity within five years from the date the rehabilitated  
31 historic structure is placed in service and the owner's interest in the pass-through entity is  
32 reduced to less than two-thirds of the owner's interest in the pass-through entity at the time the  
33 historic structure was placed in service, the owner forfeits a portion of the credit. The amount  
34 forfeited is determined by multiplying the amount of credit by the percentage reduction in  
35 ownership and then multiplying that product by the forfeiture percentage. The forfeiture  
36 percentage equals the recapture percentage found in the table in section 50(a)(1)(B) of the  
37 Code.

38 (f) Exceptions to Forfeiture. – Forfeiture as provided in subsection (e) of this section is  
39 not required if the change in ownership is the result of any of the following:

40 (1) The death of the owner.

41 (2) A merger, consolidation, or similar transaction requiring approval by the  
42 shareholders, partners, or members of the taxpayer under applicable State  
43 law, to the extent the taxpayer does not receive cash or tangible property in  
44 the merger, consolidation, or other similar transaction.

45 (g) Liability From Forfeiture. – A taxpayer or an owner of a pass-through entity that  
46 forfeits a credit under this section is liable for all past taxes avoided as a result of the credit plus  
47 interest at the rate established under G.S. 105-241.21, computed from the date the taxes would  
48 have been due if the credit had not been allowed. The past taxes and interest are due 30 days  
49 after the date the credit is forfeited. A taxpayer or owner of a pass-through entity that fails to  
50 pay the taxes and interest by the due date is subject to the penalties provided in G.S. 105-236.

1        (h) Substantiation. – To claim a credit allowed by this Article, the taxpayer must  
 2 provide any information required by the Secretary of Revenue, including a copy of the  
 3 certification obtained from the State Historic Preservation Office verifying that the historic  
 4 structure has been rehabilitated in accordance with the requirements set out in this Article, and  
 5 a copy of the eligibility certification if the historic structure is located in an eligible targeted  
 6 investment site and the target investment bonus is claimed. Every taxpayer claiming a credit  
 7 under this Article must maintain and make available for inspection by the Secretary of Revenue  
 8 any records the Secretary considers necessary to determine and verify the amount of the credit  
 9 to which the taxpayer is entitled. The burden of proving eligibility for the credit and the amount  
 10 of the credit rests upon the taxpayer, and no credit may be allowed to a taxpayer that fails to  
 11 maintain adequate records or to make them available for inspection.

12        (i) No Double Credit. – A taxpayer that claims a credit under this Article may not also  
 13 claim a credit under Article 3D or Article 3H of this Chapter with respect to the same activity.

14 **"§ 105-129.104. Report; tracking.**

15        (a) The Department must include in the economic incentives report required by  
 16 G.S. 105-256 the following information itemized by taxpayer:

17            (1) The number of taxpayers that took the credits allowed in this Article.

18            (2) The amount of rehabilitation expenses and qualified rehabilitation  
 19 expenditures with respect to which credits were taken.

20            (3) The total cost to the General Fund of the credits taken.

21        (b) The Department shall include in the economic incentives report required by  
 22 G.S. 105-256 the following information:

23            (1) The total amount of tax credits claimed and the total amount of tax credits  
 24 taken against current taxes, by type of tax, during the relevant tax year.

25            (2) The total amount of tax credits carried forward, by type of tax.

26 **"§ 105-129.105. Sunset.**

27        This Article expires for qualified rehabilitation expenditures and rehabilitation expenses  
 28 incurred on or after January 1, 2021."

29        **SECTION 1.3.(b)** G.S. 105-129.75 reads as rewritten:

30 **"§ 105-129.75. Sunset.**

31        This Article expires January 1, 2015, for rehabilitation projects for which an application for  
 32 an eligibility certification is submitted on or after that date. Eligibility certifications under this  
 33 Article expire January 1, 2023."

34        **SECTION 1.3.(c)** Subsection (a) of this section becomes effective January 1, 2015,  
 35 and applies to qualified rehabilitation expenditures and rehabilitation expenses incurred on or  
 36 after that date. The remainder of the section is effective when this act becomes law.

37  
 38 **SENIOR TAX DEDUCTION FOR MEDICAL EXPENSES**

39        **SECTION 1.4.(a)** G.S. 105-153.5(a) reads as rewritten:

40 **"§ 105-153.5. Modifications to adjusted gross income.**

41        (a) Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may  
 42 deduct from adjusted gross income either the standard deduction amount provided in  
 43 subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2)  
 44 of this subsection that the taxpayer claimed under the Code. The deduction amounts are as  
 45 follows:

46            (1) Standard deduction amount. – The standard deduction amount is zero for a  
 47 person who is not eligible for a standard deduction under section 63 of the  
 48 Code. For all other taxpayers, the standard deduction amount is equal to the  
 49 amount listed in the table below based on the taxpayer's filing status:

50            **Filing Status**

**Standard Deduction**

- |   |                            |          |
|---|----------------------------|----------|
| 1 | Married, filing jointly    | \$15,000 |
| 2 | Head of Household          | 12,000   |
| 3 | Single                     | 7,500    |
| 4 | Married, filing separately | 7,500.   |
- 5 (2) Itemized deduction amount. – An amount equal to the sum of the items listed  
6 in this subdivision. The amounts allowed under this subdivision are not  
7 subject to the overall limitation on itemized deductions under section 68 of  
8 the Code:
- 9 a. Charitable contribution deduction amount. – The amount allowed as  
10 a deduction for charitable contributions under section 170 of the  
11 Code for that taxable year.
- 12 b. Mortgages expenses and property taxes. – The amount allowed as a  
13 deduction for interest paid or accrued during the taxable year under  
14 section 163(h) of the Code with respect to any qualified residence  
15 plus the amount claimed by the taxpayer as a deduction for property  
16 taxes paid or accrued on real estate under section 164 of the Code for  
17 that taxable year. The amount allowed under this sub-subdivision  
18 may not exceed twenty thousand dollars (\$20,000). For spouses  
19 filing as married filing separately or married filing jointly, the total  
20 mortgage interest and real estate taxes claimed by both spouses  
21 combined may not exceed twenty thousand dollars (\$20,000). For  
22 spouses filing as married filing separately with a joint obligation for  
23 mortgage interest and real estate taxes, the deduction for these items  
24 is allowable to the spouse who actually paid them. If the amount of  
25 the mortgage interest and real estate taxes paid by both spouses  
26 exceeds twenty thousand dollars (\$20,000), these deductions must be  
27 prorated based on the percentage paid by each spouse. For joint  
28 obligations paid from joint accounts, the proration is based on the  
29 income reported by each spouse for that taxable year.
- 30 c. Medical expenses. – The amount allowed as a deduction for medical  
31 expenses under section 213 of the Code for that taxable year to the  
32 extent the medical expenses are incurred for a person who has  
33 attained the age of 65 before the close of the taxpayer's taxable year."

34 **SECTION 1.4.(b)** This section is effective for taxable years beginning on or after  
35 January 1, 2015.

## 36 37 **PART II. SALES TAX CHANGES**

### 38 39 **EXTEND SALES TAX PREFERENCES FOR MOTORSPORTS FOR FOUR YEARS**

40 **SECTION 2.1.(a)** G.S. 105-164.4I(b)(3) reads as rewritten:

41 "(b) Exemptions. – The tax imposed by this section does not apply to the sales price of  
42 or the gross receipts derived from a service contract applicable to any of the following items:

43 ...

- 44 (3) An item purchased by a professional motorsports racing team or a related  
45 member of a team for which the team may receive a sales tax refund under  
46 G.S. 105-164.14A(5).

47 ...."

48 **SECTION 2.1.(b)** This section is effective when it becomes law and applies to  
49 service contracts purchased on or after January 1, 2014.

50 **SECTION 2.2.(a)** G.S. 105-164.14A(a) reads as rewritten:

1       "(a) Refund. – The following taxpayers are allowed an annual refund of sales and use  
2 taxes paid under this Article:

- 3       ...
- 4       (4) Motorsports team or sanctioning body. – A professional motorsports racing  
5 team, a motorsports sanctioning body, or a related member of such a team or  
6 body is allowed a refund of the sales and use tax paid by it in this State on  
7 aviation fuel that is used to travel to or from a motorsports event in this  
8 State, to travel to a motorsports event in another state from a location in this  
9 State, or to travel to this State from a motorsports event in another state. For  
10 purposes of this subdivision, a "motorsports event" includes a motorsports  
11 race, a motorsports sponsor event, and motorsports testing. This subdivision  
12 is repealed for purchases made on or after ~~January 1, 2016~~ January 1, 2020.
- 13       (5) Professional motorsports team. – A professional motorsports racing team or  
14 a related member of a team is allowed a refund of fifty percent (50%) of the  
15 sales and use tax paid by it in this State on tangible personal property, other  
16 than tires or accessories, that comprises any part of a professional  
17 motorsports vehicle. For purposes of this subdivision, "motorsports  
18 accessories" includes instrumentation, telemetry, consumables, and paint.  
19 This subdivision is repealed for purchases made on or after ~~January 1,~~  
20 ~~2016~~ January 1, 2020.

21       ...."

22       **SECTION 2.2.(b)** This section is effective when this act becomes law.

## 23       **DATA CENTER INFRASTRUCTURE**

24       **SECTION 2.3.(a)** G.S. 105-164.3 reads as rewritten:

### 25       **"§ 105-164.3. Definitions.**

26       The following definitions apply in this Article:

- 27       ...
- 28       (33) Purchase price. – The term has the same meaning as the term "sales price"  
29 when applied to an item subject to use tax.
- 30       (33a) Qualifying data center. – A data center that satisfies each of the following  
31 conditions:
- 32       a. The data center meets the wage standard and health insurance  
33 requirements of G.S. 143B-437.08A.
- 34       b. The Secretary of Commerce has made a written determination that at  
35 least seventy-five million dollars (\$75,000,000) in private funds has  
36 been or will be invested by one or more owners, users, or tenants of  
37 the data center within five years of the date the owner, user, or tenant  
38 of the data center makes its first real or tangible property investment  
39 in the data center on or after January 1, 2012. Investments in real or  
40 tangible property in the data center made prior to January 1, 2012,  
41 may not be included in the investment required by this subdivision.
- 42       (33b) Real property contractor. – A person that contracts to perform construction,  
43 reconstruction, installation, repair, or any other service with respect to real  
44 property and to furnish tangible personal property to be installed or applied  
45 to real property in connection with the contract and the labor to install or  
46 apply the tangible personal property that becomes part of real property. The  
47 term includes a general contractor, a subcontractor, or a builder for purposes  
48 of G.S. 105-164.4H.
- 49       ~~(33b)~~(33c) Related member. – Defined in G.S. 105-130.7A.



1           ~~(33e)~~(33d) Remote sale. – A sale of tangible personal property or digital property  
2           ordered by mail, by telephone, via the Internet, or by another similar method,  
3           to a purchaser who is in this State at the time the order is remitted, from a  
4           retailer who receives the order in another state and delivers the property or  
5           causes it to be delivered to a person in this State. It is presumed that a  
6           resident of this State who remits an order was in this State at the time the  
7           order was remitted.

8           ....."

9           **SECTION 2.3.(b)** G.S. 105-164.13 is amended by adding a new subdivision to

10 read:

11           "(55a) Sales of electricity for use at a qualifying data center and data center support  
12           equipment to be located and used at the qualifying data center. As used in  
13           this subdivision, "data center support equipment" is property that is  
14           capitalized for tax purposes under the Code and is used for any of the  
15           following purposes:

- 16           a.       For the provision of a service or function included in the business of  
17           an owner, user, or tenant of the data center.  
18           b.       For the generation, transformation, transmission, distribution, or  
19           management of electricity, including exterior substations, generators,  
20           transformers, unit substations, uninterruptible power supply systems,  
21           batteries, power distribution units, remote power panels, and other  
22           capital equipment used for these purposes.  
23           c.       For HVAC and mechanical systems, including chillers, cooling  
24           towers, air handlers, pumps, and other capital equipment used for  
25           these purposes.  
26           d.       For hardware and software for distributed and mainframe computers  
27           and servers, data storage devices, network connectivity equipment,  
28           and peripheral components and equipment.  
29           e.       To provide related computer engineering or computer science  
30           research.

31           If the level of investment required by G.S. 105-164.3(33a) is not timely  
32           made, the exemption provided under this subdivision is forfeited. If the level  
33           of investment required by G.S. 105-164.3(33a) is timely made but any  
34           specific data center support equipment is not located and used at the  
35           qualifying data center, the exemption provided for such data center support  
36           equipment under this subdivision is forfeited. If the level of investment  
37           required by G.S. 105-164.3(33a) is timely made but any portion of electricity  
38           is not used at the qualifying data center, the exemption provided for such  
39           electricity under this subdivision is forfeited. A taxpayer that forfeits an  
40           exemption under this subdivision is liable for all past taxes avoided as a  
41           result of the forfeited exemption, computed from the date the taxes would  
42           have been due if the exemption had not been allowed, plus interest at the rate  
43           established under G.S. 105-241.21. If the forfeiture is triggered due to the  
44           lack of a timely investment required by G.S. 105-164.3(33a), interest is  
45           computed from the date the taxes would have been due if the exemption had  
46           not been allowed. For all other forfeitures, interest is computed from the  
47           time as of which the data center support equipment or electricity was put to a  
48           disqualifying use. The past taxes and interest are due 30 days after the date  
49           the exemption is forfeited. A taxpayer that fails to pay the past taxes and  
50           interest by the due date is subject to the provisions of G.S. 105-236."

1           **SECTION 2.3.(c)** This section becomes effective July 1, 2015, and applies to sales  
2 made on or after that date.

#### 3 4 **EXEMPT SERVICE CONTRACTS ON AIRCRAFT**

5           **SECTION 2.4.(a)** G.S. 105-164.4I(b) reads as rewritten:

6           "(b) Exemptions. – The tax imposed by this section does not apply to the sales price of  
7 or the gross receipts derived from a service contract applicable to any of the following items:

8           (1) An item exempt from tax under this Article, other than a motor vehicle  
9 exempt from tax under G.S. 105-164.13(32).

10           (2) A transmission, distribution, or other network asset contained on  
11 utility-owned land, right-of-way, or easement.

12           (3) An item purchased by a professional motorsports racing team for which the  
13 team may receive a sales tax refund under G.S. 105-164.14A(5).

14           (4) An item subject to tax under Article 5F of Chapter 105 of the General  
15 Statutes.

16           (5) A qualifying aircraft or qualifying jet engine if the service contract is sold by  
17 the manufacturer of the aircraft or jet engine or a related member of the  
18 manufacturer. A qualifying aircraft is an aircraft with a maximum take-off  
19 weight of more than 10,000 pounds but not in excess of 20,000 pounds; a  
20 qualifying jet engine is an engine certified pursuant to Part 33 of Title 14 of  
21 the Code of Federal Regulations."

22           **SECTION 2.4.(b)** This section becomes effective July 1, 2017, and applies to sales  
23 made on or after that date.

