

SUMMARIES OF SUBSTANTIVE RATIFIED LEGISLATION - 2013

SUMMARIES OF SUBSTANTIVE RATIFIED LEGISLATION

**2013 GENERAL ASSEMBLY
2013 REGULAR SESSION**



**RESEARCH DIVISION
N.C. GENERAL ASSEMBLY
NOVEMBER 2013**

300 copies of this document were published at an estimated cost of or about \$8.65 per copy.

November 2013

To the Members of the 2013 Session of the 2013 General Assembly:

This publication contains summaries of all substantive legislation of general applicability and certain local legislation having general import from the 2013 Regular Session. Most local acts are not analyzed in this publication. Significant appropriations matters related to the subject area specified also are included. For an in-depth review of the appropriations and revenue process, please refer to Overview: Fiscal and Budgetary Actions, prepared by the Fiscal Research Division.

The document is organized alphabetically by subject areas. Where feasible, the subject area is further divided into subgroups. Each subject area also includes a listing of legislative, independent, and agency studies. A bill/session law index listing the page number of each summary is at the end of the publication.

This document is the result of a combined effort by the following staff members of the Research Division: Denise Huntley Adams, Dee Atkinson, Cindy Avrette, Susan Barham, Brenda Carter, Drupti Chauhan, Erika Churchill, Karen Cochrane-Brown, Judy Collier, Shelly DeAdder, Heather Fennell, Trina Griffin, Jennifer Hillman, Tim Hovis, Jeff Hudson, Amy Jo Johnson, Sara Kamprath, Brad Krehely, Peter Ledford, Mariah Matheson, Theresa Matula, Kara McCraw, Jennifer McGinnis, Harrison Moore, Jennifer Mundt, Bill Patterson, Jan Paul, Howard Alan Pell, Giles S. Perry, Patsy Pierce, Kelly Quick, Wendy Graf Ray, Barbara Riley, Greg Roney, Chris Saunders, and Susan Sitze. Dan Ettefagh, of the Bill Drafting Division, also contributed to this document. Jennifer Mundt is chief editor of this year's publication, and Kara McCraw and Sara Kamprath are co-editors. Lucy Anders, of the Research Division, also helped edit this document. The specific staff members contributing to each subject area are listed directly below the chapter heading for that area. Staff members' initials appear after their names and after each summary to which they contributed. If you would like further information regarding any legislation in the various summaries, please contact the Research Division Office at (919) 733-2578.

This publication also is available on the Internet. Go to the General Assembly's homepage at <http://www.ncleg.net>. Click on "Research Division," then "Publications," then "Summaries of Substantive Ratified Legislation." Each summary is hyperlinked to the final bill text, the bill history, and any applicable fiscal note.

I hope this publication will provide a useful source of information for the members of the General Assembly and the public in North Carolina. We would appreciate receiving any suggestions for this publication's improvement.

Yours truly,

A handwritten signature in black ink that reads "O. Walker Reagan". The signature is written in a cursive, slightly slanted style.

O. Walker Reagan
Director of Research

Guide to Staff Initials

| | |
|-------|----------------------|
| (AJJ) | Amy Jo Johnson |
| (BJC) | Brenda Carter |
| (BK) | Brad Krehely |
| (BP) | Bill Patterson |
| (BR) | Barbara Riley |
| (CA) | Cindy Avrette |
| (CS) | Chris Saunders |
| (DA) | Dee Atkinson |
| (DC) | Drupti Chauhan |
| (DE) | Dan Ettefagh |
| (DHA) | Denise Huntley Adams |
| (EC) | Erika Churchill |
| (GR) | Greg Roney |
| (GSP) | Giles S. Perry |
| (HF) | Heather Fennell |
| (HAP) | Howard Alan Pell |
| (HM) | Harrison Moore |
| (JC) | Judy Collier |
| (JH) | Jeff Hudson |
| (JLH) | Jennifer Hillman |
| (JLM) | Jennifer McGinnis |
| (JM) | Jennifer Mundt |
| (JPP) | Jan Paul |
| (KCB) | Karen Cochrane-Brown |
| (KM) | Kara McCraw |
| (KQ) | Kelly Quick |
| (MM) | Mariah Matheson |
| (PL) | Peter Ledford |
| (PLP) | Patsy Pierce |
| (SB) | Susan Barham |
| (SK) | Sara Kamprath |
| (SD) | Shelly DeAdder |
| (SLS) | Susan L. Sitze |
| (TG) | Trina Griffin |
| (TH) | Tim Hovis |
| (TM) | Theresa Matula |
| (WGR) | Wendy Graf Ray |

TABLE OF CONTENTS

| | |
|--|-----------|
| CHAPTER 1: AGRICULTURE AND WILDLIFE | <u>1</u> |
| ENACTED LEGISLATION | <u>1</u> |
| CHAPTER 2: ALCOHOLIC BEVERAGE CONTROL | <u>11</u> |
| ENACTED LEGISLATION | <u>11</u> |
| CHAPTER 3: CHILDREN AND FAMILIES | <u>13</u> |
| ENACTED LEGISLATION | <u>13</u> |
| CHAPTER 4: CIVIL LAW AND PROCEDURE | <u>17</u> |
| ENACTED LEGISLATION | <u>17</u> |
| CHAPTER 5: COMMERCIAL LAW AND CONSUMER PROTECTION | <u>19</u> |
| ENACTED LEGISLATION | <u>19</u> |
| CHAPTER 6: CONSTITUTION AND ELECTIONS | <u>27</u> |
| ENACTED LEGISLATION | <u>27</u> |
| <i>Constitutional Amendments</i> | <u>27</u> |
| <i>Elections</i> | <u>27</u> |
| CHAPTER 7: COURTS, JUSTICE, AND CORRECTIONS | <u>33</u> |
| ENACTED LEGISLATION | <u>33</u> |
| STUDIES | <u>53</u> |
| <i>Referrals to Departments, Agencies, Etc.</i> | <u>53</u> |
| CHAPTER 8: CRIMINAL LAW AND PROCEDURE | <u>55</u> |
| ENACTED LEGISLATION | <u>55</u> |
| <i>Regulatory Reform</i> | <u>61</u> |
| CHAPTER 9: EDUCATION | <u>63</u> |
| ENACTED LEGISLATION | <u>63</u> |
| <i>Public Schools</i> | <u>63</u> |
| <i>School Safety</i> | <u>79</u> |
| <i>Higher Education</i> | <u>82</u> |
| <i>Regulatory Reform</i> | <u>83</u> |
| <i>Community Colleges</i> | <u>83</u> |
| <i>Universities</i> | <u>86</u> |
| STUDIES | <u>89</u> |
| <i>Referrals to Existing Commissions/Committees</i> | <u>89</u> |
| <i>New/Independent Studies/Commissions</i> | <u>90</u> |
| <i>Referrals to Departments, Agencies, Etc.</i> | <u>90</u> |