#### 24 25 **PART III. MOTOR FUEL TAX CHANGE**

##### 26 27 **MOTOR FUEL TAX RATE CHANGE**

28           **SECTION 3.1.(a)** G.S. 105-449.80(a), as amended by Section 2.2(a) of S.L.  
29 2015-2, reads as rewritten:

30           "(a) Rate. – ~~For the period that begins Beginning on January 1, 2016, and ends on June~~  
31 ~~30, 2016,~~ the motor fuel excise tax rate is a flat rate of ~~thirty-five cents (35¢)~~ thirty-six cents  
32 (36¢) per gallon. For the period that begins on July 1, 2016, and ends on December 31, 2016,  
33 ~~the motor fuel excise tax rate is a flat rate of thirty four cents (34¢) per gallon. For the calendar~~  
34 ~~years beginning on January 1, 2017, the motor fuel excise tax rate is a flat rate of thirty four~~  
35 ~~cents (34¢) per gallon, multiplied by a percentage. gallon for diesel fuel and thirty-three cents~~  
36 (33¢) per gallon for all other motor fuels. For calendar years beginning on or after January 1,  
37 ~~2018, 2017,~~ the motor fuel excise tax rate is the amount for the preceding calendar year,  
38 multiplied by a percentage. The percentage is one hundred percent (100%) plus or minus the  
39 sum of the following:

40           (1) The percentage change in population for the applicable calendar year, as  
41 estimated under G.S. 143C-2-2, multiplied by seventy-five percent (75%).

42           (2) The annual percentage change in the Consumer Price Index for All Urban  
43 Consumers, multiplied by twenty-five percent (25%). For purposes of this  
44 subdivision, "Consumer Price Index for All Urban Consumers" means the  
45 United States city average for energy index contained in the detailed report  
46 released in the October prior to the applicable calendar year by the Bureau of  
47 Labor Statistics of the United States Department of Labor."

48           **SECTION 3.1.(b)** This section becomes effective January 1, 2016.

#### 49 50 **PART IV. ECONOMIC DEVELOPMENT**

**WORK-BASED EXPERIENCE PILOT PROGRAM**

**SECTION 4.1.(a)** The Department of Commerce shall establish a Work-Based Experience Pilot Program (Pilot Program) and shall select one qualifying school for the Pilot Program. A qualifying school is a high school that (i) has been approved as a cooperative innovative high school, as defined in G.S. 115C-238.50A, (ii) will be operated in a facility owned or leased by the local board of education pursuant to a location waiver approved by the governing board or the local board of trustees pursuant to G.S. 115C-238.50A(1a)c., (iii) is located in a development tier one area, as defined in G.S. 143B-437.08, (iv) has received at least three hundred thousand dollars (\$300,000) of value in equipment and other monetary support for a collaborative applied education program from one or more businesses in an eligible industry, as defined in G.S. 143B-437.01, and (v) has had at least fifty percent (50%) of the business investment matched by a unit of local government. The purpose of the Pilot Program is to further educational programs in which high school students take classes developed in collaboration with and using equipment provided by eligible industries and receive, for completion of the classes, an associate degree in a field relevant to the eligible industry upon graduation from high school.

**SECTION 4.1.(b)** Notwithstanding G.S. 143B-437.01, for the 2015-2016 fiscal year, the Department shall use five hundred thousand dollars (\$500,000) of the unencumbered funds in the Industrial Development Fund Utility Account for capital improvements and renovations to existing educational buildings of the qualifying school, or to purchase applied technology equipment for the qualifying school, for the purpose of facilitating the implementation of the Pilot Program established in subsection (a) of this section.

**SECTION 4.1.(c)** The Department shall study expansion of the Work-Based Experience Pilot Program into a statewide program for qualifying schools. The study shall do all of the following:

- (1) Propose necessary policy and legislative changes.
- (2) Identify criteria for ranking areas that will realize the greatest benefits of the program for economic development and employment opportunity in the area.
- (3) Identify funding needs.
- (4) Identify available funding sources.
- (5) Identify any other actions that would be necessary to facilitate implementation.

The Department shall report its findings, together with any recommended legislation, to the 2016 Regular Session of the 2015 General Assembly upon its convening.

**PART V. BOND AUTHORIZATION****TWO-THIRDS BONDS ACT OF 2015**

**SECTION 5.1.(a)** Short Title. – This section may be cited as the "Two-Thirds Bonds Act of 2015."

**SECTION 5.1.(b)** Findings and Determinations. – It is the intent and purpose of the General Assembly by this section to provide for the issuance of general obligation bonds or notes of the State in order to provide funds for the cost of State capital facilities.

**SECTION 5.1.(c)** Definitions. – The following definitions apply in this section unless the context otherwise requires:

- (1) Bonds. – Bonds issued under this section.
- (2) Cost. – The term includes all of the following:
  - a. The cost of constructing, reconstructing, renovating, repairing, enlarging, acquiring, and improving State capital facilities, including

- 1 the acquisition of land, rights-of-way, easements, franchises,  
2 equipment, machinery, furnishings, and other interests in real or  
3 personal property acquired or used in connection with a State capital  
4 facility.
- 5 b. The cost of engineering, architectural, and other consulting services  
6 as may be required.
- 7 c. Administrative expenses and charges.
- 8 d. The cost of providing personnel to ensure effective project  
9 management.
- 10 e. The cost of bond insurance, investment contracts, credit enhancement  
11 and liquidity facilities, interest-rate swap agreements or other  
12 derivative products, financial and legal consultants, and related costs  
13 of bond and note issuance to the extent and as determined by the  
14 State Treasurer.
- 15 f. Finance charges, reserves for debt service, and other types of  
16 reserves required pursuant to the terms of any bond or note or related  
17 documents, interest before and during construction or acquisition of a  
18 State capital facility and, if considered advisable by the State  
19 Treasurer, for a period not exceeding two years after the estimated  
20 date of completion of construction or acquisition.
- 21 g. The cost of bond insurance, investment contracts, credit enhancement  
22 facilities and liquidity facilities, interest-rate swap agreements or  
23 other derivative products, financial and legal consultants, and related  
24 costs of the incurrence or issuance of any bond or note.
- 25 h. The cost of reimbursing the State for any payments made for any cost  
26 described in this subdivision.
- 27 i. Any other costs and expenses necessary or incidental to the purposes  
28 of this section.
- 29 (3) Credit facility. – An agreement entered into by the State Treasurer on behalf  
30 of the State with a bank, savings and loan association, or other banking  
31 institution; an insurance company, reinsurance company, surety company, or  
32 other insurance institution; a corporation, investment banking firm, or other  
33 investment institution; or any financial institution or other similar provider  
34 of a credit facility, which provider may be located within or without the  
35 United States, such agreement providing for prompt payment of all or any  
36 part of the principal or purchase price (whether at maturity, presentment or  
37 tender for purchase, redemption, or acceleration), redemption premium, if  
38 any, and interest on any bonds or notes payable on demand or tender by the  
39 owner, in consideration of the State agreeing to repay the provider of the  
40 credit facility in accordance with the terms and provisions of such  
41 agreement.
- 42 (4) Notes. – Notes issued under this section.
- 43 (5) Par formula. – A provision or formula adopted by the State to provide for the  
44 adjustment, from time to time, of the interest rate or rates borne by any  
45 bonds or notes, including the following:
- 46 a. A provision providing for such adjustment so that the purchase price  
47 of such bonds or notes in the open market would be as close to par as  
48 possible.

1           b.     A provision providing for such adjustment based upon a percentage  
2                 or percentages of a prime rate or base rate, which percentage or  
3                 percentages may vary or be applied for different periods of time.

4           c.     Such other provision as the State Treasurer may determine to be  
5                 consistent with this act and will not materially and adversely affect  
6                 the financial position of the State and the marketing of bonds or notes  
7                 at a reasonable interest cost to the State.

8           (6)    State. – The State of North Carolina, including any State agency.

9           (7)    State agency. – Any agency, institution, board, commission, bureau, council,  
10                 department, division, officer, or employee of the State. The term does not  
11                 include counties, municipal corporations, political subdivisions, local boards  
12                 of education, or other local public bodies.

13           **SECTION 5.1.(d)** Authorization of Bonds and Notes. – The State Treasurer is  
14           authorized, by and with the consent of the Council of State, to issue and sell at one time or from  
15           time to time general obligation bonds of the State to be designated "State of North Carolina  
16           General Obligation Bonds," with any additional designations as may be determined, or notes of  
17           the State, in the aggregate principal amount of up to two hundred sixty-nine million five  
18           hundred twenty-five thousand two hundred dollars (\$269,525,200), this amount being not in  
19           excess of two-thirds of the amount by which the State's outstanding indebtedness was reduced  
20           during the fiscal biennium that ended June 30, 2015, for the purpose of providing funds, with  
21           any other available funds, for the purposes authorized by this section. However, bonds shall  
22           only be issued under this section for projects listed in subsection (f) of this section that are not  
23           otherwise authorized by May 31, 2016, to be financed with general obligation debt approved by  
24           a majority of the qualified voters of the State who vote thereon.

25           **SECTION 5.1.(e)** Uses of Bond and Note Proceeds. – The proceeds of bonds and  
26           notes shall be used for financing the cost of State capital facilities as provided in this section.  
27           Any additional monies that may be received by grant from the United States of America or any  
28           agency or department thereof or from any other source to aid in financing the cost of any State  
29           capital facilities authorized by this section may be placed by the State Treasurer in a separate  
30           fund or funds and shall be disbursed, to the extent permitted by the terms of the grant, without  
31           regard to any limitations imposed by this section.

32           The proceeds of bonds and notes may be used with any other monies made available  
33           by the General Assembly for the cost of State capital facilities, including the proceeds of any  
34           other State bond or special indebtedness issues, whether heretofore made available or that may  
35           be made available at the session of the General Assembly at which this section is ratified or any  
36           subsequent sessions. The proceeds of bonds and notes shall be expended and disbursed under  
37           the direction and supervision of the Director of the Budget. The funds provided by this section  
38           shall be disbursed for the purposes provided in this section upon warrants drawn on the State  
39           Treasurer by the State Controller, which warrants shall not be drawn until requisition has been  
40           approved by the Director of the Budget and which requisition shall be approved only after full  
41           compliance with the State Budget Act, Chapter 143C of the General Statutes.

42           The Office of State Budget and Management shall provide semiannual reports to the  
43           chair of the Senate Appropriations/Base Budget Committee, the chair of the House of  
44           Representatives Appropriations Committee, and the Fiscal Research Division on the  
45           expenditure of monies authorized by this section. The reports shall continue until the  
46           completion of the projects provided for in this section.

47           **SECTION 5.1.(f)** Allocation of Proceeds. – The proceeds of bonds and notes shall  
48           be allocated and expended as provided as follows:

- 1 (1) A maximum aggregate principal amount of seventy million seven hundred  
2 eighty-two thousand dollars (\$70,782,000) to finance the capital facility  
3 costs of a health sciences building at Appalachian State University.
- 4 (2) A maximum aggregate principal amount of sixty-five million one hundred  
5 thousand dollars (\$65,100,000) to finance the capital facility costs of an  
6 engineering building at North Carolina State University.
- 7 (3) A maximum aggregate principal amount of ninety million dollars  
8 (\$90,000,000) to finance the capital facility costs of a new sciences building  
9 at the University of North Carolina at Charlotte.
- 10 (4) A maximum aggregate principal amount of twelve million nine hundred  
11 seventy-six thousand dollars (\$12,976,000) to finance the capital facility  
12 costs of a new DHHS medical examiner facility at Wake Forest University.
- 13 (5) A maximum aggregate principal amount of thirty million six hundred  
14 sixty-seven thousand two hundred dollars (\$30,667,200) to finance the  
15 capital facility costs of Phase 1 of the Highway Patrol Training Academy.

16 **SECTION 5.1.(g) Issuance of Bonds and Notes. –**

- 17 (1) Terms and conditions. – Bonds or notes may bear a date or dates, may be  
18 serial or term bonds or notes, or any combination thereof, may mature in  
19 such amounts and at such time or times, not exceeding 40 years from their  
20 date or dates, may be payable at such place or places, either within or  
21 without the United States of America, in such coin or currency of the United  
22 States of America as at the time of payment is legal tender for payment of  
23 public and private debts, may bear interest at such rate or rates, which may  
24 vary from time to time, and may be made redeemable before maturity, at the  
25 option of the State or otherwise as may be provided by the State, at such  
26 price or prices, including a price less than or greater than the face amount of  
27 the bonds or notes, and under such terms and conditions, all as may be  
28 determined by the State Treasurer, by and with the consent of the Council of  
29 State.
- 30 (2) Signatures; form and denomination; registration. – Bonds or notes may be  
31 issued in certificated or uncertificated form. If issued in certificated form,  
32 bonds or notes shall be signed on behalf of the State by the Governor or shall  
33 bear the Governor's facsimile signature, shall be signed by the State  
34 Treasurer or shall bear the State Treasurer's facsimile signature, and shall  
35 bear the Great Seal of the State of North Carolina or a facsimile of the Seal  
36 shall be impressed or imprinted thereon. If bonds or notes bear the facsimile  
37 signatures of the Governor and the State Treasurer, the bonds or notes shall  
38 also bear a manual signature that may be that of a bond registrar, trustee,  
39 paying agent, or designated assistant of the State Treasurer. Should any  
40 officer whose signature or facsimile signature appears on bonds or notes  
41 cease to be such officer before the delivery of the bonds or notes, the  
42 signature or facsimile signature shall nevertheless have the same validity for  
43 all purposes as if the officer had remained in office until delivery. Bonds or  
44 notes may bear the facsimile signatures of persons, who at the actual time of  
45 the execution of the bonds or notes shall be the proper officers to sign any  
46 bond or note, although at the date of the bond or note such persons may not  
47 have been such officers. The form and denomination of bonds or notes,  
48 including the provisions with respect to registration of the bonds or notes  
49 and any system for their registration, shall be as the State Treasurer may  
50 determine in conformity with this section.

- 1           (3)   Manner of sale; expenses. – Subject to the approval by the Council of State  
2           as to the manner in which bonds or notes shall be offered for sale, whether at  
3           public or private sale, whether within or without the United States, and  
4           whether by publishing notices in certain newspapers and financial journals,  
5           mailing notices, inviting bids by correspondence, negotiating contracts of  
6           purchase, or otherwise, the State Treasurer is authorized to sell bonds or  
7           notes at one time or from time to time at any rates of interest, which may  
8           vary from time to time, and at any prices, including a price less than or  
9           greater than the face amount of the bonds or notes, as the State Treasurer  
10          may determine. All expenses incurred in the preparation, sale, and issuance  
11          of bonds or notes shall be paid by the State Treasurer from the proceeds of  
12          bonds or notes or other available monies.
- 13          (4)   Notes; repayment. –
- 14           a.     By and with the consent of the Council of State, the State Treasurer  
15           is hereby authorized to borrow money and to execute and issue notes  
16           of the State for the same, but only in the following circumstances and  
17           under the following conditions:
- 18               1.     For anticipating the sale of bonds, the issuance of which the  
19               Council of State has approved, if the State Treasurer  
20               considers it advisable to postpone the issuance of the bonds;  
21               2.     For the payment of interest on or any installment of principal  
22               of any bonds then outstanding, if there are not sufficient  
23               funds in the State treasury with which to pay the interest or  
24               installment of principal as they respectively become due;  
25               3.     For the renewal of any loan evidenced by notes authorized in  
26               this section;  
27               4.     For the purposes authorized in this section; and  
28               5.     For refunding bonds or notes as authorized in this section.
- 29           b.     Funds derived from the sale of bonds or notes may be used in the  
30           payment of any bond anticipation notes issued under this section.  
31           Funds provided by the General Assembly for the payment of interest  
32           on or principal of bonds shall be used in paying the interest on or  
33           principal of any notes and any renewals thereof, the proceeds of  
34           which shall have been used in paying interest on or principal of the  
35           bonds.
- 36          (5)   Refunding bonds and notes. – By and with the consent of the Council of  
37          State, the State Treasurer is authorized to issue and sell refunding bonds and  
38          notes pursuant to the provisions of the State Refunding Bond Act for the  
39          purpose of refunding bonds or notes issued pursuant to this section. The  
40          refundng bonds and notes may be combined with any other issues of State  
41          bonds and notes similarly secured. Refunding bonds or notes may be issued  
42          at any time prior to the final maturity of the debt obligation to be refunded.  
43          The proceeds from the sale of any refunding bonds or notes shall be applied  
44          to the immediate payment and retirement of the bonds or notes being  
45          refunded or, if not required for the immediate payment of the bonds or notes  
46          being refunded, the proceeds shall be deposited in trust to provide for the  
47          payment and retirement of the bonds or notes being refunded and to pay any  
48          expenses incurred in connection with the refunding. Money in a trust fund  
49          may be invested in (i) direct obligations of the United States government, (ii)  
50          obligations the principal of and interest on which are guaranteed by the

1 United States government, (iii) obligations of any agency or instrumentality  
2 of the United States government if the timely payment of principal and  
3 interest on the obligations is unconditionally guaranteed by the United States  
4 government, or (iv) certificates of deposit issued by a bank or trust company  
5 located in the State if the certificates are secured by a pledge of any of the  
6 obligations described in (i), (ii), or (iii) above having an aggregate market  
7 value, exclusive of accrued interest, equal at least to the principal amount of  
8 the certificates so secured. This section does not limit the duration of any  
9 deposit in trust for the retirement of bonds or notes being refunded but that  
10 have not matured and are not presently redeemable or, if presently  
11 redeemable, have not been called for redemption.

12 (6) Tax exemption. – Bonds and notes shall at all times be free from taxation by  
13 the State or any political subdivision or any of their agencies, excepting  
14 estate, inheritance, or gift taxes, income taxes on the gain from the transfer  
15 of bonds or notes, and franchise taxes. The interest on bonds or notes is not  
16 subject to taxation as income.

17 (7) Investment eligibility. – Bonds and notes are securities in which all of the  
18 following may invest, including capital in their control or belonging to them:  
19 public officers, agencies, and public bodies of the State and its political  
20 subdivisions, all insurance companies, trust companies, investment  
21 companies, banks, savings banks, savings and loan associations, credit  
22 unions, pension or retirement funds, other financial institutions engaged in  
23 business in the State, executors, administrators, trustees, and other  
24 fiduciaries. Bonds and notes are hereby made securities that may properly  
25 and legally be deposited with and received by any officer or agency of the  
26 State or political subdivision of the State for any purpose for which the  
27 deposit of bonds, notes, or obligations of the State or any political  
28 subdivision is now or may hereafter be authorized by law.

29 (8) Faith and credit. – The faith and credit and taxing power of the State are  
30 hereby pledged for the payment of the principal of and the interest on bonds  
31 and notes. The State expressly reserves the right to amend any provision of  
32 this section to the extent it does not impair any contractual right of a bond  
33 owner.

34 (9) Other agreements. – The State Treasurer may authorize, execute, obtain, or  
35 otherwise provide for bond insurance, investment contracts, credit and  
36 liquidity facilities, interest-rate swap agreements and other derivative  
37 products, and any other related instruments and matters the State Treasurer  
38 determines are desirable in connection with issuance, incurrence, carrying,  
39 or securing of bonds or notes. The State Treasurer is authorized to employ  
40 and designate any financial consultants, underwriters, and bond attorneys to  
41 be associated with any bond or note issue under this section as the State  
42 Treasurer considers necessary.

43 **SECTION 5.1.(h)** Variable Rate Demand Bonds and Notes. – In fixing the details  
44 of bonds and notes, the State Treasurer may provide that any of the bonds or notes may:

45 (1) Be made payable from time to time on demand or tender for purchase by the  
46 owner, if a credit facility supports the bonds or notes, unless the State  
47 Treasurer specifically determines that a credit facility is not required upon a  
48 finding and determination by the State Treasurer that the absence of a credit  
49 facility will not materially and adversely affect the financial position of the



1 State and the marketing of the bonds or notes at a reasonable interest cost to  
2 the State;

3 (2) Be additionally supported by a credit facility;

4 (3) Be made subject to redemption or a mandatory tender for purchase prior to  
5 maturity;

6 (4) Bear interest at a rate or rates that may vary for any period of time, as may  
7 be provided in the proceedings providing for the issuance of the bonds or  
8 notes, including, without limitation, such variations as may be permitted  
9 pursuant to a par formula; and

10 (5) Be made the subject of a remarketing agreement whereby an attempt is made  
11 to remarket bonds or notes to new purchasers prior to their presentment for  
12 payment to the provider of the credit facility or to the State.

13 If the aggregate principal amount payable by the State under a credit facility is in  
14 excess of the aggregate principal amount of bonds or notes secured by the credit facility,  
15 whether as a result of the inclusion in the credit facility of a provision for the payment of  
16 interest for a limited period of time or the payment of a redemption premium or for any other  
17 reason, then the amount of authorized but unissued bonds or notes during the term of such  
18 credit facility shall not be less than the amount of such excess, unless the payment of such  
19 excess is otherwise provided for by agreement of the State executed by the State Treasurer.

20 **SECTION 5.1.(i)** Interpretation of Section. –

21 (1) Additional method. – The foregoing subsections of this section shall be  
22 deemed to provide an additional and alternative method for the doing of the  
23 things authorized under it and shall be regarded as supplemental and  
24 additional to powers conferred by other laws and shall not be regarded as in  
25 derogation of any powers now existing.

26 (2) Statutory references. – References in this section to specific sections or  
27 Chapters of the General Statutes or to specific acts are intended to be  
28 references to such sections, Chapters, or acts as they may be amended from  
29 time to time by the General Assembly.

30 (3) Broad construction. – This section, being necessary for the health and  
31 welfare of the people of the State, shall be broadly construed to affect the  
32 purposes thereof.

33 (4) Inconsistent provisions. – Insofar as the provisions of this section are  
34 inconsistent with the provisions of any general, special, or local laws, or  
35 parts thereof, the provisions of this section shall be controlling.

36 (5) Severability. – If any provision of this section or the application thereof to  
37 any person or circumstance is held invalid, such invalidity shall not affect  
38 other provisions or applications of the section that can be given effect  
39 without the invalid provision or application, and to this end the provisions of  
40 this section are declared to be severable.

41 **SECTION 5.1.(j)** The State, upon the direction of the Director of the Budget, and  
42 subject to the limitations set forth in subsection (d) of this section, may finance with the  
43 proceeds of special indebtedness the capital facility costs of a project set forth in subsection (f)  
44 of this section and approved for financing with proceeds of bonds authorized pursuant to this  
45 section. If the financing is to be provided by special indebtedness, then such indebtedness may  
46 be issued or incurred before the enactment of this act or during or beyond the fiscal biennium  
47 ending June 30, 2017. The total amount of financing for a project from special indebtedness  
48 and the proceeds of two-thirds bonds issued pursuant to this section shall not exceed the  
49 applicable amount set forth in subsection (f) of this section.

50 **SECTION 5.1.(k)** This section is effective when this act becomes law.

1  
2 **PART VI. FEE PROVISIONS**  
3

4 **DRUG MANUFACTURING LICENSING AND REGISTRATION FEES**

5 **SECTION 6.1.(a)** G.S. 106-140.1(h) reads as rewritten:

6 "(h) The Commissioner shall adopt rules to implement the registration requirements of  
7 this section. These rules ~~may shall~~ provide for an annual registration fee of ~~up to five hundred~~  
8 ~~dollars (\$500.00)~~ one thousand dollars (\$1,000) for companies operating as ~~manufacturers,~~  
9 ~~wholesalers, or repackagers.~~ manufacturers or repackagers and seven hundred dollars (\$700.00)  
10 for companies operating as wholesalers. The Department of Agriculture and Consumer  
11 Services shall use these funds for the implementation of the North Carolina Food, Drug and  
12 Cosmetic Act."

13 **SECTION 6.1.(b)** G.S. 106-145.4(b) reads as rewritten:

14 "**§ 106-145.4. Application and fee for license.**

15 "(b) Fee. – An application for an initial license or a renewed license as a wholesale  
16 distributor shall be accompanied by a nonrefundable fee of ~~five hundred dollars (\$500.00)~~ one  
17 thousand dollars (\$1,000) for a manufacturer or ~~three hundred fifty dollars (\$350.00)~~ seven  
18 hundred dollars (\$700.00) for any other person."  
19

20 **DYNAMIC PRICING FOR STATE PARKS AND ATTRACTIONS**

21 **SECTION 6.2.(a)** G.S. 150B-1(d) is amended by adding a new subdivision to read:

22 "(27) The Department of Environment and Natural Resources with respect to  
23 operating hours, admission fees, or related activity fees at:

- 24 a. The North Carolina Zoological Park pursuant to G.S. 143B-335.  
25 b. State Parks pursuant to G.S. 113-35.  
26 c. The North Carolina Aquariums pursuant to G.S. 143B-289.44."

27 **SECTION 6.2.(b)** The Department of Environment and Natural Resources shall  
28 establish admission fees and related activity fees using a dynamic pricing strategy as defined in  
29 subsection (c) of this section. Any rule currently in the Administrative Code related to fees  
30 covered by subsection (a) of this section are ineffective and repealed upon the effective date of  
31 new admission fees and related activity fees adopted by the Department under the authority set  
32 out in subsection (a) of this section. Notice of the initial adoption of new admission fees and  
33 related activity fees under subsection (a) of this section shall be given by the Department to the  
34 Codifier of Rules, who, upon receipt of notice of the initial adoption of new admission fees and  
35 related activity fees by the Department, shall note the repeal of these rules in the Administrative  
36 Code.

37 **SECTION 6.2.(c)** It is the intent of the General Assembly that the Department of  
38 Environment and Natural Resources institute dynamic pricing as a flexible pricing strategy for  
39 entrance fees and related activity fees for the North Carolina Zoological Park, State Parks, and  
40 the North Carolina Aquariums. Dynamic pricing is the adjustment of fees for admission and  
41 related activities from time to time to reflect marketing forces, including seasonal variations  
42 and special event interests, with the intent and effect to maximize revenues from use of these  
43 State resources to the extent practicable to offset appropriations from the General Assembly.

44 **SECTION 6.2.(d)** Nothing in this section is intended to authorize the Department  
45 of Environment and Natural Resources to charge new entrance or parking fees at the State  
46 Parks or to charge new parking fees at the North Carolina Zoological Park or the North  
47 Carolina Aquariums.

48 **SECTION 6.2.(e)** This section applies to operating hours revised or admission fees  
49 or related activity fees charged on or after the effective date of this act.  
50

**FOOD MANUFACTURER AND RETAILER INSPECTION FEES**

**SECTION 6.3.** G.S. 106-254 reads as rewritten:

**"§ 106-254. Inspection fees; wholesalers; retailers and cheese factories.**

For the purpose of defraying the expenses incurred in the enforcement of this Article, the owner, proprietor or operator of each ice cream factory where ice cream, milk shakes, milk sherbet, sherbet, water ices, mixes for frozen or semifrozen desserts and other similar frozen or semifrozen food products are made or stored, or any cheese factory or butter-processing plant that disposes of its products at wholesale to retail dealers for resale in this State shall pay to the Commissioner of Agriculture each year an inspection fee of ~~forty dollars (\$40.00)~~ one hundred dollars (\$100.00). Each maker of ice cream, milk shakes, milk sherbet, sherbet, water ices and/or other similar frozen or semifrozen food products who disposes of his product at retail only, and cheese factories, shall pay to the Commissioner of Agriculture an inspection fee of ~~ten dollars (\$10.00)~~ fifty dollars (\$50.00) each year. The inspection fee of ~~ten dollars (\$10.00)~~ fifty dollars (\$50.00) shall not apply to conventional spindle-type milk-shake mixers, but shall apply to milk-shake dispensing and vending machines, which operate on a continuous or automatic basis."

**REPEAL APPRENTICESHIP FEE**

**SECTION 6.4.** G.S. 94-12 is repealed.

**SET REGULATORY FEE FOR UTILITIES COMMISSION**

**SECTION 6.5.(a)** G.S. 62-302(a) reads as rewritten:

"(a) Fee Imposed. – It is the policy of the State of North Carolina to provide fair regulation of public utilities in the interest of the public, as provided in G.S. 62-2. The cost of regulating public utilities is a burden incident to the privilege of operating as a public utility. Therefore, for the purpose of defraying the cost of regulating public utilities, every public utility subject to the jurisdiction of the Commission shall pay a quarterly regulatory fee, in addition to all other fees and taxes, as provided in this section. The fees collected shall be used only to pay the expenses of the Commission and the Public Staff in regulating public utilities in the interest of the ~~public~~ public and to maintain a reasonable margin for a reserve fund. The amount of the reserve may not exceed one-half of the cost of operating the Commission and the Public Staff as reflected in the certified budget for the previous fiscal year.

It is also the policy of the State to provide limited oversight of certain electric membership corporations as provided in G.S. 62-53. Therefore, for the purpose of defraying the cost of providing the oversight authorized by G.S. 62-53 and G.S. 117-18.1, each fiscal year each electric membership corporation whose principal purpose is to furnish or cause to be furnished bulk electric supplies at wholesale as provided in G.S. 117-16 shall pay an annual fee as provided in this section."

**SECTION 6.5.(b)** Subdivisions 14.19(e1)(4), (5), (6), and (10) of S.L. 2009-451 are repealed.

**SECTION 6.5.(c)** G.S. 62-302, as amended by subsection (a) of this section, reads as rewritten:

"(a) Fee Imposed. – It is the policy of the State of North Carolina to provide fair regulation of public utilities in the interest of the public, as provided in G.S. 62-2. The cost of regulating public utilities is a burden incident to the privilege of operating as a public utility. Therefore, for the purpose of defraying the cost of regulating public utilities, every public utility subject to the jurisdiction of the Commission shall pay a quarterly regulatory fee, in addition to all other fees and taxes, as provided in this section. The fees collected shall be used only to pay the expenses of the Commission and the Public Staff in regulating public utilities in the interest of the public and to maintain a reasonable margin for a reserve fund. The amount of

1 the reserve may not exceed one-half of the cost of operating the Commission and the Public  
2 Staff as reflected in the certified budget for the previous fiscal year.

3 It is also the policy of the State to provide limited oversight of certain electric membership  
4 corporations as provided in G.S. 62-53. Therefore, for the purpose of defraying the cost of  
5 providing the oversight authorized by G.S. 62-53 and G.S. 117-18.1, each fiscal year each  
6 electric membership corporation whose principal purpose is to furnish or cause to be furnished  
7 bulk electric supplies at wholesale as provided in G.S. 117-16 shall pay an annual fee as  
8 provided in this section.

9 (b) Public Utility Rate. –

10 (1) Repealed by Session Laws 2000-140, s. 56, effective July 21, 2000.