| | |
|--|--------------------------------|
| CHAPTER 10: ENVIRONMENT AND NATURAL RESOURCES AND ENERGY | 93 |
| | 93 |
| ENACTED LEGISLATION | 93 |
| <i>Coastal Issues</i> | 93 |
| <i>Energy</i> | 94 |
| <i>Fisheries</i> | 97 |
| <i>Miscellaneous</i> | 97 |
| <i>Parks and Recreation</i> | 98 |
| <i>Regulatory Reform</i> | 99 |
| <i>Solid Waste</i> | 101 |
| <i>Water Quality/Quantity/Groundwater</i> | 106 |
| <i>Studies</i> | 111 |
| CHAPTER 11: FINANCE | 113 |
| ENACTED LEGISLATION | 113 |
| STUDIES | 120 |
| <i>Referrals to Existing Commissions/Committees</i> | 120 |
| CHAPTER 12: HEALTH AND HUMAN SERVICES | 121 |
| ENACTED LEGISLATION | 121 |
| <i>Regulatory Reform</i> | 144 |
| STUDIES | 146 |
| <i>New/Independent Studies/Commissions</i> | 146 |
| <i>Referrals to Existing Commissions/Committees</i> | 147 |
| <i>Referrals to Departments, Agencies, Etc.</i> | 147 |
| CHAPTER 13: INSURANCE | 149 |
| ENACTED LEGISLATION | 149 |
| <i>Regulatory Reform</i> | 155 |
| CHAPTER 14: LABOR AND EMPLOYMENT | 157 |
| ENACTED LEGISLATION | 157 |
| <i>General Labor and Employment</i> | 157 |
| <i>Regulatory Reform</i> | 158 |
| <i>Unemployment</i> | 159 |
| <i>Workers' Compensation and the Industrial Commission</i> | 159 |
| STUDIES | 160 |
| <i>Referrals to Departments, Agencies, Etc.</i> | 160 |
| CHAPTER 15: LOCAL GOVERNMENT | 163 |
| ENACTED LEGISLATION | 163 |
| <i>Regulatory Reform</i> | 170 |

| | |
|---|----------------------------|
| CHAPTER 16: MILITARY, VETERANS, AND INDIAN AFFAIRS | 173 |
| ENACTED LEGISLATION | 173 |
| <i>Regulatory Reform</i> | 175 |
| STUDIES | 175 |
| CHAPTER 17: OCCUPATIONAL BOARDS AND LICENSING | 177 |
| ENACTED LEGISLATION | 177 |
| REGULATORY REFORM | 183 |
| CHAPTER 18: PROPERTY, TRUSTS, AND ESTATES | 185 |
| ENACTED LEGISLATION | 185 |
| CHAPTER 19: RESOLUTIONS | 191 |
| JOINT RESOLUTIONS | 191 |
| CHAPTER 20: RETIREMENT | 195 |
| ENACTED LEGISLATION | 195 |
| CHAPTER 21: STATE GOVERNMENT | 199 |
| ENACTED LEGISLATION | 199 |
| <i>Information Technology</i> | 216 |
| <i>Regulatory Reform</i> | 221 |
| STUDIES | 222 |
| <i>New/Independent Studies/Commissions</i> | 222 |
| <i>Referrals to Existing Commissions/Committees</i> | 222 |
| <i>Referrals to Departments, Agencies, Etc.</i> | 223 |
| CHAPTER 22: TRANSPORTATION | 225 |
| ENACTED LEGISLATION | 225 |
| <i>Regulatory Reform</i> | 237 |
| STUDIES | 237 |
| CHAPTER 23: UTILITIES | 239 |
| ENACTED LEGISLATION | 239 |
| CHAPTER 24: VETOED LEGISLATION | 243 |
| ENACTED LEGISLATION | 243 |
| INDEX | 245 |

Chapter 1

Agriculture and Wildlife

Jeff Hudson (JH), Jennifer McGinnis (JLM), Jennifer Mundt (JM), Mariah Matheson (MM),
Chris Saunders (CS)

Enacted Legislation

Captivity License and Permit Amendments

S.L. 2013-3 ([HB 66](#)) amends provisions related to the issuance of captivity licenses and permits for wild animals and birds as follows:

- Clarifies that the Wildlife Resources Commission is authorized to issue licenses to qualified individuals to keep wild animals and birds in captivity that are lawfully taken, in addition to those that are crippled, tame, or unfit for immediate release into their natural habitat.
- Specifies that the purposes for which a wild animal or bird may be kept in captivity pursuant to a captivity license or permit include scientific, educational, exhibition, or other purposes.
- Establishes an exemption from the law that provides a civil remedy in association with the protection and humane treatment of animals for the taking and holding in captivity of a wild animal by a licensed sportsman for use or display in an annual, seasonal, or cultural event, so long as the animal is captured from the wild and returned to the wild at or near the area where it was captured.
- Clarifies that a civil action for the protection and humane treatment of animals must be brought in superior court in the county where the alleged violation occurred.

This act became effective March 6, 2013. (JLM)

Construction/Demolition Landfill Siting

S.L. 2013-25 ([SB 24](#)). See **Environment and Natural Resources and Energy**.

Hunter Education/Apprentice Permit

S.L. 2013-63 ([SB 234](#)) clarifies various hunter education requirements and specifically authorizes the Wildlife Resources Commission to issue a Hunting Heritage Apprentice Permit authorizing a person who does not meet hunter education course requirements to purchase a hunting license and hunt if accompanied by a licensed adult of at least 18 years of age, or by an adult landholder or spouse exempted from the hunting license requirement if the licensee is hunting on the landholder's land.

This act became effective July 1, 2013. (CS)

Building Code Exclusion/Primitive Structures

S.L. 2013-75 ([HB 774](#)). See **Insurance**.

Board of Agriculture Forestry/Nursery Appointments

S.L. 2013-99 ([HB 368](#)) changes the membership of the Board of Agriculture to require appointment of a member who is actively involved in forestry and a member who is actively involved in the nursery industry. The act also makes various technical and conforming changes.

This act became effective July 1, 2013, and applies to appointments made on or after that date. (CS)

See also S.L. 2013-342, Sec. 1 ([SB 386](#), Sec. 1), summarized later in this Chapter, which adds a practicing pork farmer to the membership of the Board.

Trophy Wildlife Sale Permit

S.L. 2013-100 ([HB 581](#)) directs the Wildlife Resources Commission to adopt rules to implement the Trophy Wildlife Sale Permit. The Trophy Wildlife Sale Permit authorizes the owner of lawfully taken and possessed dead wildlife specimens or their parts that are mounted, stuffed, or otherwise permanently preserved to sell the specimens or parts.

This act became effective June 12, 2013. (JH)

Amend Grain Dealer Licensing Laws

S.L. 2013-102 ([HB 383](#)). See **Occupational Boards and Licensing**.

Weight Limits/Animal Feed Trucks

S.L. 2013-120 ([HB 211](#)). See **Transportation**.

Extend Division of Soil and Water Conservation Animal Waste Inspections

S.L. 2013-131 ([HB 505](#)). See **Environment and Natural Resources and Energy**.

Amend Definition of Special Purpose District

S.L. 2013-135 ([HB 629](#)). See **Local Government**.

Forest Service Changes/Bedding Law Right of Entry

S.L. 2013-155 ([SB 387](#)) makes technical and conforming changes to reflect the renaming of the Division of Forest Resources to the North Carolina Forest Service, and modifies the statute governing standby duty for firefighters by changing that requirement to on-call status. In addition, the act gives the Commissioner of Agriculture the right of entry upon the premises of any place where entry is necessary to enforce the provisions of the State's bedding laws, and provides that if consent for entry is not obtained, an administrative search and inspection warrant may be obtained for the purposes of entry.

This act became effective July 1, 2013. (JLM)

Hunting and Fishing/Active Duty Military

S.L. 2013-191 ([SB 25](#)) provides that a member of the United States Armed Forces on active duty outside the State will be treated as a resident of the State for purposes of obtaining a

number of different recreational hunting and fishing licenses. For most recreational hunting and fishing licenses, residents of the State are charged a reduced license fee.

This act became effective July 1, 2013. (JH)

Board of Agriculture Modifications

S.L. 2013-197 ([SB 639](#)) provides that the Board of Agriculture has the sole authority to prohibit the planting, cultivation, harvesting, disposal, handling, or movement of plants, except as it pertains to designation of noxious aquatic weeds, regulation of the appearance of property, and the handling and collection of solid waste.

This act became effective June 26, 2013. (JLM)

Suspend Truck Inspection/Severe Weather

S.L. 2013-230 ([SB 377](#)) authorizes the Governor, upon recommendation of the Commissioner of Agriculture, to issue an executive order to direct the Department of Public Safety to temporarily suspend weighing of vehicles when those vehicles are used to transport livestock, poultry, or crops from counties where there is an imminent threat of severe economic loss of livestock or poultry or widespread or severe damage to crops that are ready to be harvested.