11 (2) Unless adjusted under subdivision (3) of this subsection, the public utility  
12 fee is a percentage of a utility's jurisdictional revenues as follows:

13 Noncompetitive jurisdiction revenues 0.148%

14 Subsection (h) competitive jurisdiction revenues 0.06%

15 Subsection (m) competitive jurisdiction revenues 0.05%

16 ~~For noncompetitive jurisdiction revenues as defined in sub-subdivision~~  
17 ~~(4)a. of this subsection, the public utility regulatory fee for each~~  
18 ~~fiscal year is the greater of (i) a percentage rate, established by the~~  
19 ~~General Assembly, of each public utility's noncompetitive~~  
20 ~~jurisdictional revenues for each quarter or (ii) six dollars and~~  
21 ~~twenty five cents (\$6.25) each quarter. For subsection (h)~~  
22 ~~competitive jurisdiction revenues as defined in sub-subdivision~~  
23 ~~(4)b. of this subsection, and subsection (m) competitive jurisdiction~~  
24 ~~revenues as defined in sub-subdivision (4)c. of this subsection, the~~  
25 ~~public utility regulatory fee for each fiscal year is a percentage rate~~  
26 ~~established by the General Assembly of each public utility's~~  
27 ~~competitive jurisdictional revenues for each quarter.~~

28 ~~When the Commission prepares its budget request for the upcoming~~  
29 ~~fiscal year, the Commission shall propose a percentage rate of the public~~  
30 ~~utility regulatory fee. For fiscal years beginning in an odd-numbered year,~~  
31 ~~that proposed rate shall be included in the budget message the Governor~~  
32 ~~submits to the General Assembly pursuant to G.S. 143C-3-5. For fiscal years~~  
33 ~~beginning in an even-numbered year, that proposed rate shall be included in~~  
34 ~~a special budget message the Governor shall submit to the General~~  
35 ~~Assembly. The General Assembly shall set the percentage rate of the public~~  
36 ~~utility regulatory fee by law.~~

37 ~~The percentage rate may not exceed the amount necessary to generate~~  
38 ~~funds sufficient to defray the estimated cost of the operations of the~~  
39 ~~Commission and the Public Staff for the upcoming fiscal year, including a~~  
40 ~~reasonable margin for a reserve fund. The amount of the reserve may not~~  
41 ~~exceed the estimated cost of operating the Commission and the Public Staff~~  
42 ~~for the upcoming fiscal year. In calculating the amount of the reserve, the~~  
43 ~~General Assembly shall consider all relevant factors that may affect the cost~~  
44 ~~of operating the Commission or the Public Staff or a possible unanticipated~~  
45 ~~increase or decrease in North Carolina jurisdictional revenues.~~

46 (3) In the first half of each calendar year, the Commission shall review the  
47 estimated cost of operating the Commission and the Public Staff for the next  
48 fiscal year, including a reasonable margin for the reserve fund allowed under  
49 this section. In making this determination, the Commission shall consider all  
50 relevant factors that may affect the cost of operating the Commission or the

1 Public Staff or a possible unanticipated change in competitive and  
 2 noncompetitive jurisdictional revenues. If the estimated receipts provided for  
 3 under this section are less than the estimated cost of operating the  
 4 Commission and the Public Staff for the next fiscal year, including the  
 5 reasonable margin for the reserve fund, then ~~If the Commission, the Public~~  
 6 Staff, or both experience a revenue shortfall, the Commission shall ~~may~~  
 7 implement a temporary increase the public utility regulatory fee surcharge on  
 8 noncompetitive jurisdictional revenues effective for the next fiscal year to  
 9 avert the deficiency that would otherwise occur. In no event may the total  
 10 percentage rate of the public utility regulatory fee on noncompetitive  
 11 jurisdiction revenues plus any surcharge established by the Commission  
 12 exceed ~~twenty five hundredths percent (0.25%)~~ seventeen and one-half  
 13 hundredths of one percent (0.175%). If the estimated receipts provided for  
 14 under this section are more than the estimated cost of operating the  
 15 Commission and the Public Staff for the next fiscal year, including the  
 16 reasonable margin for the reserve fund, then the Commission shall decrease  
 17 the public utility regulatory fee on noncompetitive jurisdictional revenues  
 18 effective for the next fiscal year.

19 (4) As used in this section:

- 20 a. "Noncompetitive jurisdictional revenues" means all revenues derived  
 21 or realized from intrastate tariffs, rates, and charges approved or  
 22 allowed by the Commission or collected pursuant to Commission  
 23 order or rule, but not including tap-on fees or any other form of  
 24 contributions in aid of construction.
- 25 b. "Subsection (h) competitive jurisdictional revenues" means all  
 26 revenues derived from retail services provided by local exchange  
 27 companies and competing local providers that have elected to operate  
 28 under G.S. 62-133.5(h).
- 29 c. "Subsection (m) competitive jurisdictional revenues" means all  
 30 revenues derived from retail services provided by local exchange  
 31 companies and competing local providers that have elected to operate  
 32 under G.S. 62-133.5(m).

33 (b1) Electric Membership Corporation Rate. – The electric membership corporation  
 34 regulatory fee for each fiscal year shall be a dollar amount as established by the General  
 35 Assembly by law is two hundred thousand dollars (\$200,000).

36 ~~When the Commission prepares its budget request for the upcoming fiscal year, the~~  
 37 ~~Commission shall propose the amount of the electric membership corporation regulatory fee.~~  
 38 ~~For fiscal years beginning in an odd numbered year, the proposed amount shall be included in~~  
 39 ~~the budget message the Governor submits to the General Assembly pursuant to G.S. 143C-3-5.~~  
 40 ~~For fiscal years beginning in an even numbered year, the proposed amount shall be included in~~  
 41 ~~a special budget message the Governor shall submit to the General Assembly.~~

42 ~~The amount of the electric membership corporation regulatory fee proposed by the~~  
 43 ~~Commission may not exceed the amount necessary to defray the estimated cost of the~~  
 44 ~~operations of the Commission and the Public Staff for the regulation of the electric membership~~  
 45 ~~corporations in the upcoming fiscal year, including a reasonable margin for a reserve fund. The~~  
 46 ~~amount of the reserve may not exceed the estimated cost of the Commission and the Public~~  
 47 ~~Staff for the regulation of the electric membership corporations for the upcoming fiscal year.~~

48 ...  
 49 (e) ~~Recovery of fee increase.~~ Fee Changes. – If a utility's regulatory fee obligation is  
 50 increased, changed, the Commission shall either adjust the utility's rates to reflect the change

1 ~~allow for the recovery of the increased fee obligation,~~ or approve the utility's request for an  
 2 accounting order allowing deferral of the ~~increase~~ change in the fee obligation."

3 **SECTION 6.5.(d)** G.S. 62-302(b)(2), as amended by subsection (c) of this section,  
 4 reads as rewritten:

5 "(2) Unless adjusted under subdivision (3) of this subsection, the public utility  
 6 fee is a percentage of a utility's jurisdictional revenues as follows:

7 Noncompetitive jurisdiction revenues	0.148%
8 Subsection (h) competitive jurisdictional revenues	<del>0.06%</del> <u>0.04%</u>
9 Subsection (m) competitive jurisdictional revenues	<del>0.05%</del> <u>0.02%</u> "

10 **SECTION 6.5.(e)** Subsection (c) of this section is effective July 1, 2015, and  
 11 applies to jurisdictional revenues earned in each quarter that begins on or after July 1, 2015.  
 12 Subsection (d) of this section is effective July 1, 2016, and applies to jurisdictional revenues  
 13 earned in each quarter that begins on or after July 1, 2016. The remainder of this section is  
 14 effective on the date this act becomes law.

## 15 **INSURANCE REGULATORY CHARGE**

16 **SECTION 6.6.** The percentage rate to be used in calculating the insurance  
 17 regulatory charge under G.S. 58-6-25 is six and one-half percent (6.5%) for the 2016 calendar  
 18 year.  
 19  
 20

## 21 **STATE AGENCY/ENHANCED DEBT COLLECTION**

22 **SECTION 6.7.** Article 1 of Chapter 105A of the General Statutes reads as  
 23 rewritten:

### 24 **"Chapter 105A.**

#### 25 **"Setoff Debt Collection Act.**

#### 26 **"Article 1.**

#### 27 **"In General.**

### 28 **"§ 105A-1. Purposes.**

29 The purpose of this Chapter is to establish as policy that all claimant agencies and the  
 30 Department of Revenue shall cooperate in identifying debtors who owe money to the State or  
 31 to a local government through their various agencies and who qualify for refunds from the  
 32 Department of Revenue. It is also the intent of this Chapter that procedures be established for  
 33 setting off against any refund the sum of any debt owed to the State or to a local government.  
 34 Furthermore, it is the legislative intent that this Chapter be liberally construed so as to  
 35 effectuate these purposes as far as legally and practically possible.

### 36 **"§ 105A-2. Definitions.**

37 The following definitions apply in this Chapter:

38 (1) Claimant agency. – Either of the following:

- 39 a. A State agency.
- 40 b. A local agency acting through a clearinghouse or an organization  
 41 pursuant to G.S. 105A-3(b1).
- 42 c. A federal agency.

43 (2) Debt. – Any of the ~~following, except as limited in sub-subdivision (f.) of this~~  
 44 ~~subdivision;~~ following:

- 45 a. A sum owed to a claimant agency that has accrued through contract,  
 46 subrogation, tort, operation of law, or any other legal theory  
 47 regardless of whether there is an outstanding judgment for the sum.
- 48 b. A sum a claimant agency is authorized or required by law to collect,  
 49 such as child support payments collectible under Title IV, Part D of  
 50 the Social Security Act.

- 1 c. A sum owed as a result of an intentional program violation or a  
2 violation due to inadvertent household error under the Food and  
3 Nutrition Services Program enabled by Part 5 of Article 2 of Chapter  
4 108A of the General Statutes.
- 5 d. Reserved for future codification purposes.
- 6 e. A sum owed as a result of having obtained public assistance  
7 payments under any of the following programs through an intentional  
8 false statement, intentional misrepresentation, intentional failure to  
9 disclose a material fact, or inadvertent household error:
- 10 1. The Work First Program provided in Article 2 of Chapter  
11 108A of the General Statutes.
- 12 2. The State-County Special Assistance Program enabled by  
13 Part 3 of Article 2 of Chapter 108A of the General Statutes.
- 14 3. A successor program of one of these programs.
- 15 f. ~~For any school of medicine, clinical program, facility, or practice  
16 affiliated with one of the constituent institutions of The University of  
17 North Carolina that provides medical care to the general public and  
18 for The University of North Carolina Health Care System and other  
19 persons or entities affiliated with or under the control of The  
20 University of North Carolina Health Care System, the term "debt" is  
21 limited to the sum owed to one of these entities by law or by contract  
22 following adjudication of a claim resulting from an individual's  
23 receipt of hospital or medical services at a time when the individual  
24 was covered by commercial insurance, Medicaid, Health Choice,  
25 Medicare, Medicare Advantage, a Medicare supplement plan, or any  
26 other government insurance.~~
- 27 g. A sum owed to the United States government or its federal agencies.
- 28 (3) Debtor. – A person who owes a debt.
- 29 (4) Department. – The Department of Revenue.
- 30 (5) Federal official. – A unit or official of the federal government charged with  
31 the collection of nontax debts payable to the federal government pursuant to  
32 31 U.S.C. § 3716.
- 33 (6) Local agency. – Any of the following:
- 34 a. A county, to the extent it is not considered a State agency.
- 35 b. A municipality.
- 36 c. A water and sewer authority created under Article 1 of Chapter 162A  
37 of the General Statutes.
- 38 d. A regional joint agency created by interlocal agreement under Article  
39 20 of Chapter 160A of the General Statutes between two or more  
40 counties, cities, or both.
- 41 e. A public health authority created under Part 1B of Article 2 of  
42 Chapter 130A of the General Statutes or other authorizing legislation.
- 43 f. A metropolitan sewerage district created under Article 5 of Chapter  
44 162A of the General Statutes.
- 45 g. A sanitary district created under Part 2 of Article 2 of Chapter 130A  
46 of the General Statutes.
- 47 h. A housing authority created under Chapter 157 of the General  
48 Statutes, provided that the debt owed to a housing authority has been  
49 reduced to a final judgment in favor of the housing authority.

- 1 i. A regional solid waste management authority created under Article  
2 22 of Chapter 153A of the General Statutes.
- 3 (7) Net proceeds collected. – Gross proceeds collected through setoff against a  
4 debtor's refund or nontax payment minus the collection assistance fees  
5 provided in G.S. 105A-13.
- 6 (7a) Nontax payment. – A payment, including an expense reimbursement, made  
7 by the State to a person. The term does not include a person's salary, wages,  
8 or pension or a refund.
- 9 (7b) Person. – Defined in G.S. 105-228.90.
- 10 (8) Refund. – A debtor's North Carolina tax refund.
- 11 (9) State agency. – Any of the following:
- 12 a. A unit of the executive, legislative, or judicial branch of State  
13 government.
- 14 b. A local agency, to the extent it administers a program supervised by  
15 the Department of Health and Human Services or it operates a Child  
16 Support Enforcement Program, enabled by Chapter 110, Article 9,  
17 and Title IV, Part D of the Social Security Act.
- 18 c. A community college.

19 **"§ 105A-3. Remedy additional; mandatory State usage; optional local usage; obtaining**  
20 **identifying information; registration.**

21 (a) Remedy Additional. – The collection remedy under this Chapter is in addition to  
22 and not in substitution for any other remedy available by law.

23 (b) Mandatory State Usage. – A State agency must submit a debt owed to it for  
24 collection under this Chapter unless the State Controller has waived this requirement or the  
25 State agency has determined that the validity of the debt is legitimately in dispute, an  
26 alternative means of collection is pending and believed to be adequate, or such a collection  
27 attempt would result in a loss of federal funds. The State Controller may waive the requirement  
28 for a State agency, other than the Department of Health and Human Services or a county acting  
29 on behalf of that Department, to submit a debt owed to it for collection under this Chapter if the  
30 State Controller finds that collection by this means would not be practical or cost effective. A  
31 waiver may apply to all debts owed a State agency or a type of debt owed a State agency.

32 (b1) Optional Local Usage. – A local agency may submit a debt owed to it for collection  
33 under this Chapter. A local agency that decides to submit a debt owed to it for collection under  
34 this Chapter must establish the debt by following the procedure set in G.S. 105A-5 and must  
35 submit the debt through one of the following:

- 36 (1) A clearinghouse that is established pursuant to an interlocal agreement  
37 adopted under Article 20 of Chapter 160A of the General Statutes and has  
38 agreed to submit debts on behalf of any requesting local agency.
- 39 (2) The North Carolina League of Municipalities.
- 40 (3) The North Carolina Association of County Commissioners.

41 (c) Identifying Information. – All claimant agencies shall whenever possible obtain the  
42 full name, social security number or federal identification number, address, and any other  
43 identifying information required by the Department from any person for whom the agencies  
44 provide any service or transact any business and who the claimant agencies can foresee may  
45 become a debtor under this Chapter.

46 (d) Registration and Reports. – A State agency must register with the Department and  
47 with the State Controller. Every State agency must report annually to the State Controller the  
48 amount of debts owed to the agency for which the agency did not submit a claim for setoff and  
49 the reason for not submitting the claim.



1 A clearinghouse or an organization that submits debts on behalf of a local agency must  
2 register with the Department. Once a clearinghouse registers with the Department under this  
3 subsection, no other clearinghouse may register to submit debts for collection under this  
4 Chapter.

5 **"§ 105A-4. Minimum debt and ~~refund~~.refund or nontax payment.**

6 This Chapter applies only to a debt that is at least fifty dollars (\$50.00) and to a refund or  
7 nontax payment that is at least this same amount.

8 **"§ 105A-5. Local agency notice, hearing, and decision.**

9 (a) Prerequisite. – A local agency may not submit a debt for collection under this  
10 Chapter until it has given the notice required by this section and the claim has been finally  
11 determined as provided in this section.