The suspension is not applicable if a law enforcement officer has probable cause to believe that the vehicle is creating an imminent hazard to public safety. In addition, this provision does not permit vehicle loads in excess of safe load carrying capacity established for bridges. A temporary suspension ordered under this provision ends when the Governor determines that the threat of loss or damage to the designated counties has passed.

This act became effective July 3, 2013. (MM)

North Carolina Farm Act of 2013

S.L. 2013-265, Secs. 1 through 21 ([SB 638](#), Secs. 1 through 21) amends certain laws relating to agriculture as follows:

- Creates a presumption, rebuttable only by clear and convincing evidence to the contrary, that a commodity producer whose products cause death or injury was not negligent if the commodity producer: (1) is certified by the United States Department of Agriculture Agricultural Marketing Service Good Agricultural Practices and Good Handling Practices Audit Verification Program or other third party certification program; (2) has a written food safety policy; (3) has had no formal administrative findings, sanctions, legal judgments, or settlements concluding litigation in excess of \$25,000 or admitting liability entered against the producer in the previous 3 years based on a claim that the producer's negligence was the proximate cause of a plaintiff's death or injury.
- Exempts farm animal activity sponsors from liability for the inherent risks of farm animal activities, and defines the risk of contracting an illness due to coming into contact with a farm animal, animal waste, animal feed, or surfaces that have been in contact with animal waste as an inherent risk. Also eliminates general negligence liability for equine activity sponsors.
- Clarifies that, when equine recreation occurs on land where the landowner receives no compensation and the landowner is not an equine activity sponsor or equine professional, the landowner owes participants in equine recreation on his or her land the same duty of care that he or she would owe a trespasser.

- Allows Department of Agriculture and Consumer Services (Department) boards, commissions, and officials with the authority to assess civil penalties to assess nonmonetary penalties when appropriate to address the underlying violation.
- Decreases the frequency of the survey of persons who withdraw 10,000 gallons of water per day for agricultural purposes from annually to biennially.
- Limits the information collected by the Department for its animal health programs that may be disclosed without permission of the owner, except when necessary to maintain public health or implement animal health programs.
- Allows eggs to be marketed in retail establishments in the same way as other products.
- Repeals the Interstate Pest Control Compact.
- Repeals obsolete statutes relating to cleanliness and purity standards for ice cream plants, creameries, and cheese factories.
- Changes setback distances and burn times for debris, stumps, brush, or other flammable materials resulting from ground clearing activities in high hazard counties.
- Repeals State standards for sulfur content in gasoline that are identical to federal standards.
- Exempts certain forestry and silviculture operations from the Department of Transportation's temporary driveway permit process for State roads, except for controlled access facilities.
- Allows a farm building that is used for public or private events such as weddings, receptions, or meetings to maintain its farm building status for purposes of the State Building Code.
- Exempts migrant housing from requirements in the fire prevention code for installation of an automatic sprinkler system if the building: (1) has one floor; (2) meets all federal Occupational Safety and Health Administration regulations for temporary labor camps; and (3) meets all State requirements of the Migrant Housing Act of North Carolina.
- Repeals the prohibition on retailers displaying more than 400 square feet of nursery stock in their parking lots.
- Exempts agricultural dams from the Dam Safety Act when a person who is (1) employed by the Natural Resources Conservation Service, a county, or a local soil and water conservation district, and (2) has federal engineering job approval authority under the engineering and land surveying statutes designed or approved plans for the dam, supervised its construction, and registered the dam with the Division of Energy, Mineral, and Land Resources of the Department of Environment and Natural Resources prior to construction of the dam.
- Provides that nothing in the statute governing water shortage emergencies may limit a landowner from withdrawing water for use in agricultural activities when the water is withdrawn from surface water sources located wholly on the landowner's property and from groundwater sources, except that withdrawal from groundwater sources may be limited if the Governor determines that the withdrawal is causing negative impacts to groundwater sources not located on the landowner's property.

The sections of this act relating to limited liability for agricultural commodity producers and farm animal activity sponsors became effective August 1, 2013, and apply to claims arising on or after that date. The remainder of this act became effective July 17, 2013. (CS)

Omnibus Wildlife Resources Commission Act

S.L. 2013-283 ([HB 296](#)) amends several laws relating to wildlife and the Wildlife Resources Commission (Commission) as follows:

- Adjusts fees charged for certain hunting and fishing licenses (effective August 1, 2013).

- Repeals county hunting, fishing, and trapping licenses and noncommercial special device licenses (effective August 1, 2014).
- Establishes a black bear management stamp that must be procured before taking any black bear (effective August 1, 2014).
- Adjusts the minimum age for discounted special licenses from 65 to 70 (effective August 1, 2014), but grandfathers individuals born on or before August 1, 1953.
- Directs the Commission to adopt rules allowing the taking of black bear with the aid of bait, except for bear bait attractants. A black bear may not be taken while it is consuming bait (effective July 18, 2013).
- Replaces a 6% wildlife service agent commission fee with a \$2 transaction fee (effective January 1, 2014).
- Increases the surcharge levied and received by vessel agents for certain transactions and provides that the surcharge is added to the fee for each certificate issued (effective January 1, 2014).
- Provides that no more than 25% of the certified operating budget of the Commission is allowed to accumulate in a cash balance, and provides that the General Assembly intends to implement nonrecurring reductions in subsequent fiscal years in the amount equal to the cash balance that exceeds 25% of the authorized operating budget in the prior fiscal year (effective January 1, 2014).
- Provides that when the cash balance in the Wildlife Endowment Fund is at least \$100 million, the Commission must budget at least 50% of the annual expendable interest from the Fund to implement the conservation goals in the Commission's strategic plan.
- Provides that, effective January 1, 2015, hunting and fishing license fees in effect on that date must remain at existing levels until the Commission establishes new fees through rulemaking, and directs the Commission to establish license fees through rulemaking in 2015.

Except as otherwise provided, this act became effective July 1, 2013. (CS)

Assess Propane Dealers/Distributors

S.L. 2013-299 ([SB 378](#)) authorizes the North Carolina Propane Education & Research Foundation (Foundation) to conduct referenda among dealers and distributors of propane in North Carolina regarding whether an assessment may be levied on propane sold in this State. The Foundation must consult with the North Carolina Propane Gas Association, Inc. (Association) on matters pertaining to the referendum, including the procedures for conducting the referendum and the amount of the proposed assessment. The amount of the proposed assessment may not exceed \$.002 per gallon of propane sold by dealers or distributors in this State. The act provides procedures for payment and collection of assessments, requests for refunds, and for termination of assessments.

The Foundation must consult with the Association regarding the proposed use of the funds. Generally, the funds received by assessment must be used to promote the common good, welfare, and advancement of the propane industry, including education, training, safety compliance, equipment replacement for low-income customers, marketing, advertising, promotion, and customer rebates to encourage energy-efficient appliance and equipment purchases.

This act became effective July 18, 2013. (JM)

Tobacco Growers Assessment Act

S.L. 2013-311 ([HB 816](#)) authorizes the Tobacco Growers Association of North Carolina (Association) to conduct a referendum among tobacco growers regarding whether to assess

tobacco marketed in the State to promote the interests of tobacco growers. The assessment would only be collected if two-thirds of the votes cast in the referendum are in favor of the assessment, and would operate in addition to existing tobacco assessments authorized by statute. The amount of the assessment may not exceed 15¢ for each hundred pounds of tobacco marketed in the State. If the Association sets a lower amount than the amount approved by referendum, the Association may increase the amount by no more than 1¢ annually without another referendum, but the increased rate may not exceed the amount approved by referendum.

If 10% of the tobacco growers in the State petition the Department of Agriculture and Consumer Services to end the assessment, the Association must conduct another referendum within six months to determine whether to continue the assessment. If a majority of the votes in the referendum are in favor of ending the assessment, then it expires at the end of the six month period. If a majority of votes in the referendum are in favor of continuing the assessment, another referendum cannot be held for at least six years.

The act also provides procedures for payment and collection of assessments, requests for refunds, termination of assessments, an annual report on the collection and use of assessment funds, and an annual third-party audit of the assessment.

This act became effective July 18, 2013. (CS)

North Carolina Agriculture and Forestry Act

S.L. 2013-314 ([HB 614](#)) provides that an agricultural or forestry operation (defined to include a sawmill operation) that has been in operation for more than one year may become a nuisance only if the plaintiff alleging the nuisance demonstrates that the operation has undergone a fundamental change. A fundamental change to the operation does not include:

- A change in ownership or size.
- An interruption of farming for a period of no more than three years.
- Participation in a government-sponsored agricultural program.
- Employment of new technology.
- A change in the type of agricultural or forestry product produced.

The act awards attorneys' fees to a prevailing defendant if the court finds the nuisance action is frivolous or malicious, and to a prevailing plaintiff if the court finds the defense asserted by the operation is frivolous or malicious.

The act also provides that the filing of a request for mandatory prelitigation mediation in a farm nuisance dispute does not constitute the commencement or the bringing of an action.

This act became effective July 18, 2013, and applies to actions commenced or brought on or after that date. (CS)

Board of Agriculture Swine Appointment

S.L. 2013-342, Sec. 1 ([SB 386](#), Sec. 1) adds a practicing pork farmer to the membership of the Board of Agriculture to represent the swine interest.

This section became effective September 1, 2013 and applies to appointments made on or after that date. *See also S.L. 2013-99 ([HB 368](#)), summarized earlier in this Chapter, which makes other modifications to the Board of Agriculture.* (CS)

Increased Penalty/Seed Law Violations

S.L. 2013-345 ([SB 455](#)) increases the penalty for violations of the State's seed law from \$500 to \$10,000, and provides that in determining the amount of the fine, a court must consider the retail value of the seed sold in violation of the law. The act, however, provides that the fine does not apply to a retailer with respect to any transaction where the seed sold by the retailer

was acquired by the retailer in a sealed container or package, or the retailer did not have reasonable knowledge that the seed sold was in violation of the law. In addition, the act:

- Requires a court to order restitution to any injured party for losses incurred as a result of an unlawful sale in cases involving the unlawful sale of seed protected under the federal Plant Variety Protection Act.
- Authorizes the Commissioner of Agriculture to suspend a violator's seed license for a period of three years.

This act becomes effective December 1, 2013, and applies to violations committed on or after that date. (JLM)

Clarify Agricultural Zoning

S.L. 2013-347 ([SB 505](#)). See **Local Government**.

Increase Certain Agronomic Testing Fees

S.L. 2013-360, Sec. 13.1 ([SB 402](#), Sec. 13.1) authorizes the increase of certain agronomic testing fees and the creation of a fee for in-State soil testing during peak season. Receipts generated from the new fee for in-State soil testing during peak season must be used to alleviate testing delays in the peak testing season. "Peak season" is defined to include, at a minimum, the four-month period beginning no later than December 1 of any year and extending until at least March 31 of the following year. The Board of Agriculture may modify the meaning of peak season by starting a peak season earlier in any year or ending it later the following year or both.

This section became effective August 1, 2013, and applies to submissions received for testing or analysis on or after that date. (MM)

Tennessee Valley Authority Settlement Funds

S.L. 2013-360, Sec. 13.3 ([SB 402](#), Sec. 13.3) requires the Department of Agriculture and Consumer Services to apply for \$2,240,000 from the Tennessee Valley Authority Settlement Agreement. The funds received by the State under this provision must be allocated for each fiscal year of the 2013-2015 biennium as follows:

- \$500,000 to award grants for Environmental Mitigation Projects in certain counties, not to include the acquisition of land.
- \$500,000 to the North Carolina Agricultural Water Resources Assistance Program to fund projects in certain counties.
- \$1 million to the North Carolina Agricultural Development and Farmland Preservation Trust Fund to be used in certain counties.
- \$240,000 to the Appalachian Energy Center at Appalachian State University.

This section became effective July 1, 2013. (MM)

Increase Certain Commercial Fertilizer Fees for Packages of Five Pounds or Less

S.L. 2013-360, Sec. 13.9 ([SB 402](#), Sec. 13.9) increases the registration fees for commercial fertilizer packages of 5 pounds or less from \$30 to \$55 and exempts those packages from tonnage fees.

This section became effective August 1, 2013. (MM)

Department of Labor to Create and Conduct Safety Program for Historical Boiler Operators

S.L. 2013-360, Sec. 13.10 ([SB 402](#), Sec. 13.10). See **Labor and Employment**.

Increase Funding for Dredging

S.L. 2013-360, Sec. 14.22 ([SB 402](#), Sec. 14.22) increases the boat titling fee from \$20 to \$30 and increases boat numbering fees as follows:

- For a boat that is less than 26 feet in length:
 - Increases the fee for a 1-year certificate of number from \$15 to \$30.
 - Increases the fee for a 3-year certificate of number from \$40 to \$90.
- For a boat that is 26 feet or more in length:
 - Increases the fee for a 1-year certificate of number from \$15 to \$50.
 - Increases the fee for a 3-year certificate of number from \$40 to \$150.

In addition, the provision directs that \$10 of each boat titling fee, 50% of each boat numbering fee, and 1/6 of 1% of the amount of the excise tax on motor fuel allocated to the Highway Fund will be transferred to the Shallow Draft Navigation Channel and Lake Dredging Fund (Fund). Revenue in the Fund may be used only to provide the State's share of the costs associated with any dredging project designed to keep shallow draft navigation channels located in State waters or waters of the State located within lakes navigable and safe. Any project funded by revenue from the Fund must be cost-shared with non-State dollars on a one-to-one basis.

This section became effective October 1, 2013. (JH)

Reclassify Certain Violations of the Boating Safety Act from Class 3 Misdemeanors to Infractions

S.L. 2013-360, Sec. 18B.15 ([SB 402](#), Sec. 18B.15) provides that penalties for violations of boating safety laws and rules that may be imposed by the Wildlife Resources Commission are infractions, unless specifically designated otherwise, and specifically changes violations of the following requirements to infractions (from Class 3 misdemeanors):

- Navigational lighting rules.
- Display of a diver's flag when skin diving and scuba diving.
- Provision, by a vessel livery, of basic safety instruction to the operator of a leased personal watercraft prior to allowing the operation of the watercraft.
- Slow to a no-wake speed when passing within specified distances of a law enforcement vehicle.

This section becomes effective December 1, 2013. Prosecutions for offenses committed before the effective date of this section are not abated or affected by this section, and the statutes that would be applicable but for this section remain applicable to those prosecutions. (JLM)

Expansion of Natural Gas and Propane for Agriculture

S.L. 2013-367 ([SB 379](#)) authorizes State economic incentive programs (the Job Development Investment Grant Program; the Job Maintenance and Capital Development Fund; the One North Carolina Fund; and the Industrial Development Fund, including the Utility Account) to cumulatively utilize up to \$5 million per biennium for new and expanded natural gas service and propane gas service for agriculture projects. The owner of a project that receives incentive funds authorized by this act must repay the funds if the project does not maintain business operations for at least five years.