12 (b) Notice. – A local agency must send written notice to a debtor that the agency  
13 intends to submit the debt owed by the debtor for collection by setoff. The notice must explain  
14 the basis for the agency's claim to the debt, that the agency intends to apply the debtor's refund  
15 or nontax payment against the debt, and that a collection assistance fee ~~of fifteen dollars~~  
16 ~~(\$15.00)~~ provided in G.S. 105A-13 will be added to the debt if it is submitted for setoff. The  
17 notice must also inform the debtor that the debtor has the right to contest the matter by filing a  
18 request for a hearing with the local agency, must state the time limits and procedure for  
19 requesting the hearing, and must state that failure to request a hearing within the required time  
20 will result in setoff of the debt.

21 (c) Administrative Review. – A debtor who decides to contest a proposed setoff must  
22 file a written request for a hearing with the local agency within 30 days after the date the local  
23 agency mails a notice of the proposed action to the debtor. A request for a hearing is considered  
24 to be filed when it is delivered for mailing with postage prepaid and properly addressed. The  
25 governing body of the local agency or a person designated by the governing body must hold the  
26 hearing.

27 If the debtor disagrees with the decision of the governing body or the person designated by  
28 the governing body, the debtor may file a petition for a contested case under Article 3 of  
29 Chapter 150B of the General Statutes. The petition must be filed within 30 days after the debtor  
30 receives a copy of the local decision. Notwithstanding the provisions of G.S. 105-241.21, a  
31 local agency is considered an agency for purposes of contested cases and appeals under this  
32 Chapter.

33 In a hearing under this section, an issue that has previously been litigated in a court  
34 proceeding cannot be considered.

35 (d) Decision. – A decision made after a hearing under this section must determine  
36 whether a debt is owed to the local agency and the amount of the debt.

37 (e) Return of Amount Set Off. – If a local agency submits a debt for collection under  
38 this Chapter without sending the notice required by subsection (b) of this section, the agency  
39 must send the taxpayer the entire amount set off plus the collection assistance fees provided in  
40 G.S. 105A-13. Similarly, if a local agency submits a debt for collection under this Chapter after  
41 sending the required notice but before final determination of the debt and a decision finds that  
42 the local agency is not entitled to any part of the amount set off, the agency must send the  
43 taxpayer the entire amount set off plus the collection assistance fees provided in G.S. 105A-13.  
44 That portion of the amount returned that reflects the collection assistance fees must be paid  
45 from the local agency's funds.

46 If a local agency submits a debt for collection under this Chapter after sending the required  
47 notice and the net proceeds collected that are credited to the local agency for the debt exceed  
48 the amount of the debt, the local agency must send the balance to the debtor. No part of the  
49 collection assistance fees provided in G.S. 105A-13 may be returned when a notice was sent  
50 and a debt is owed but the debt is less than the amount set off.

1 Interest accrues on the amount of a refund returned to a taxpayer under this subsection in  
2 accordance with G.S. 105-241.21. A local agency that returns a refund to a taxpayer under this  
3 subsection must pay from the local agency's funds any interest that has accrued since the fifth  
4 day after the Department mailed the notice of setoff to the taxpayer.

5 **"§ 105A-6. Procedure Department to follow in making setoff.**

6 (a) Notice to Department. – A claimant agency seeking to attempt collection of a debt  
7 through setoff must notify the Department in writing and supply information necessary to  
8 identify the debtor whose refund or nontax payment is sought to be set off. The claimant  
9 agency may include with the notification the date, if any, that the debt is expected to expire.  
10 The agency must notify the Department in writing when a debt has been paid or is no longer  
11 owed the agency.

12 (b) Setoff by Department. – The Department, upon receipt of notification, must  
13 determine each year whether the debtor to the claimant agency is entitled to a refund ~~of or~~  
14 nontax payment and whether the amount is at least fifty dollars ~~(\$50.00) from the Department.~~  
15 (\$50.00). Upon determination by the Department that a debtor specified by a claimant agency  
16 qualifies for such a ~~refund, refund or nontax payment~~, the Department must set off the debt  
17 against the refund or nontax payment to which the debtor would otherwise be entitled and must  
18 refund any remaining balance to the debtor. The Department must mail the debtor written  
19 notice that the setoff has occurred and must credit the net proceeds collected to the claimant  
20 agency. If the claimant agency is a State agency, that agency must credit the amount received to  
21 a nonreverting trust account and must follow the procedure set in G.S. 105A-8.

22 **"§ 105A-6.1. State Reciprocal Offset Program.**

23 (a) Agreement. – The Department is authorized to enter into an agreement with the  
24 Secretary of the Treasury to participate in the State Reciprocal Offset Program pursuant to 31  
25 U.S.C. § 3716 for the collection of any debts owed to the State or to State agencies from federal  
26 payments to vendors, contractors, and taxpayers. The agreement may provide for the United  
27 States to submit nontax debts owed to federal agencies for offset against State payments  
28 otherwise due and owing to taxpayers, vendors, and contractors providing goods or services to  
29 the State, its departments, agencies, or institutions.

30 (b) Federal Certification. – Pursuant to the agreement authorized in subsection (a) of  
31 this section, a federal official may certify to the Department the existence of a person's  
32 delinquent, nontax debt owed by the person to the federal government. To accept the  
33 certification provided by the federal official, the certification must include the name of the  
34 person, the person's Social Security number or federal tax identification number, and the  
35 amount of the person's nontax debt and may include any other information pursuant to the  
36 agreement authorized herein.

37 (c) Offset. – Upon receiving a federal certification complying with subsection (b) of  
38 this section and a request by the federal official that the Department withhold a refund or  
39 nontax payment, the following provisions, as required or permitted by State law, federal law, or  
40 the offset agreement, apply:

41 (1) The Department may determine if a person for whom the federal  
42 certification is received is due a refund or nontax payment.

43 (2) If the person for whom the federal certification is received is due a refund or  
44 nontax payment, the Department shall (i) withhold the refund or nontax  
45 payment due, (ii) notify the person of the amount withheld in the manner  
46 required by the offset agreement, and (iii) remit to the federal official the  
47 lesser of the entire amount of the refund or nontax payment or the amount  
48 certified.

1           (3) If the amount certified is less than the refund or nontax payment, the  
2           Department shall pay the excess to the person less the collection assistance  
3           fee provided in G.S. 105A-13.

4           (d) State Certification. – As permitted by State law, federal law, and the offset  
5 agreement, the Department may certify to a federal official a person's delinquent debt owed to  
6 the State by providing the federal official the name of the person, the person's Social Security  
7 number or tax identification number, the amount of the debt due the State, and any other  
8 information required by the offset agreement. The Department may request that the federal  
9 official withhold any federal vendor or other federal payment pursuant to the offset agreement  
10 to which the person is entitled.

11          (e) Proceeds Retention. – The retention of a portion of the proceeds of any federal  
12 administrative setoff pursuant to 31 C.F.R. § 285.6 does not affect the provisions of this  
13 section.

14 ...

15 **"§ 105A-8. State agency notice, hearing, decision, and refund of setoff.**

16          (a) Notice. – Within 10 days after a State agency receives a refund or nontax payment  
17 of a debtor, the agency must send the debtor written notice that the agency has received the  
18 debtor's ~~refund.~~ refund or nontax payment. The notice must explain the debt that is the basis for  
19 the agency's claim to the debtor's refund or nontax payment and that the agency intends to  
20 apply the refund or nontax payment against the debt. The notice must also inform the debtor  
21 that the debtor has the right to contest the matter by filing a request for a hearing, must state the  
22 time limits and procedure for requesting the hearing, and must state that failure to request a  
23 hearing within the required time will result in setoff of the debt. A State agency that does not  
24 send a debtor a notice within the time required by this subsection must refund the amount set  
25 off plus the collection assistance fee, in accordance with subsection (d) of this section.

26          (b) Hearing. – A hearing on a contested claim of a State agency, except a constituent  
27 institution of The University of North Carolina or the Division of Employment Security, must  
28 be conducted in accordance with Article 3 of Chapter 150B of the General Statutes. A hearing  
29 on a contested claim of a constituent institution of The University of North Carolina must be  
30 conducted in accordance with administrative procedures approved by the Attorney General. A  
31 hearing on a contested claim of the Division of Employment Security must be conducted in  
32 accordance with rules adopted by that Division. A request for a hearing on a contested claim of  
33 any State agency must be filed within 30 days after the State agency mails the debtor notice of  
34 the proposed setoff. A request for a hearing is considered to be filed when it is delivered for  
35 mailing with postage prepaid and properly addressed. In a hearing under this section, an issue  
36 that has previously been litigated in a court proceeding cannot be considered.

37          (c) Decision. – A decision made after a hearing under this section must determine  
38 whether a debt is owed to the State agency and the amount of the debt.

39          (d) Return of Amount Set Off. – If a State agency fails to send the notice required by  
40 subsection (a) of this section within the required time or a decision finds that a State agency is  
41 not entitled to any part of an amount set off, the agency must send the taxpayer the entire  
42 amount set off plus the collection assistance fee retained by the Department. That portion of the  
43 amount returned that reflects the collection assistance fee must be paid from the State agency's  
44 funds.

45          If a debtor owes a debt to a State agency and the net proceeds credited to the State agency  
46 for the debt exceed the amount of the debt, the State agency must send the balance to the  
47 debtor. No part of the collection assistance fee retained by the Department may be returned  
48 when a debt is owed but it is less than the amount set off.

49          Interest accrues on the amount of a refund returned to a taxpayer under this subsection in  
50 accordance with G.S. 105-241.21. A State agency that returns a refund to a taxpayer under this

1 subsection must pay from the State agency's funds any interest that has accrued since the fifth  
2 day after the Department mailed the notice of setoff to the taxpayer.

3 **"§ 105A-9. Appeals from hearings.**

4 Appeals from hearings allowed under this Chapter, other than those conducted by the  
5 Division of Employment Security, shall be in accordance with the provisions of Chapter 150B  
6 of the General Statutes, the Administrative Procedure Act, except that the place of initial  
7 judicial review shall be the superior court for the county in which the debtor resides. Appeals  
8 from hearings allowed under this Chapter that are conducted by the Division of Employment  
9 Security shall be in accordance with the provisions of Chapter 96 of the General Statutes.

10 ...

11 **"§ 105A-12. Priorities in claims to setoff.**

12 The Department has priority over all other claimant agencies for collection by setoff  
13 whenever it is a competing agency for a ~~refund~~-refund or nontax payment. State agencies have  
14 priority over federal or local agencies for collection by setoff. When there are multiple claims  
15 by State agencies other than the Department, the claims have priority based on the date each  
16 agency registered with the Department under G.S. 105A-3. When there are multiple claims by  
17 two or more organizations submitting debts on behalf of federal or local agencies, the claims  
18 have priority based on the date each organization registered with the Department under  
19 G.S. 105A-3. When there are multiple claims among federal or local agencies whose debts are  
20 submitted by the same organization, the claims have priority based on the date each federal or  
21 local agency requested the organization to submit debts on its behalf.

22 **"§ 105A-13. Collection assistance fees.**

23 (a) State Setoff. – ~~To~~Except as provided in subsection (b1) of this section, to recover  
24 the costs incurred by the Department in collecting debts under this Chapter, a collection  
25 assistance fee of five dollars (\$5.00) is imposed on each debt collected through setoff. The  
26 Department must collect this fee as part of the debt and retain it. The collection assistance fee  
27 shall not be added to child support debts or collected as part of child support debts. Instead, the  
28 Department shall retain from collections under Division II of Article 4 of Chapter 105 of the  
29 General Statutes the cost of collecting child support debts under this Chapter.

30 (b) Repealed by Session Laws 2001-380, s. 3, effective November 1, 2001.

31 (b1) Federal Debts. – To recover the costs incurred by the Department in collecting debts  
32 on behalf of a federal agency under this Chapter, a collection assistance fee equal to the fee  
33 charged by the federal government is imposed on each debt collected through setoff. The  
34 Department must collect this fee as part of the debt and retain it.

35 (c) Local Debts. – To recover the costs incurred by local agencies in submitting debts  
36 for collection under this Chapter, a local collection assistance fee of fifteen dollars (\$15.00) is  
37 imposed on each local agency debt submitted under G.S. 105A-3(b1) and collected through  
38 setoff. The Department must collect this fee as part of the debt and remit it to the clearinghouse  
39 that submitted the debt. The local collection assistance fee does not apply to child support  
40 debts.

41 (d) Priority. – If the Department is able to collect only part of a debt through setoff, the  
42 collection assistance fee provided in subsection (a) of this section has priority over the local  
43 collection assistance fee and over the remainder of the debt. The local collection assistance fee  
44 has priority over the remainder of the debt.

45 **"§ 105A-14. Accounting to the claimant agency; credit to debtor's obligation.**

46 (a) Simultaneously with the transmittal of the net proceeds collected to a claimant  
47 agency, the Department must provide the agency with an accounting of the setoffs for which  
48 payment is being made. The accounting must whenever possible include the full names of the  
49 debtors, the debtors' social security numbers or federal identification numbers, the gross

1 proceeds collected per setoff, the net proceeds collected per setoff, and the collection assistance  
2 fee added to the debt and collected per setoff.

3 (b) Upon receipt by a claimant agency of net proceeds collected on the claimant  
4 agency's behalf by the Department, a final determination of the claim if it is a State agency  
5 claim, and an accounting of the proceeds as specified under this section, the claimant agency  
6 must credit the debtor's obligation with the net proceeds collected.

7 **"§ 105A-15. Confidentiality exemption; nondisclosure.**

8 (a) Notwithstanding G.S. 105-259 or any other provision of law prohibiting disclosure  
9 by the Department of the contents of taxpayer records or information and notwithstanding any  
10 confidentiality statute of any claimant agency, the exchange of any information among the  
11 Department, the claimant agency, the organization submitting debts on behalf of a local agency,  
12 and the debtor necessary to implement this Chapter is lawful.

13 (b) The information a claimant agency or an organization submitting debts on behalf of  
14 a local agency obtains from the Department in accordance with the exemption allowed by  
15 subsection (a) may be used by the agency or organization only in the pursuit of its debt  
16 collection duties and practices and may not be disclosed except as provided in G.S. 105-259,  
17 153A-148.1, or 160A-208.1.

18 **"§ 105A-16. Rules.**

19 The Secretary of Revenue may adopt rules to implement this Chapter. The State Controller  
20 may adopt rules to implement this Chapter."  
21

22 **INCREASE IN NORTH CAROLINA MEDICAL EXAMINER AUTOPSY FEE**

23 **SECTION 6.8.(a)** G.S. 130A-389(a) reads as rewritten:

24 "(a) If, in the opinion of the medical examiner investigating the case or of the Chief  
25 Medical Examiner, it is advisable and in the public interest that an autopsy or other study be  
26 made; or, if an autopsy or other study is requested by the district attorney of the county or by  
27 any superior court judge, an autopsy or other study shall be made by the Chief Medical  
28 Examiner or by a competent pathologist designated by the Chief Medical Examiner. A  
29 complete autopsy report of findings and interpretations, prepared on forms designated for the  
30 purpose, shall be submitted promptly to the Chief Medical Examiner. Subject to the limitations  
31 of G.S. 130A-389.1 relating to photographs and video or audio recordings of an autopsy, a  
32 copy of the report shall be furnished to any person upon request. A fee for the autopsy or other  
33 study shall be paid by the State. However, if the deceased is a resident of the county in which  
34 the death or fatal injury occurred, that county shall pay the fee. The fee shall be ~~one thousand~~  
35 ~~two hundred fifty dollars (\$1,250).~~ one thousand seven hundred fifty dollars (\$1,750)."

36 **SECTION 6.8.(b)** The Department of Health and Human Services, Division of  
37 Public Health, shall study and evaluate (i) the method of autopsy financing and the cost-sharing  
38 of this service between the State and counties and (ii) the amount of State appropriations that  
39 would be necessary to eliminate the shortfall between the amount of the autopsy fee imposed  
40 pursuant to G.S. 130A-389(a) and the actual cost of performing an autopsy. The Department  
41 shall report its findings and any recommended changes in State appropriations for, and  
42 cost-sharing of, this service to the Joint Legislative Oversight Committee on Health and Human  
43 Services and the Fiscal Research Division for consideration during the 2016 Regular Session of  
44 the 2015 General Assembly.

45 **SECTION 6.8.(c)** Subsection (a) of this section becomes effective July 1, 2015,  
46 and applies to fees imposed for autopsies on or after that date.  
47

48 **INCREASE IN MEDICAL EXAMINER FEES**

49 **SECTION 6.9.(a)** G.S. 130A-387 reads as rewritten:

50 **"§ 130A-387. Fees.**

1 For each investigation and prompt filing of the required report, the medical examiner shall  
2 receive a fee paid by the State. However, if the deceased is a resident of the county in which the  
3 death or fatal injury occurred, that county shall pay the fee. The fee shall be ~~one hundred~~  
4 ~~dollars (\$100.00)~~ two hundred dollars (\$200.00)."

5 **SECTION 6.9.(b)** Subsection (a) of this section becomes effective July 1, 2015,  
6 and applies to fees imposed for investigations and reports filed on or after that date.  
7

## 8 **LICENSURE OF OVERNIGHT RESPITE FACILITIES**

9 **SECTION 6.10.(a)** Article 1 of Chapter 131D of the General Statutes is amended  
10 by adding a new section to read:

### 11 **"§ 131D-6.1. Licensure to offer overnight respite; rules; enforcement.**

12 (a) As used in this section, "overnight respite services" means the provision of group  
13 care and supervision in a place other than their usual place of abode on a 24-hour basis to adults  
14 who may be physically or mentally disabled and includes services provided by the following:

15 (1) Any facility certified to provide adult day care services pursuant to  
16 G.S. 131D-6, or adult day health services pursuant to 10A NCAC 06S, or  
17 both.

18 (2) Any adult care home or family care home licensed under this Article.

19 (b) Any facility described under subsection (a) of this section may apply to the  
20 Department for licensure to offer a program of overnight respite services. The Department shall  
21 annually license facilities providing overnight respite services under rules adopted by the  
22 Department pursuant to subsection (c) of this section. As part of the licensure process, the  
23 Division of Health Service Regulation shall inspect the construction projects associated with,  
24 and the operations of, each facility providing overnight respite services for compliance with the  
25 rules adopted by the Department pursuant to subsection (c) of this section.

26 (c) The Department shall adopt rules governing the licensure of facilities providing  
27 overnight respite in accordance with this section. The Department shall seek input from  
28 stakeholders before proposing rules for adoption as required by this subsection. The rules shall  
29 limit the provision of 24-hour care for each adult to (i) not more than 14 consecutive calendar  
30 days, and not more than 60 total calendar days, during a 365-day period or (ii) the amount of  
31 respite allowed under the North Carolina Innovations waiver or Community Alternatives  
32 Program for Disabled Adults (CAP/DA) waiver, as applicable. The rules shall include  
33 minimum requirements to ensure the health and safety of adult day care overnight respite  
34 participants. These requirements shall address all of the following:

35 (1) Program management.

36 (2) Staffing.

37 (3) Building specifications.

38 (4) Fire safety.

39 (5) Sanitation.

40 (6) Nutrition.

41 (7) Enrollment.

42 (8) Bed capacity limitations, which shall not exceed six beds in each adult day  
43 care program.

44 (9) Medication management.

45 (10) Program activities.

46 (d) The Division of Health Service Regulation shall have the authority to enforce the  
47 rules adopted by the Department under subsection (c) of this section and shall be responsible  
48 for the investigation of complaints pertaining to facilities licensed to provide overnight respite  
49 services.

1       (e) Each facility that is licensed to provide a program of overnight respite services  
 2 under this section shall periodically report the number of individuals served and the average  
 3 daily census to the Division of Health Service Regulation on a schedule determined by the  
 4 Division.

5       (f) The Division of Health Service Regulation shall have the authority to suspend or  
 6 revoke a facility's license to provide a program of overnight respite services at any time due to  
 7 noncompliance with regulatory requirements that has resulted in death or serious physical  
 8 harm, or when there is a substantial risk that death or serious physical harm will occur.

9       (g) Nothing in this section shall be construed to prevent a facility licensed to provide  
 10 overnight respite services under this section from receiving State funds or participating in any  
 11 government insurance plan, including the Medicaid program, to the extent authorized or  
 12 permitted under applicable State or federal law.

13       (h) The Department shall charge each facility seeking to provide overnight respite  
 14 services a nonrefundable initial licensure fee of three hundred fifty dollars (\$350.00) and a  
 15 nonrefundable renewal licensure fee in the amount of three hundred fifteen dollars (\$315.00)."

16       **SECTION 6.10.(b)** G.S. 131E-267(g) reads as rewritten:

17       "(g) The fee imposed for the review of the following residential construction projects is:

<b>Residential Project</b>	<b>Project Fee</b>
18 Family Care Homes	\$225.00 flat fee
19 ICF/MR Group Homes	\$350.00 flat fee
20 Group Homes: 1-3 beds	\$125.00 flat fee
21 Group Homes: 4-6 beds	\$225.00 flat fee
22 Group Homes: 7-9 beds	\$275.00 flat fee
23 <u>Adult Day Care Overnight Respite Facility</u>	<u>\$225.00 flat fee</u>
24 <u>Adult Day Health Overnight Respite Facility</u>	<u>\$225.00 flat fee</u>
25 Other residential:	
26 More than 9 beds	\$275.00 plus \$0.15 per square foot of
27	project space."
28	

29       **SECTION 6.10.(c)** Of the funds appropriated to the Department of Health and  
 30 Human Services, Division of Health Service Regulation, the sum of eighty-two thousand six  
 31 hundred six dollars (\$82,606) for the 2015-2016 fiscal year and the sum of eighty-eight  
 32 thousand thirty-three dollars (\$88,033) for the 2016-2017 fiscal year shall be used to create one  
 33 full-time equivalent Nursing Consultant position and one full-time equivalent  
 34 Engineer/Architect position within the Division dedicated to inspecting adult day care, adult  
 35 day health, adult care home, and family care home facilities seeking licensure to provide  
 36 overnight respite services in accordance with G.S. 131D-6.1, as enacted by subsection (a) of  
 37 this section.

38       **SECTION 6.10.(d)** The Department of Health and Human Services, Division of  
 39 Aging and Adult Services, shall add adult day care overnight respite programs as a service  
 40 category under the Home and Community Care Block Grant. Counties may elect to use an adult  
 41 day care, adult day health, adult care home, or family care home facility licensed under  
 42 G.S. 131D-6.1, as enacted by subsection (a) of this section, to provide overnight respite  
 43 services to caregivers of older adults from funds received under the Home and Community  
 44 Care Block Grant.

45       **SECTION 6.10.(e)** The Department of Health and Human Services, Division of  
 46 Medical Assistance, shall take any and all action necessary to amend the North Carolina  
 47 Innovations waiver and the North Carolina Community Alternatives Program for Disabled  
 48 Adults (CAP/DA) waiver for the purpose of allowing facilities licensed to provide adult day  
 49 health overnight respite services under G.S. 131D-6.1, as enacted by subsection (a) of this  
 50 section, to become allowable providers of overnight respite under each waiver.

**PROVIDER APPLICATION AND RECREDENTIALING FEE**

**SECTION 6.11.** The Department of Health and Human Services, Division of Medical Assistance, shall charge an application fee of one hundred dollars (\$100.00), and the amount federally required, to each provider enrolling in the Medicaid Program for the first time. The fee shall be charged to all providers at recredentialing every three years.

**AMEND CERTIFICATE OF RELIEF/FEE**

**SECTION 6.12.(a)** G.S. 15A-173.2(a) reads as rewritten:

"(a) An individual who is convicted of ~~no more than two Class G, H, or I felonies or misdemeanors in one session of court, and who has no other convictions for a felony or misdemeanor other than a traffic violation,~~ criminal offenses no higher than a Class G felony may petition the court where the individual was convicted of his or her most serious offense for a Certificate of Relief relieving collateral consequences as permitted by this Article. Except as otherwise provided in this subsection, after payment by the petitioner of the fee required by G.S. 7A-313.2, the petition shall be heard by the senior resident superior court judge if the convictions were in superior court, or the chief district court judge if the convictions were in district court. The senior resident superior court judge and chief district court judge in each district may delegate their authority to hold hearings and issue, modify, or revoke Certificates of Relief to judges, clerks, or magistrates in that district."

**SECTION 6.12.(b)** Article 28 of Chapter 7A of the General Statutes is amended by adding a new section to read:

**"§ 7A-313.2. Certificate of relief fee.**

A person who petitions the court for a Certificate of Relief pursuant to Article 6 of this Chapter shall pay an administrative fee of fifty dollars (\$50.00) at the time of the filing of the petition. The fee shall be remitted to the State Treasurer for support of the General Court of Justice."

**SECTION 6.12.(c)** This section becomes effective October 1, 2015, and applies to certificates issued on or after that date.

**CLARIFY BOXING COMMISSION FEE**

**SECTION 6.13.(a)** G.S. 143-655(b1) reads as rewritten:

"(b1) Admission Fees. – The Branch shall collect a fee in the amount of two dollars (\$2.00) per ~~each ticket sold~~ spectator to attend events regulated in this Article."

**SECTION 6.13.(b)** This section is effective on July 1, 2015, and applies to fees collected or assessed on or after that date.

**CLARIFY HAZARDOUS MATERIALS FEE**

**SECTION 6.14.(a)** G.S. 166A-29.1 reads as rewritten:

**"§ 166A-29.1. Hazardous materials facility fee.**

(a) Definitions. – The following definitions apply in this section:

- (1) EPCRA. – The federal Emergency Planning and Community Right-to-Know Act, P.L. No. 99-499 et. seq.
- (2) Extremely hazardous substance. – Any substance, regardless of its state, set forth in 40 C.F.R. Part 355, Appendix A or B.
- (3) Hazardous chemical. – As defined in 29 C.F.R. 1910.1200(c), except that the term does not include any of the following:
  - a. Any food, food additive, color additive, drug, or cosmetic regulated by the Food and Drug Administration.



- 1           b. Any substance present as a solid in any manufactured item to the  
2 extent exposure to the substance does not occur under normal  
3 conditions of use.
- 4           c. Any substance to the extent that it is used for personal, family, or  
5 household purposes or is present in the same form and concentration  
6 as a product packaged for distribution and use by the public.
- 7           d. Any substance to the extent that it is used in a research laboratory or  
8 a hospital or other medical facility under the direct supervision of a  
9 technically qualified individual.
- 10          e. Any substance to the extent that it is used in routine agricultural  
11 operations or is a fertilizer held for sale by a retailer to the ultimate  
12 consumer.

13          (b) Annual Fee Shall Be Charged. – A person or business required under Section 302 or  
14 312 of EPCRA to submit a notification or an annual inventory form to the Division shall be  
15 required to pay to the Department an annual fee in the amount set forth in subsection (c) of this  
16 section.

17          (c) Amount of Fee. – The amount of the annual fee charged pursuant to subsection (b)  
18 of this section shall be calculated in accordance with the following, up to a maximum annual  
19 amount of ~~five thousand dollars (\$5,000)~~ five thousand dollars (\$5,000) per reporting site:

- 20           (1) A fee of fifty dollars (\$50.00) shall be assessed for each substance at each  
21 site reported by a ~~facility~~ person or business that is classified as a hazardous  
22 chemical.
- 23           (2) A fee of ninety dollars (\$90.00) shall be assessed for each substance at each  
24 site reported by a ~~facility~~ person or business that is classified as an extremely  
25 hazardous substance.

26          (d) Late Fees. – The Division may impose a late fee against a person or business for  
27 failure to submit a report or filing that substantially complies with the requirements of EPCRA  
28 by the federal filing deadline or for failure to pay any fee, including a late fee. This fee shall be  
29 in addition to the fee imposed pursuant to subsection (c) of this section. Prior to imposing a late  
30 fee, the Division shall provide the person or business who will be assessed the late fee with  
31 written notice that identifies the specific requirements that have not been met and informs the  
32 person or business of its intent to assess a late fee. The assessment of a late fee shall be subject  
33 to the following limitations:

- 34           (1) If the report filing or fee is submitted within 30 days after receipt of the  
35 Division's notice that it intends to assess a late fee, no late fee shall be  
36 assessed.
- 37           (2) If the report filing or fee has not been submitted by the end of the period set  
38 forth in subdivision (1) of this subsection, the Division may impose a late fee  
39 in an amount equal to the amount of the fee charged pursuant to subsection  
40 (c) of this section.

41          (e) Exemptions. – No fee shall be charged under this section to any of the following:

- 42           (1) An owner or operator of a family farm enterprise, a facility owned by a State  
43 or local government, or a nonprofit corporation.
- 44           (2) An owner or operator of a facility where motor vehicle fuels are stored and  
45 from which such fuels are offered for retail sale. However, hazardous  
46 chemicals or extremely hazardous substances at such a facility, other than  
47 motor vehicle fuels for retail sale, shall not be subject to this exemption.
- 48           (3) A motor vehicle dealer, as that term is defined in G.S. 20-286(11).

49          (f) Use of Fee Proceeds. – The proceeds of fees assessed pursuant to this section shall  
50 be used for the following:

- 1           (1) To ~~pay offset~~ costs associated with the establishment and maintenance of a  
 2 hazardous materials ~~database~~ ~~database~~ and a hazardous materials response  
 3 application.  
 4           (2) To ~~support the offset~~ costs associated with the operations of the regional  
 5 response program for hazardous materials emergencies and terrorist  
 6 incidents.  
 7           (3) To provide grants to counties for hazardous materials emergency response  
 8 planning, training, and related exercises.  
 9           (4) To offset Division costs that directly support hazardous materials emergency  
 10 preparedness and response."

11           **SECTION 6.14.(b)** This section becomes effective on July 1, 2015, and applies to  
 12 fees assessed or collected on or after that date.

13  
 14 **ELIMINATE 10-DAY TRIP PERMIT & INCREASE TEMPORARY TAG FEE**

15           **SECTION 6.15.(a)** G.S. 20-183.4C reads as rewritten:

16 "**§ 20-183.4C. When a vehicle must be inspected; 10-day ~~trip permit~~ temporary license**  
 17 **plate.**

18           ...

19           (b) ~~Permit~~ Temporary License Plate. – The Division may issue a ~~10-day trip permit~~  
 20 temporary license plate under and in accordance with G.S. 20-50(b) that is valid for 10 days to  
 21 a person that authorizes the person to drive a vehicle whose inspection authorization or  
 22 registration has expired. ~~The permit may only be issued when the person has furnished proof of~~  
 23 ~~financial responsibility. The permit must describe the vehicle whose inspection authorization or~~  
 24 ~~registration has expired. The permit authorizes the person to drive the described vehicle for a~~  
 25 ~~period not to exceed 10 days from the date of issuance.~~

26           ...."