This act became effective July 29, 2013. (JM)

Recodify Animal Shelter Law

S.L. 2013-377 ([SB 626](#)) makes the following changes to State animal welfare laws:

- Recodifies the procedures for the holding and disposition of animals in animal shelters in the animal welfare statutes where they will be administered by the Board of Agriculture.
- Caps the surgical procedure reimbursement amounts available to cities and counties from the Department of Agriculture and Consumer Service's (Department) Spay/Neuter Account (Account), provides a distribution formula to be used when the amount in the Account falls short of the total requests for reimbursement, and directs the Department to notify eligible cities and counties of the maximum surgical procedure reimbursement amounts that may be reimbursed during the upcoming calendar year.
- Provides that an animal control, law enforcement, or emergency response officer who has probable cause to believe that an animal is confined in a motor vehicle under conditions that are likely to cause suffering, injury, or death may enter the motor vehicle by any reasonable means after making an effort to locate the owner or other person responsible for the animal.

The cap on surgical procedure reimbursement amounts and the distribution formula became effective October 1, 2013. The Department's notification to cities and counties requirement becomes effective January 1, 2014. The remainder of the act became effective July 29, 2013. (JH)

Wildlife Poacher Reward Fund

S.L. 2013-380 ([HB 936](#)) establishes the Wildlife Poacher Reward Fund (Fund) in the Office of the State Treasurer. Monies in the Fund are to be used to pay rewards to persons who provide information to the Wildlife Resources Commission (Commission) or law enforcement authorities resulting in the arrest and conviction of persons who commit serious wildlife violations. The Commission must adopt rules for the administration of the Fund.

The Fund is derived from the following sources:

- A percentage of the compensation paid annually to the Commission as special conditions of offenders' probation in criminal cases involving the taking, injury, removal, damage, or destruction of wildlife, to be set by the Commission at not less than 10% of those amounts paid as replacement costs and investigative costs.
- 100% of funds paid to the Commission as compensation for any reward paid for information leading to the arrest and conviction of the defendant.
- Gifts, grants, and contributions that are specifically designated for inclusion in the Fund, and any other sources specified by law.

Additionally, the act amends the Boating Safety Act by increasing certain fines and penalties and amends the penalty provisions for specific violations of various wildlife laws.

The sections of the act concerning penalties become effective December 1, 2013 and apply to offenses committed on or after that date. The remaining sections of the act, including the provision concerning the Fund, became effective July 1, 2013. (MM)

Agricultural Right to Work

S.L. 2013-413, Sec. 15 ([HB 74](#), Sec. 15). See **Labor and Employment**.

Lagoon Closure Rule

S.L. 2013-413, Sec. 20 ([HB 74](#), Sec. 20). See **Environment and Natural Resources and Energy**.

Amend the Definition of "New Animal Waste Management System"

S.L. 2013-413, Sec. 21 ([HB 74](#), Sec. 21). See **Environment and Natural Resources and Energy**.

Amend the Administrative Procedure Act to Provide the Wildlife Resources Commission with Temporary Rule-making Authority for Manner of Take

S.L. 2013-413, Sec. 39 ([HB 74](#), Sec. 39). See **State Government**.

Direct the Department of Transportation to Adopt Rules for Selective Pruning within Highway Rights-of-Way

S.L. 2013-413, Sec. 45 ([HB 74](#), Sec. 45). See **Transportation**.

Exempt Ponds that are Constructed and Used for Agricultural Purposes from Riparian Buffer Rules

S.L. 2013-413, Sec. 52 ([HB 74](#), Sec. 52). See **Environment and Natural Resources and Energy**.

Modification of Gameland Buffer Applicable to Sanitary Landfills

S.L. 2013-413, Sec. 59.1 ([HB 74](#), Sec. 59.1). See **Environment and Natural Resources and Energy**.

Various Emergency Management Changes

S.L. 2013-415 ([HB 15](#)). See **Transportation**.

RECLAIM North Carolina Act

S.L. 2013-418 ([HB 786](#)). See **Labor and Employment**.

Chapter 2
Alcoholic Beverage Control

Brenda Carter (BJC)

Enacted Legislation

Sale of Growlers by Certain Alcoholic Beverage Control Permittees

S.L. 2013-76 ([HB 829](#)) allows the holder of an on-premises malt beverage permit, an off-premises malt beverage permit, or a wine shop permit to sell malt beverages in a cleaned, sanitized, resealable container that meets the requirements of the applicable provisions of the Administrative Code and that identifies the permittee and the date the container was filled. The act directs the Alcoholic Beverage Control Commission to adopt rules dealing with sanitation of growlers by January 1, 2014.

This act became effective June 12, 2013. (BJC)

Modify Requirements for In-Stand Beer Sales

S.L. 2013-83 ([HB 610](#)) eliminates the municipal population requirement and lowers the seating capacity requirement for in-stand sales of malt beverages. The act allows in-stand sales of malt beverages during professional sporting events in stadiums, ballparks, and other similar public places with a seating capacity of 3,000 or more.

The act directs the Alcoholic Beverage Control Commission to adopt rules regarding the suspension of alcohol sales in the latter portion of professional sporting events in order to protect public safety at those events.

This act became effective June 12, 2013. (BJC)

Abate Nuisances/Drug Sales from Stores

S.L. 2013-229 ([SB 264](#)). See **Civil Law and Procedure**.

No Beer/Wine if Permit Revoked or Suspended

S.L. 2013-392 ([SB 470](#)) prohibits the consumption of malt beverages or unfortified wine on the premises of a business that has had its on-premises permit authorizing the sale and consumption of malt beverages or unfortified wine suspended or revoked by the Alcoholic Beverage Control Commission. The prohibition applies for the time period during which the permit is suspended or revoked. The prohibition does not apply to the premises if the business whose permit was suspended or revoked has ceased to operate in that location and the owner of the property is not the permittee, and the permittee is not engaged in any other business or other activity on the premises during the period of suspension or revocation.

The act also amends the definition of a "convention center" for purposes of the State's Alcoholic Beverage Control laws, eliminating a requirement that the facility be located in an area designated as an Urban Redevelopment Area. This provision became effective August 23, 2013.

Except as otherwise provided, this act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (BJC)

University of North Carolina Capital Improvement Projects

S.L. 2013-394, Sec. 5(b) ([SB 480](#), Sec. 5(b)) amends the statute prohibiting the issuance of certain Alcoholic Beverage Control permits to a business on the campus or property of a public school or college. The act creates an exception for any stadiums that support a NASCAR-sanctioned, ¼ mile, asphalt, flat, oval short track, that are owned or leased by constituent institutions of The University of North Carolina, and that sell only malt beverages, unfortified wine, or fortified wine at events not sponsored or funded by the institutions.

This section became effective August 23, 2013. (BJC)

University of North Carolina Special One-Time Permits

S.L. 2013-410, Sec. 27.9 ([HB 92](#), Sec. 27.9) amends the statute prohibiting the issuance of certain Alcoholic Beverage Control permits to a business on the campus or property of a public school or college. The act creates an exception to allow the issuance of special one-time permits to the University of North Carolina at Chapel Hill for the Loudermilk Center for Excellence facility. The permits allow the serving of wine, malt beverages, and spirituous liquor at ticketed fund-raising events.

This section became effective August 23, 2013. (BJC)

Enacted Legislation

Adopt Uniform Deployed Parents Custody and Visitation Act

S.L. 2013-27 ([HB 139](#)) repeals prior law providing a process to resolve custody and visitation issues when a parent is deployed for military service and enacts a new article addressing these issues more comprehensively. The act also provides that a court may not consider a parent's past deployment or possible future deployment as the only basis for determining the child's best interest. The new "Uniform Deployed Parents Custody and Visitation Act" provides procedural guidelines to the courts in determining temporary custody and visitation rights when a parent receives notice of deployment, and includes provisions addressing notice of deployment by the deploying parent, establishment of custodial responsibility during deployment, and termination of temporary custody upon return from deployment.

This act became effective October 1, 2013, but does not affect the validity of orders entered before that date. (WGR)

Kilah's Law/Increase Child Abuse Penalties

S.L. 2013-35 ([HB 75](#)). See **Criminal Law and Procedure**.

Name Change Requirements for Minors

S.L. 2013-42 ([SB 369](#)). See **Courts, Justice, and Corrections**.

Caylee's Law/Report Missing Children

S.L. 2013-52 ([HB 149](#)). See **Criminal Law and Procedure**.

Homeless Shelters/Remove Age Limits

S.L. 2013-77 ([HB 687](#)). See **Insurance**.

No Social Security Number Required/Absolute Divorce

S.L. 2013-93 ([HB 114](#)). See **Courts, Justice, and Corrections**.

Amend Definitions/Property Classification/Equitable Distribution

S.L. 2013-103 ([HB 384](#)) amends the Equitable Distribution Act to provide a presumption that real property creating a tenancy by the entireties during the marriage is marital property, but that this presumption may be rebutted by the greater weight of the evidence. The act also

amends the definition of "divisible property" to clarify that increases and decreases in marital debt means passive increases and passive decreases in marital debt.

This act became effective October 1, 2013. (JPP)

Domestic Violence/Abuser Treatment Program/Amendments

S.L. 2013-123 ([HB 24](#)). See **Courts, Justice, and Corrections**.

Court Improvement Project Juvenile Law Changes

S.L. 2013-129 ([HB 350](#)). See **Courts, Justice, and Corrections**.

Allow Alimony/Post Separation Support during Marriage

S.L. 2013-140 ([HB 763](#)) permits a husband and wife to enter into a valid contract during the marriage to allow a spouse to waive, release, or establish alimony and post separation support.

This act became effective June 19, 2013. (JPP)

Update References/Child Born Out of Wedlock

S.L. 2013-198 ([HB 219](#)) replaces references to an individual being "illegitimate" with references to an individual "born out of wedlock" throughout the General Statutes and changes the title of Chapter 49 of the General Statutes from "Bastardy" to "Children Born Out of Wedlock." In addition, the act allows a child born out of wedlock to inherit from and to receive a year's allowance from a person who died prior to or within one year after the birth of that child if paternity can be established by DNA testing.

This act became effective June 26, 2013. The provisions relating to a child inheriting or receiving an allowance based on establishment of paternity apply to estates of persons dying on or after the effective date of the act. (WGR)

Amend Adoption Laws

S.L. 2013-236 ([HB 147](#)) makes the following changes to various laws pertaining to adoption:

- Requires a case plan review for juveniles in the custody of a department of social services or child-placing agency when the child has been relinquished for adoption and there has been no adoption decree within six months.
- Provides that if a consent or relinquishment for adoption cannot be obtained and no further steps are being taken to terminate parental rights, the court may order a relinquishment to be voided after the parent is given notice and an opportunity for hearing. The motion must be made by the department of social services or child-placing agency.
- Establishes guidelines regarding the death of a stepparent seeking to adopt a juvenile prior to the entry of a final adoption decree.
- Provides that if a person whose consent to adoption is required is served with and fails to respond to the petition within the required time, the court must enter an order that the person's consent to the adoption is not required.
- Amends the list of documents that the petitioner for adoption must file and the time at which filing is required.

- Provides that a man whose consent to the adoption is not required because he has been convicted of first-degree rape, rape of a child, or second-degree rape need not be given notice of adoption.
- Specifies that consent to an adoption of a child is not required of any person convicted of rape of a child and whose actions resulted in the child's conception.
- Requires that a person must be provided with a copy of his or her executed consent document.
- Adds provisions to the statutes governing relinquishment.
- Prohibits a person from claiming the right of custody to a minor child if that person is convicted of rape of a child and the rape resulted in the conception of the child.

This act became effective July 3, 2013. (JPP)

Domestic Violence Orders/Findings Not Required

S.L. 2013-237 ([HB 209](#)) authorizes a court, with the written consent of the parties, to enter a consent order in a domestic violence protective order proceeding without findings of fact and conclusions of law. The order has the same force and effect as an order with findings of fact and conclusions of law.

This act became effective October 1, 2013, and applies to orders entered on or after that date. (WGR)

Increase Family Court Fee

S.L. 2013-304 ([HB 462](#)). See **Courts, Justice, and Corrections**.

Foster Care Children's Bill of Rights

S.L. 2013-326 ([HB 510](#)) declares as policy certain interests to be served in the provision of foster care. The act specifies that violation of any of the enumerated rights must not be construed to create a cause of action against the State, the Department of Health and Human Services, or a person or entity providing foster care.

This act became effective July 23, 2013. (JPP)

Assess Costs/Restraining Orders

S.L. 2013-390 ([SB 409](#)). See **Courts, Justice, and Corrections**.

Amend Interlocutory Appeals/Family Law

S.L. 2013-411 ([HB 122](#)). See **Courts, Justice, and Corrections**.

Chapter 4

Civil Law and Procedure

Brenda Carter (BJC), Shelly DeAdder (SD), Bill Patterson (BP)

Enacted Legislation

Jurisdictional Amounts/Arbitration/Small Claims Court

S.L. 2013-159 ([SB 452](#)). See **Courts, Justice, and Corrections**.

Abate Nuisances/Drug Sales From Stores

S.L. 2013-229 ([SB 264](#)) amends the nuisance law to clarify that the nuisance activity need not be the sole purpose of the building or place in order for it to constitute a nuisance. The act also provides that no nuisance action may be brought against a place or business that is subject to the alcohol regulations in the General Statutes when the basis for the nuisance action is related to violation of alcohol laws or regulations pertaining to the possession or sale of alcoholic beverages.

This act became effective July 3, 2013, and applies to nuisance actions filed on or after that date. (BJC)

Worthless Check/Present Cashed Check

S.L. 2013-244 ([HB 784](#)) provides that the criminal violation, remedies, and penalties for checks drawn on insufficient funds also apply to checks that have been previously presented and honored and then presented again for payment. Checks refused and returned by a bank may be submitted as evidence if stamped or marked with reasons for the dishonor.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (BJC)

North Carolina Farm Act of 2013

S.L. 2013-265 ([SB 638](#)). See **Agriculture and Wildlife**.

Commonsense Consumption Act

S.L. 2013-309, Sec. 1 ([HB 683](#), Sec. 1) bars civil actions against a packer, distributor, manufacturer, carrier, holder, seller, marketer, or advertiser of a food, or an association of one or more such entities, for claims arising out of weight gain, obesity, or associated health conditions. The provisions of this section do not apply to claims for injury caused by food that was adulterated or misbranded in violation of State or federal law, or claims for injury proximately caused by knowing and willful violations of any other State or federal law governing the manufacturing, marketing, distribution, advertising, labeling, or sale of food.

This section became effective October 1, 2013, and applies to causes of action arising on or after that date. (BP)

Speaker and President Pro Tempore Standing

S.L. 2013-393, Sec. 3 ([SB 473](#), Sec. 3) provides that the Speaker of the House of Representatives and the President Pro Tempore of the Senate, as agents of the State, jointly have standing to intervene on behalf of the General Assembly as a party in any judicial proceeding challenging a North Carolina statute or provision of the North Carolina Constitution.

This section became effective August 23, 2013. (SD)

Foreign Laws/Protect Constitutional Rights

S.L. 2013-416 ([HB 522](#)) prohibits the application of foreign law by State tribunals in divorce, alimony, and child custody actions if doing so would violate a natural person's fundamental constitutional rights. This includes provisions for choice of foreign law or venue. However, a person may waive or limit constitutional rights by contract.