27           **SECTION 6.15.(b)** G.S. 20-50(b) reads as rewritten:

28           "(b) The Division may issue a temporary license plate for a vehicle. A temporary license  
 29 plate is valid for the period set by the Division. The period may not be less than 10 days nor  
 30 more than 60 days.

31           A person may obtain a temporary license plate for a vehicle by filing an application with  
 32 the Division and paying the required fee. An application must be filed on a form provided by  
 33 the Division.

34           The fee for a temporary license plate that is valid for 10 days is ~~five~~ ten dollars  
 35 ~~(\$5.00)-(\$10.00).~~ The fee for a temporary license plate that is valid for more than 10 days is the  
 36 amount that would be required with an application for a license plate for the vehicle. If a person  
 37 obtains for a vehicle a temporary license plate that is valid for more than 10 days and files an  
 38 application for a license plate for that vehicle before the temporary license plate expires, the  
 39 person is not required to pay the fee that would otherwise be required for the license plate.

40           A temporary license plate is subject to the following limitations and conditions:

- 41           (1) It may be issued only upon proper proof that the applicant has met the  
 42 applicable financial responsibility requirements.  
 43           (2) It expires on midnight of the day set for expiration.  
 44           (3) It may be used only on the vehicle for which issued and may not be  
 45 transferred, loaned, or assigned to another.  
 46           (4) If it is lost or stolen, the person who applied for it must notify the Division.  
 47           (5) It may not be issued by a dealer.  
 48           (6) The provisions of G.S. 20-63, 20-71, 20-110 and 20-111 that apply to license  
 49 plates apply to temporary license plates insofar as possible."

1           **SECTION 6.15.(c)** Ten-day trip permits issued under G.S. 20-183.4C(b) prior to  
 2 the effective date of this section shall remain valid for the duration of the issuance.

3           **SECTION 6.15.(d)** This section becomes effective July 1, 2015, and applies to  
 4 temporary license plates issued on or after that date.

5  
 6 **INCREASE DMV FEES**

7           **SECTION 6.16.(a)** G.S. 20-7 reads as rewritten:

8 "**§ 20-7. Issuance and renewal of drivers licenses.**

9 ...

10 (i) Fees. – The fee for a regular drivers license is the amount set in the following table  
 11 multiplied by the number of years in the period for which the license is issued:

Class of Regular License	Fee for Each Year
Class A	<del>\$4.00</del> <u>\$6.00</u>
Class B	<del>\$4.00</del> <u>\$6.00</u>
Class C	<del>\$4.00</del> <u>\$6.00</u>

16 The fee for a motorcycle endorsement is ~~one dollar and seventy-five cents (\$1.75)~~two dollars  
 17 and sixty cents (\$2.60) for each year of the period for which the endorsement is issued. The  
 18 appropriate fee shall be paid before a person receives a regular drivers license or an  
 19 endorsement.

20 (i1) Restoration Fee. – Any person whose drivers license has been revoked pursuant to  
 21 the provisions of this Chapter, other than G.S. 20-17(a)(2) shall pay a restoration fee of ~~fifty~~  
 22 ~~dollars (\$50.00)~~seventy-five dollars (\$75.00). A person whose drivers license has been  
 23 revoked under G.S. 20-17(a)(2) shall pay a restoration fee of ~~one hundred dollars (\$100.00)~~one  
 24 hundred fifty dollars (\$150.00). The fee shall be paid to the Division prior to the issuance to  
 25 such person of a new drivers license or the restoration of the drivers license. The restoration fee  
 26 shall be paid to the Division in addition to any and all fees which may be provided by law. This  
 27 restoration fee shall not be required from any licensee whose license was revoked or voluntarily  
 28 surrendered for medical or health reasons whether or not a medical evaluation was conducted  
 29 pursuant to this Chapter. The ~~fifty-dollar (\$50.00) fee~~seventy-five-dollar (\$75.00) fee, and the  
 30 first ~~fifty dollars (\$50.00)~~one hundred dollars (\$100.00) of the ~~one hundred dollar~~  
 31 ~~(\$100.00)~~one-hundred-fifty-dollar (\$150.00) fee, shall be deposited in the Highway Fund.  
 32 Twenty-five dollars (\$25.00) of the ~~one hundred dollar (\$100.00)~~one-hundred-fifty-dollar  
 33 (\$150.00) fee shall be used to fund a statewide chemical alcohol testing program administered  
 34 by the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the  
 35 Department of Health and Human Services. The remainder of the ~~one hundred dollar~~  
 36 ~~(\$100.00)~~one-hundred-fifty-dollar (\$150.00) fee shall be deposited in the General Fund. The  
 37 Office of State Budget and Management shall annually report to the General Assembly the  
 38 amount of fees deposited in the General Fund and transferred to the Forensic Tests for Alcohol  
 39 Branch of the Chronic Disease and Injury Section of the Department of Health and Human  
 40 Services under this subsection.

41 Effective with the 2011-2012 fiscal year, from the funds deposited in the General Fund  
 42 under this subsection the sum of five hundred thirty-seven thousand four hundred fifty-five  
 43 dollars (\$537,455) shall be transferred annually to the Board of Governors of The University of  
 44 North Carolina to be used for the operating expenses of the Bowles Center for Alcohol Studies  
 45 at The University of North Carolina at Chapel Hill.

46 ...

47 (l) Learner's Permit. – A person who is at least 18 years old may obtain a learner's  
 48 permit. A learner's permit authorizes the permit holder to drive a specified type or class of  
 49 motor vehicle while in possession of the permit. A learner's permit is valid for a period of 18  
 50 months after it is issued. The fee for a learner's permit is ~~fifteen dollars (\$15.00)~~twenty-two

1 dollars and fifty cents (\$22.50). A learner's permit may be renewed, or a second learner's permit  
 2 may be issued, for an additional period of 18 months. The permit holder must, while operating  
 3 a motor vehicle over the highways, be accompanied by a person who is licensed to operate the  
 4 motor vehicle being driven and is seated beside the permit holder.

5 ...."

6 **SECTION 6.16.(b)** G.S. 20-11(j) reads as rewritten:

7 "(j) Duration and Fee. — A limited learner's permit expires on the eighteenth birthday of  
 8 the permit holder. A limited provisional license expires on the eighteenth birthday of the  
 9 license holder. A limited learner's permit or limited provisional license issued under this section  
 10 that expires on a weekend or State holiday shall remain valid through the fifth regular State  
 11 business day following the date of expiration. A full provisional license expires on the date set  
 12 under G.S. 20-7(f). The fee for a limited learner's permit or a limited provisional license is  
 13 ~~fifteen dollars (\$15.00)~~twenty-two dollars and fifty cents (\$22.50). The fee for a full  
 14 provisional license is the amount set under G.S. 20-7(i)."

15 **SECTION 6.16.(c)** G.S. 20-14 reads as rewritten:

16 "§ 20-14. Duplicate licenses.

17 A person may obtain a duplicate of a license issued by the Division by paying a fee of ~~ten~~  
 18 ~~dollars (\$10.00)~~fifteen dollars (\$15.00) and giving the Division satisfactory proof that any of  
 19 the following has occurred:

- 20 (1) The person's license has been lost or destroyed.
- 21 (2) It is necessary to change the name or address on the license.
- 22 (3) Because of age, the person is entitled to a license with a different color  
 23 photographic background or a different color border.
- 24 (4) The Division revoked the person's license, the revocation period has expired,  
 25 and the period for which the license was issued has not expired."

26 **SECTION 6.16.(d)** G.S. 20-16(e) reads as rewritten:

27 "(e) The Division may conduct driver improvement clinics for the benefit of those who  
 28 have been convicted of one or more violations of this Chapter. Each driver attending a driver  
 29 improvement clinic shall pay a fee of ~~fifty dollars (\$50.00)~~seventy-five dollars (\$75.00)."

30 **SECTION 6.16.(e)** G.S. 20-26(c) reads as rewritten:

31 "(c) The Division shall furnish copies of license records required to be kept by  
 32 subsection (a) of this section in accordance with G.S. 20-43.1 to other persons for uses other  
 33 than official upon prepayment of the following fees:

- 34 (1) Limited extract copy of license record,  
 35 for period up to three years .....~~\$8.00~~\$12.00
- 36 (2) Complete extract copy of license record .....~~8.00~~12.00
- 37 (3) Certified true copy of complete license record .....~~11.00~~16.50.

38 All fees received by the Division under this subsection shall be credited to the Highway Fund."

39 **SECTION 6.16.(f)** G.S. 20-37.15(a1) reads as rewritten:

40 "(a1) The application must be accompanied by a nonrefundable application fee of ~~thirty~~  
 41 ~~dollars (\$30.00)~~forty-five dollars (\$45.00). This fee does not apply in any of the following  
 42 circumstances:

- 43 (1) When an individual surrenders a commercial driver learner's permit issued  
 44 by the Division when submitting the application.
- 45 (2) When the application is to renew a commercial drivers license issued by the  
 46 Division.

47 This fee shall entitle the applicant to three attempts to pass the written knowledge test without  
 48 payment of a new fee. No application fee shall be charged to an applicant eligible for a waiver  
 49 under G.S. 20-37.13(c)."

50 **SECTION 6.16.(g)** G.S. 20-37.16(d) reads as rewritten:

1       "(d) The fee for a Class A, B, or C commercial drivers license is ~~fifteen dollars~~  
2 ~~(\$15.00)~~twenty-two dollars and fifty cents (\$22.50) for each year of the period for which the  
3 license is issued. The fee for each endorsement is ~~three dollars (\$3.00)~~four dollars and fifty  
4 cents (\$4.50) for each year of the period for which the endorsement is issued. The fees required  
5 under this section do not apply to employees of the Driver License Section of the Division who  
6 are designated by the Commissioner."

7           **SECTION 6.16.(h)** G.S. 20-42(b) reads as rewritten:

8       "(b) The Commissioner and officers of the Division designated by the Commissioner  
9 may prepare under the seal of the Division and deliver upon request a certified copy of any  
10 document of the Division for a fee. The fee for a document, other than an accident report under  
11 G.S. 20-166.1, is ~~ten dollars (\$10.00)~~fifteen dollars (\$15.00). The fee for an accident report is  
12 five dollars (\$5.00). A certified copy shall be admissible in any proceeding in any court in like  
13 manner as the original thereof, without further certification. The certification fee does not apply  
14 to a document furnished for official use to a judicial official or to an official of the federal  
15 government, a state government, or a local government."

16           **SECTION 6.16.(i)** G.S. 20-50(b) reads as rewritten:

17       "(b) The Division may issue a temporary license plate for a vehicle. A temporary license  
18 plate is valid for the period set by the Division. The period may not be less than 10 days nor  
19 more than 60 days.

20       A person may obtain a temporary license plate for a vehicle by filing an application with  
21 the Division and paying the required fee. An application must be filed on a form provided by  
22 the Division.

23       The fee for a temporary license plate that is valid for 10 days is ~~five dollars (\$5.00)~~seven  
24 dollars and fifty cents (\$7.50). The fee for a temporary license plate that is valid for more than  
25 10 days is the amount that would be required with an application for a license plate for the  
26 vehicle. If a person obtains for a vehicle a temporary license plate that is valid for more than 10  
27 days and files an application for a license plate for that vehicle before the temporary license  
28 plate expires, the person is not required to pay the fee that would otherwise be required for the  
29 license plate.

30       A temporary license plate is subject to the following limitations and conditions:

- 31       (1) It may be issued only upon proper proof that the applicant has met the  
32 applicable financial responsibility requirements.
- 33       (2) It expires on midnight of the day set for expiration.
- 34       (3) It may be used only on the vehicle for which issued and may not be  
35 transferred, loaned, or assigned to another.
- 36       (4) If it is lost or stolen, the person who applied for it must notify the Division.
- 37       (5) It may not be issued by a dealer.
- 38       (6) The provisions of G.S. 20-63, 20-71, 20-110 and 20-111 that apply to license  
39 plates apply to temporary license plates insofar as possible."

40           **SECTION 6.16.(j)** G.S. 20-73(c) reads as rewritten:

41       "(c) Penalties. – A person to whom a vehicle is transferred who fails to apply for a  
42 certificate of title within the required time is subject to a civil penalty of ~~fifteen dollars~~  
43 ~~(\$15.00)~~twenty-two dollars and fifty cents (\$22.50) and is guilty of a Class 2 misdemeanor. A  
44 person who undertakes to apply for a certificate of title on behalf of another person and who  
45 fails to apply for a title within the required time is subject to a civil penalty of ~~fifteen dollars~~  
46 ~~(\$15.00)~~twenty-two dollars and fifty cents (\$22.50). When a person to whom a vehicle is  
47 transferred fails to obtain a title within the required time because a person who undertook to  
48 apply for the certificate of title did not do so within the required time, the Division may impose  
49 a civil penalty only on the person who undertook to apply for the title. Civil penalties collected  
50 under this subsection shall be credited to the Highway Fund."

**SECTION 6.16.(k)** G.S. 20-85(a) reads as rewritten:

"(a) The following fees are imposed concerning a certificate of title, a registration card, or a registration plate for a motor vehicle. These fees are payable to the Division and are in addition to the tax imposed by Article 5A of Chapter 105 of the General Statutes.

- (1) Each application for certificate of title.....~~\$40.00~~\$60.00
- (2) Each application for duplicate or corrected certificate of title.....~~15.00~~22.50
- (3) Each application of reposessor for certificate of title.....~~15.00~~22.50
- (4) Each transfer of registration.....~~15.00~~22.50
- (5) Each set of replacement registration plates.....~~15.00~~22.50
- (6) Each application for duplicate registration card.....~~15.00~~22.50
- (7) Each application for recording supplementary lien.....~~15.00~~22.50
- (8) Each application for removing a lien from a certificate of title ....~~15.00~~22.50
- (9) Each application for certificate of title for a motor vehicle transferred to a manufacturer, as defined in G.S. 20-286, or a motor vehicle retailer for the purpose of resale .....~~15.00~~22.50
- (10) Each application for a salvage certificate of title made by an insurer or by a used motor vehicle dealer pursuant to subdivision (b)(2) or subsection (e1) of G.S. 20-109.1 .....~~15.00~~22.50
- (11) Each set of replacement Stock Car Racing Theme plates issued under G.S. 20-79.4 .....~~25.00~~25.00."

**SECTION 6.16.(l)** G.S. 20-85.1(b) reads as rewritten:

"(b) The Commissioner and the employees of the Division designated by the Commissioner may prepare and deliver upon request a certificate of title, charging a fee of ~~seventy five dollars (\$75.00)~~one hundred twelve dollars and fifty cents (\$112.50) for one-day title service, in lieu of the title fee required by G.S. 20-85(a). The fee for one-day title service must be paid by cash or by certified check. This fee shall be credited to the Highway Trust Fund."

**SECTION 6.16.(m)** G.S. 20-87 reads as rewritten:

**"§ 20-87. Passenger vehicle registration fees.**

These fees shall be paid to the Division annually for the registration and licensing of passenger vehicles, according to the following classifications and schedules:

- (1) For-Hire Passenger Vehicles. – The fee for a passenger vehicle that is operated for compensation and has a capacity of 15 passengers or less is ~~seventy eight dollars (\$78.00)~~one hundred seventeen dollars (\$117.00). The fee for a passenger vehicle that is operated for compensation and has a capacity of more than 15 passengers is ~~one dollar and forty cents (\$1.40)~~two dollars and ten cents (\$2.10) per hundred pounds of empty weight of the vehicle.