This act became effective September 1, 2013, and applies to agreements and contracts entered into on or after that date. (BP)

Chapter 5

Commercial Law and Consumer Protection

Drupti Chauhan (DC), Karen Cochrane-Brown (KCB), Trina Griffin (TG),
Peter Ledford (PL), Wendy Graf Ray (WGR), Greg Roney (GR)

Enacted Legislation

Amend Uniform Commercial Code Article 4A/Funds Transfers

S.L. 2013-14 ([SB 72](#)) provides that the portion of the Uniform Commercial Code (UCC) regulating fund transfers applies to remittance transfers that are not electronic funds transfers. A remittance transfer is a transfer of funds by a consumer in any state to a person located in a foreign country. An example of a remittance transfer that is not an electronic funds transfer is a cash-based transfer sent through a money transmitter like Western Union. Prior to 2010, the State law regulating fund transfers applied to these transfers because they were not governed by federal law. However, as the result of changes to the federal Electronic Fund Transfer Act (EFTA) effective in 2013, all remittance transfers will be governed by federal law absent State legislation to the contrary. This act provides that the portion of the UCC regulating fund transfers applies to remittance transfers that are not electronic fund transfers, but that the applicable EFTA provision will govern if there is any inconsistency between it and the applicable State law provision.

This act became effective March 22, 2013. (TG)

Discharged Veterans/Identity Theft Protection

S.L. 2013-15 ([SB 50](#)). See **Military, Veterans, and Indian Affairs**.

Banking Laws Clarifications/Corrections

S.L. 2013-29 ([SB 175](#)) makes technical and clarifying changes to the State banking laws. In 2012, the General Assembly rewrote the State banking laws. This act includes the following technical corrections and clarifications to the laws enacted last year:

- Amends several definitions and adds a new definition for the term "consumer finance licensee."
- Clarifies that the State Treasurer and any disqualified members present for a meeting of the Banking Commission are counted for a quorum, in accordance with the State Ethics Act.
- Clarifies that the Commissioner of Banks (Commissioner) may enforce any banking law, as well as any State consumer protection law or federal law within the Commissioner's jurisdiction.
- Revises the law relating to the qualifications of bank directors so that a director need only consent to service of process to actions brought by the Commissioner and requires the Commissioner to give notice when service has been made.
- Clarifies that a bank can appeal a denial of an application to engage in new activities;
- Clarifies that: (1) a board authorized committee can approve an investment; (2) a subsidiary's investment authority is like the bank's authority; and (3) a bank may appeal the Commissioner's objection to a proposed investment. This provision also modifies the limitation on a bank's investment in bonds or other debt, other than those of a government, to 10% of the sum of the bank's capital plus the portion of the bank's allowances for loan and lease losses, deferred tax assets, and intangible

assets that are excluded from the bank's capital. This change makes the law comparable to prior law.

- Adds a new provision authorizing the Commissioner to suspend the limitations on loans, at the request of the board or a board authorized committee.
- Clarifies that all documents concerning joint accounts and payable on death accounts created prior to the change in the law are governed by the new law.
- Amends the provision relating to combinations with subsidiaries to limit the requirement of prior approval by the Commissioner. The bank must give written notice of the proposed combination and may proceed unless the Commissioner objects. This provision also establishes certain cases in which prior notice is not required.
- Repeals a redundant provision dealing with fiduciary powers and liabilities of combining banks.
- Amends the provision relating to banks in receivership by referencing the section of the trust law that deals with vacancy in a trusteeship, thereby making the provisions consistent.
- Adds another exemption to the list of transactions that do not require prior approval of the Commissioner in the case of holding company control transactions.
- Clarifies that the Commissioner has authority over nonbank affiliates of holding companies that are subject to registration.
- Clarifies that the confidentiality requirements contained in the banking laws also apply to trust institutions.

This act became effective April 16, 2013. (KCB)

Estates/Trusts/Guardianship Amendments

S.L. 2013-91 ([SB 279](#)). See **Property, Trusts, and Estates**.

Amend Credit Union Laws

S.L. 2013-132 ([HB 515](#)) makes various amendments to the laws governing credit unions. This act includes the following technical corrections and clarifications to the law enacted last year:

- Clarifies that credit unions are not liable to joint tenants for complying in good faith with legal processes that appear to have been issued by a court or other authority of competent jurisdiction that seeks funds held in the name of any one or more of the joint tenants.
- Clarifies the terms of a joint account with right of survivorship may be placed on a signature card or in a separate document. Any joint tenant also may terminate a joint account, but a joint tenant removed from the account at the joint tenant's request remains liable for any debts incurred in connection with the joint account while the individual was still a joint tenant.
- Provides that credit unions can issue and operate a share or deposit account in the name of a minor who is bound by the terms of the account agreement as if the minor were of full age and legal capacity. The parent or legal guardian may access funds in the account if it is not a payable on death account or a joint account with right of survivorship if the minor dies.
- Allows adults to open and maintain custodial share accounts for minors and provides rules to govern these accounts.
- Allows credit unions to pay balances on deposit to the credit of a deceased individual or any individual judicially declared to be a duly qualified personal representative.

- Authorizes credit unions to recognize acts of attorneys-in-fact or other agents until the credit union receives actual notice of the principal's death or a written revocation signed by the principal.
- Clarifies that persons establishing personal agency accounts must sign a statement acknowledging the customer's understanding of the agent's powers and of how any money remaining in the account will be disposed of upon the customer's death.
- Authorizes credit unions to invest in corporate bonds bearing a minimum rating of A+ by at least one nationally recognized rating service, but requires credit unions to monitor overall credit exposure by setting corporate bond investment limits as a percentage of assets.

This act became effective July 1, 2013, and the sections addressing joint accounts with right of survivorship and personal agency accounts apply to accounts established as of that date and accounts created on or after that date. (DC)

Amend North Carolina Business Corporation Act

S.L. 2013-153 ([SB 239](#)) makes the following amendments to the Business Corporation Act:

- Allows the board of directors to delegate, with some restrictions, its power to issue shares to one or more corporate officers, unless the articles of incorporation or bylaws provide otherwise.
- Authorizes officers designated by the board of directors to determine the terms under which share options are issued.
- Incorporates provisions of the American Bar Association Model Business Corporation Act for using remote communication to participate in shareholder meetings.
- Authorizes a merger between two subsidiaries where a parent corporation owns at least 90% of the two subsidiary corporations by the approval of the parent corporation's board of directors.
- Provides that shareholder approval is not required for a sale of less than all or substantially all of the corporation's assets outside the usual and regular course of business. A sale is deemed to be of less than all or substantially all of the corporation's assets if the corporation retains a continuing business that accounts for 25% of the total assets of the corporation and its subsidiaries and 25% of the income from continuing operations before taxes or revenues from continuing operations of the corporation and its subsidiaries.

This act becomes effective January 1, 2014. (GR)

Amend and Restate North Carolina Limited Liability Company Act

S.L. 2013-157 ([SB 439](#)) repeals the North Carolina Limited Liability Company Act in its entirety and reenacts the Limited Liability Company Act. The reenacted Limited Liability Company Act includes the following revisions:

- Authorizes operating agreements established in the same ways as other contracts (i.e., written, oral, or implied assent).
- Authorizes parties to modify, waive, or nullify by agreement any rights or duties imposed by the act.
- Prohibits unwritten provisions in the operating agreement from varying or nullifying any inconsistent or contrary written provision in the operating agreement to the detriment of non-parties to the extent that they reasonably relied upon the written provision.

- Provides that any conflict between the operating agreement and any document filed by the Secretary of State will be resolved:
 - In favor of the operating agreement as to parties to the operating agreement and company officials.
 - In favor of the document filed by the Secretary of State as to persons who are neither parties to the operating agreement nor company officials to the extent of their reasonable reliance upon the filed document.
- Determines the priority among multiple charging orders by the date of service of the charging order upon the limited liability company (LLC), except that a charging order in favor of a judgment creditor will relate back to the date of service upon the LLC of garnishment process previously issued in favor of that judgment creditor.
- Defines new terms to provide a more detailed framework for carrying out the ownership and management of LLCs.
- Deletes provisions relating to low-profit LLCs.
- Clarifies matters that may be agreed upon by members, including:
 - Management duties.
 - Exculpation and indemnification.
 - Penalties.
 - Alternative dispute resolution.
 - Information access rights.
- Exempts ownership interests in LLCs from the Uniform Commercial Code provisions that might result in encumbrances to a member's economic interest in breach of the operating agreement, which could adversely affect the interest of the other members.