- (2) U-Drive-It Vehicles. – U-drive-it vehicles shall pay the following tax:

Motorcycles:	1-passenger capacity.....	<del>\$18.00</del> <u>\$27.00</u>
	2-passenger capacity.....	<del>22.00</del> <u>33.00</u>
	3-passenger capacity.....	<del>26.00</del> <u>39.00</u>
Automobiles:	15 or fewer passengers .....	<del>\$51.00</del> <u>\$76.50</u>
Buses:	16 or more passengers .....	<del>\$2.00</del> <u>\$3.00</u> per
		hundred
		pounds of
		empty weight
Trucks under		
7,000 pounds		

1	that do not		
2	haul products		
3	for hire:	4,000 pounds.....	<del>\$41.50</del> <u>\$62.25</u>
4		5,000 pounds.....	<del>\$51.00</del> <u>\$76.50</u>
5		6,000 pounds.....	<del>\$61.00</del> <u>\$91.50</u>

6 ...  
 7 (5) Private Passenger Vehicles. – There shall be paid to the Division annually,  
 8 as of the first day of January, for the registration and licensing of private  
 9 passenger vehicles, fees according to the following classifications and  
 10 schedules:

11 Private passenger vehicles of not more than fifteen passengers ~~\$28.00~~\$42.00  
 12 Private passenger vehicles over fifteen passengers..... ~~31.00~~46.50

13 Provided, that a fee of only ~~one dollar (\$1.00)~~one dollar and fifty cents  
 14 (\$1.50) shall be charged for any vehicle given by the federal government to  
 15 any veteran on account of any disability suffered during war so long as such  
 16 vehicle is owned by the original donee or other veteran entitled to receive  
 17 such gift under Title 38, section 252, United States Code Annotated.

18 (6) Private Motorcycles. – The base fee on private passenger motorcycles shall  
 19 be ~~fifteen dollars (\$15.00);~~twenty-two dollars and fifty cents (\$22.50);  
 20 except that when a motorcycle is equipped with an additional form of device  
 21 designed to transport persons or property, the base fee shall be ~~twenty-two~~  
 22 ~~dollars (\$22.00).~~thirty-three dollars (\$33.00). An additional fee of ~~three~~  
 23 ~~dollars (\$3.00)~~four dollars and fifty cents (\$4.50) is imposed on each private  
 24 motorcycle registered under this subdivision in addition to the base fee. The  
 25 revenue from the additional fee, in addition to any other funds appropriated  
 26 for this purpose, shall be used to fund the Motorcycle Safety Instruction  
 27 Program created in G.S. 115D-72.

28 ...  
 29 (9) House Trailers. – In lieu of other registration and license fees levied on  
 30 house trailers under this section or G.S. 20-88, the registration and license  
 31 fee on house trailers shall be ~~eleven dollars (\$11.00)~~sixteen dollars and fifty  
 32 cents (\$16.50) for the license year or any portion thereof.

33 ...  
 34 (11) Any vehicle fee determined under this section according to the weight of the  
 35 vehicle shall be increased by the sum of ~~three dollars (\$3.00)~~four dollars and  
 36 fifty cents (\$4.50) to arrive at the total fee.

37 ...  
 38 (13) Additional fee for certain electric vehicles. – At the time of an initial  
 39 registration or registration renewal, the owner of a plug-in electric vehicle  
 40 that is not a low-speed vehicle and that does not rely on a nonelectric source  
 41 of power shall pay a fee in the amount of ~~one hundred dollars (\$100.00)~~one  
 42 hundred fifty dollars (\$150.00) in addition to any other required registration  
 43 fees."

44 **SECTION 6.16.(n)** Article 3 of Chapter 20 of the General Statutes is amended by  
 45 adding a new section to read:

46 **"§ 20-88.03. Late fee; motor vehicle registration.**

47 (a) Late Fee. – In addition to the applicable fees required under this Article for the  
 48 registration of a motor vehicle and any interest assessed under G.S. 105-330.4, the Division  
 49 shall charge a late fee according to the following schedule to a person who pays the applicable  
 50 registration fee required under this Article after the registration expires:

(1) If the registration has been expired for less than one month, a late fee of fifteen dollars (\$15.00).

(2) If the registration has been expired for one month or greater, but less than two months, a late fee of twenty dollars (\$20.00).

(3) If the registration has been expired for two months or greater, a late fee of twenty-five dollars (\$25.00).

(b) Proceeds. – The clear proceeds of any late fee charged under this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(c) Construction. – For purposes of this section, payment by mail of a registration fee required under this Article is considered to be made on the date shown on the postmark stamped by the United States Postal Service. If payment by mail is not postmarked or does not show the date of mailing, the payment is considered to be made on the date the Division receives the payment."

**SECTION 6.16.(o)** G.S. 105-330.10 reads as rewritten:

**"§ 105-330.10. Disposition of interest.**

The interest collected on unpaid registration fees pursuant to G.S. 105-330.4 shall be transferred on a monthly basis to the North Carolina Highway ~~Fund for technology improvements within the Division of Motor Vehicles Fund.~~"

**SECTION 6.16.(p)** G.S. 20-88 reads as rewritten:

**"§ 20-88. Property-hauling vehicles.**

...

(b) The following fees are imposed on the annual registration of self-propelled property-hauling vehicles; the fees are based on the type of vehicle and its weight:

SCHEDULE OF WEIGHTS AND RATES

Rates Per Hundred Pound Gross Weight

	Farmer Rate
Not over 4,000 pounds	<del>\$0.29</del> <u>\$0.44</u>
4,001 to 9,000 pounds inclusive	<del>.400</del> <u>.60</u>
9,001 to 13,000 pounds inclusive	<del>.500</del> <u>.75</u>
13,001 to 17,000 pounds inclusive	<del>.681</del> <u>.02</u>
Over 17,000 pounds	<del>.771</del> <u>.16</u>

Rates Per Hundred Pound Gross Weight

	General Rate
Not over 4,000 pounds	<del>\$0.59</del> <u>\$0.89</u>
4,001 to 9,000 pounds inclusive	<del>.811</del> <u>.22</u>
9,001 to 13,000 pounds inclusive	<del>1.001</del> <u>.50</u>
13,001 to 17,000 pounds inclusive	<del>1.362</del> <u>.04</u>
Over 17,000 pounds	<del>1.542</del> <u>.31</u>

(1) The minimum fee for a vehicle licensed under this subsection is ~~twenty-four dollars (\$24.00)~~thirty-six dollars (\$36.00) at the farmer rate and ~~twenty-eight dollars (\$28.00)~~forty-two dollars (\$42.00) at the general rate.

...

(6) There shall be paid to the Division annually the following fees for "wreckers" as defined under G.S. 20-4.01(50): a wrecker fully equipped weighing 7,000 pounds or less, ~~seventy-five dollars (\$75.00)~~one hundred twelve dollars and fifty cents (\$112.50); wreckers weighing in excess of 7,000 pounds shall pay ~~one hundred forty-eight dollars (\$148.00)~~two hundred twenty-two dollars (\$222.00). Fees to be prorated monthly. Provided, further, that nothing herein shall prohibit a licensed dealer from using a dealer's license plate to tow a vehicle for a customer.



(c) The fee for a semitrailer or trailer is ~~nineteen dollars (\$19.00)~~twenty-eight dollars and fifty cents (\$28.50) for each year or part of a year. The fee is payable each year. Upon the application of the owner of a semitrailer or trailer, the Division may issue a multiyear plate and registration card for the semitrailer or trailer for a fee of ~~seventy-five dollars (\$75.00)~~one hundred twelve dollars and fifty cents (\$112.50). A multiyear plate and registration card for a semitrailer or trailer are valid until the owner transfers the semitrailer or trailer to another person or surrenders the plate and registration card to the Division. A multiyear plate may not be transferred to another vehicle.

The Division shall issue a multiyear semitrailer or trailer plate in a different color than an annual semitrailer or trailer plate and shall include the word "multiyear" on the plate. The Division may not issue a multiyear plate for a house trailer.

...  
 (i) Any vehicle fee determined under this section according to the weight of the vehicle shall be increased by the sum of ~~three dollars (\$3.00)~~four dollars and fifty cents (\$4.50) to arrive at the total fee.

...."

**SECTION 6.16.(q)** G.S. 20-289(a) reads as rewritten:

"(a) The license fee for each fiscal year, or part thereof, shall be as follows:

- (1) For motor vehicle dealers, distributors, distributor branches, and wholesalers, ~~seventy dollars (\$70.00)~~one hundred five dollars (\$105.00) for each place of business.
- (2) For manufacturers, ~~one hundred fifty dollars (\$150.00)~~two hundred twenty-five dollars (\$225.00) and for each factory branch in this State, ~~one hundred dollars (\$100.00)~~one hundred fifty dollars (\$150.00).
- (3) For motor vehicle sales representatives, ~~fifteen dollars (\$15.00)~~twenty-two dollars and fifty cents (\$22.50).
- (4) For factory representatives, or distributor representatives, ~~fifteen dollars (\$15.00)~~twenty-two dollars and fifty cents (\$22.50).
- (5) Repealed by Session Laws 1991, c. 662, s. 4."

**SECTION 6.16.(r)** G.S. 20-385(a) reads as rewritten:

"(a) The fees listed in this section apply to a motor carrier. These fees are in addition to any fees required under the Unified Carrier Registration Agreement.

- (1) Repealed by Session Laws 2007-492, s. 5, effective August 30, 2007.
- (2) Application by an intrastate motor carrier for a certificate of exemption 45.00~~67.50~~
- (3) Certification by an interstate motor carrier that it is not regulated by the United States Department of Transportation 45.00~~67.50~~
- (4) Application by an interstate motor carrier for an emergency trip permit 18.00~~27.00~~"

**SECTION 6.16.(s)** G.S. 44A-4(b)(1) reads as rewritten:

"(b) Notice and Hearings. –

- (1) If the property upon which the lien is claimed is a motor vehicle that is required to be registered, the lienor following the expiration of the relevant time period provided by subsection (a) shall give notice to the Division of Motor Vehicles that a lien is asserted and sale is proposed and shall remit to the Division a fee of ~~ten dollars (\$10.00)~~fifteen dollars (\$15.00). The Division of Motor Vehicles shall issue notice by certified mail, return receipt requested, to the person having legal title to the property, if reasonably ascertainable, to the person with whom the lienor dealt if different, and to

1 each secured party and other person claiming an interest in the property who  
2 is actually known to the Division or who can be reasonably ascertained. The  
3 notice shall state that a lien has been asserted against specific property and  
4 shall identify the lienor, the date that the lien arose, the general nature of the  
5 services performed and materials used or sold for which the lien is asserted,  
6 the amount of the lien, and that the lienor intends to sell the property in  
7 satisfaction of the lien. The notice shall inform the recipient that the  
8 recipient has the right to a judicial hearing at which time a determination  
9 will be made as to the validity of the lien prior to a sale taking place. The  
10 notice shall further state that the recipient has a period of 10 days from the  
11 date of receipt in which to notify the Division by certified mail, return  
12 receipt requested, that a hearing is desired and that if the recipient wishes to  
13 contest the sale of his property pursuant to such lien, the recipient should  
14 notify the Division that a hearing is desired. The notice shall state the  
15 required information in simplified terms and shall contain a form whereby  
16 the recipient may notify the Division that a hearing is desired by the return  
17 of such form to the Division. The Division shall notify the lienor whether  
18 such notice is timely received by the Division. In lieu of the notice by the  
19 lienor to the Division and the notices issued by the Division described  
20 above, the lienor may issue notice on a form approved by the Division  
21 pursuant to the notice requirements above. If notice is issued by the lienor,  
22 the recipient shall return the form requesting a hearing to the lienor, and not  
23 the Division, within 10 days from the date the recipient receives the notice if  
24 a judicial hearing is requested. If the certified mail notice has been returned  
25 as undeliverable and the notice of a right to a judicial hearing has been given  
26 to the owner of the motor vehicle in accordance with G.S. 20-28.4, no  
27 further notice is required. Failure of the recipient to notify the Division or  
28 lienor, as specified in the notice, within 10 days of the receipt of such notice  
29 that a hearing is desired shall be deemed a waiver of the right to a hearing  
30 prior to the sale of the property against which the lien is asserted, and the  
31 lienor may proceed to enforce the lien by public or private sale as provided  
32 in this section and the Division shall transfer title to the property pursuant to  
33 such sale. If the Division or lienor, as specified in the notice, is notified  
34 within the 10-day period provided above that a hearing is desired prior to  
35 sale, the lien may be enforced by sale as provided in this section and the  
36 Division will transfer title only pursuant to the order of a court of competent  
37 jurisdiction.

38 If the certified mail notice has been returned as undeliverable, or if the  
39 name of the person having legal title to the vehicle cannot reasonably be  
40 ascertained and the fair market value of the vehicle is less than eight hundred  
41 dollars (\$800.00), the lienor may institute a special proceeding in the county  
42 where the vehicle is being held, for authorization to sell that vehicle. Market  
43 value shall be determined by the schedule of values adopted by the  
44 Commissioner under G.S. 105-187.3.

45 In such a proceeding a lienor may include more than one vehicle, but the  
46 proceeds of the sale of each shall be subject only to valid claims against that  
47 vehicle, and any excess proceeds of the sale shall be paid immediately to the  
48 Treasurer for disposition pursuant to Chapter 116B of the General Statutes.

49 The application to the clerk in such a special proceeding shall contain the  
50 notice of sale information set out in subsection (f) hereof. If the application

1 is in proper form the clerk shall enter an order authorizing the sale on a date  
2 not less than 14 days therefrom, and the lienor shall cause the application  
3 and order to be sent immediately by first-class mail pursuant to G.S. 1A-1,  
4 Rule 5, to each person to whom notice was mailed pursuant to this  
5 subsection. Following the authorized sale the lienor shall file with the clerk a  
6 report in the form of an affidavit, stating that the lienor has complied with  
7 the public or private sale provisions of G.S. 44A-4, the name, address, and  
8 bid of the high bidder or person buying at a private sale, and a statement of  
9 the disposition of the sale proceeds. The clerk then shall enter an order  
10 directing the Division to transfer title accordingly.

11 If prior to the sale the owner or legal possessor contests the sale or lien in  
12 a writing filed with the clerk, the proceeding shall be handled in accordance  
13 with G.S. 1-301.2."

14 **SECTION 6.16.(t)** For the 2015-2016 fiscal year, twenty percent (20%) of the  
15 revenues generated from the fees set forth in subdivisions (1) through (9) of subsection (a) of  
16 G.S. 20-85, after the adjustments enacted in this section, shall be transferred from the Highway  
17 Trust Fund to the Highway Fund.

18 **SECTION 6.16.(u)** For the 2016-2017 fiscal year, thirty-five percent (35%) of the  
19 revenues generated from the fees set forth in subdivisions (1) through (9) of subsection (a) of  
20 G.S. 20-85, after the adjustments enacted in this section, shall be transferred from the Highway  
21 Trust Fund to the Highway Fund.

22 **SECTION 6.16.(v)** Subsections (t), (u), and (v) of this section are effective when  
23 this act becomes law. Subsection (n) of this section becomes effective July 1, 2016, and applies  
24 to renewal motor vehicle registrations on or after that date. The remainder of this section  
25 becomes effective January 1, 2016, and applies to issuances, renewals, restorations, and  
26 requests on or after that date.

## 27 **PART VII. EFFECTIVE DATE**

28 **SECTION 7.1.** Except as otherwise provided, this act becomes effective July 1,  
29 2015.  
30