Except as otherwise provided in the Transition Provisions in the act, this act becomes effective January 1, 2014. (GR)

Consumer Finance Act Amendments

S.L. 2013-162 ([SB 489](#)) amends the Consumer Finance Act, which authorizes nonbank lenders to make small unsecured loans under the supervision of the Commissioner of Banks (Commissioner). A lender licensed by the Commissioner to make these loans must meet several statutory requirements, including maintaining loanable assets of not less than \$50,000. This act makes the following amendments to the Consumer Finance Act:

- Increases the amount lenders may loan from \$10,000 to \$15,000.
- Modifies the maximum interest rates allowed and the length of time allowed for repayment. All lenders are allowed to make loans up to \$15,000. With respect to loans of \$10,000 or less, the maximum interest rate is 30% for the first \$4,000, 24% for the amounts between \$4,000 and \$8,000, and 18% for the remaining part of the principal balance up to \$10,000. With respect to loans in excess of \$10,000, the rate is 18% for the entire outstanding principal balance. The minimum term for loans is 12 months, and the maximum term is 96 months.
- Allows lenders to charge a late payment fee up to \$15 for any payment 10 days or more past due.
- Allows lenders to collect charges, by agreement with the borrower, for deferring payments. The deferral charge may be up to 1.5% of the payment deferred.
- Requires lenders to comply with certain requirements when the lender receives payment of a claim arising from an insurance policy purchased in lieu of filing a security interest on the instrument securing the loan, including closing the loan account and ceasing collection efforts if paid in full.
- Provides additional requirements and restrictions for lenders entering into loan agreements with military service members.

This act became effective July 1, 2013. (WGR)

Metal Theft Statute Amendments

S.L. 2013-169 ([SB 583](#)) amends the definition of "cash card system" as it applies to secondary metals recyclers to require that the system capture a photograph of the seller and use an automated cash dispenser. The act also adds a definition of "copper," which includes nonferrous metals and various copper products.

This act became effective June 19, 2013. (PL)

Guaranteed Asset Protection Waivers

S.L. 2013-193 ([SB 358](#)) creates a regulatory process for guaranteed asset protection waivers, which are sold to persons financing the purchase of a vehicle and are designed to pay the difference between what is received from insurance coverage and the amount owed to a creditor in the event that damage to the vehicle is a total loss. The act includes required disclosures to the borrower, a free-look period during which the borrower can cancel the waiver without penalty or cost, provisions governing the cancellation of waivers and refunds, and enforcement by the Attorney General and fines for violations.

This act became effective October 1, 2013, and applies to guaranteed asset protection waivers entered into on or after that date. (PL)

Satisfaction of Security Interests/Alternative Procedure

S.L. 2013-204, Part II ([HB 332](#), Part II) addresses alternative procedures for the satisfaction of security interests as follows:

- Waives notification by a satisfaction agent (agent) that the agent intends to submit for recording an affidavit of satisfaction of the security instrument (affidavit) if the secured creditor has authorized the agent to sign and submit the affidavit, the agent has possession of the instruments, or the agent has been unable to determine the identity of the secured creditor.
- Authorizes an agent to sign and submit an affidavit for recording if the agent has grounds to believe that the secured creditor has received full payment or performance of the secured obligation and one or more of the following apply:
 - The agent has the original security instrument and bond, note, or other instrument with an endorsement of payment and satisfaction made by one or more of the following: secured creditor; trustee or substitute trustee; assignee of the secured creditor; or any bank, savings and loan association, savings bank, or credit union.
 - The agent has the original security instrument intended to secure the payment of money or the performance of any other obligation, along with the original bond or note, or only the original security instrument if it does not require a note or bond if all of the instruments are more than 10 years old.
 - The agent has the original security instrument given to secure the bearer or holder of any negotiable instruments transferable solely by delivery, along with the evidences of indebtedness secured and marked paid in full and signed by the bearer or holder.
 - The agent has been unable to determine the identity of the secured creditor.
- Adds numerous requirements with which an affidavit must comply, including that the secured creditor authorized the person signing the affidavit to sign and record the affidavit.
- Provides that if an agent erroneously records an affidavit, the agent is not liable if the agent complied with the statutes and gave notification to the secured creditor and the creditor did not respond in a timely manner.

This Part became effective June 26, 2013. (DC)

Transitional Mortgage Loan Originator

S.L. 2013-327 ([HB 616](#)), as amended by S.L. 2013-412, Sec. 4.1 ([HB 293](#), Sec. 4.1), amends the Secure and Fair Enforcement Mortgage Licensing Act to provide for the licensure of transitional mortgage loan originators. The act authorizes these individuals to act as mortgage loan originators subject to a transitional license, which is limited to a term of no more than 120 days and is not subject to reapplication, renewal, or extension by the Commissioner of Banks. A transitional license may be granted to a person who has an active loan originator license in another state, provided the person has registered, been fingerprinted, and maintains a unique identifier with the Nationwide Mortgage Licensing System and Registry. The act also allows a transitional license to be issued to a person who is registered, but not licensed in this or another state, if permitted by federal regulation.

This act became effective September 1, 2013, and applies to applications for licensure filed on or after that date. (WGR)

Financial Exploitation of Older Adults

S.L. 2013-337 ([SB 140](#)). See **Criminal Law and Procedure**.

Expand Definition of a Public Corporation for the Purpose of Establishing Foreign Trade Zones

S.L. 2013-342, Sec. 2 ([SB 386](#), Sec. 2) expands the definition of a "public corporation" for the purpose of establishing a foreign trade zone to include a corporate municipal instrumentality of one or more states, mirroring the definition from the federal Foreign Trade Zone Act of 1934, which authorizes the designation of geographical areas in or adjacent to ports of entry where commercial merchandise receives the same customs treatment as if it were outside the commerce of the United States.

This section became effective July 23, 2013. (TG)

Amend Predatory Lending Law

S.L. 2013-399 ([HB 692](#)) amends the anti-predatory lending law and restricts other provisions of the State's mortgage lending laws to be no more restrictive than federal law. The act changes the definition of the term "points and fees" found in the anti-predatory lending law to exclude any up-front fees collected and paid to the Federal Housing Administration, the Veterans' Administration, or the United States Department of Agriculture to insure or guarantee a home loan. This provision also eliminates the reference to up-front payments for private mortgage insurance premiums. The act also increases the maximum cap on points and fees from 4% to 5% of the total loan amount, restoring the cap that had been in effect from 1999 until 2010.

The act also amends the law regulating "rate spread home loans", which was enacted in 2007, and was intended to regulate certain subprime home loans. This act conforms the definition of a "rate spread home loan" to federal law by referencing the definition of a "higher priced" mortgage under federal law.

This act became effective October 1, 2013. (KCB)

Clarifying Applicability of Regulation of Sales and Purchases of Metals

S.L. 2013-410, Sec. 30.5 ([HB 92](#), Sec. 30.5) clarifies that the statutes governing the sale and purchase of metals by secondary metals recyclers do not apply to salvage yards regulated by the statutes governing motor vehicles, except in specified limited circumstances.

This section became effective August 23, 2013. (PL)

Mortgages/Secure and Fair Enforcement Mortgage Licensing Act

S.L. 2013-412 ([HB 293](#)) makes the following changes to the Secure and Fair Enforcement Mortgage Licensing Act, which was enacted in 2009 to conform to the federal Housing and Economic Recovery Act of 2008:

- Extends from three to five years the time (1) within which an applicant must pass the licensing test and (2) after which a loan originator who fails to maintain a valid license must retake the test.
- Eliminates a duplicative 16-hour educational requirement for exclusive mortgage brokers.
- Allows a loan originator to receive credit for continuing education courses taken prior to the end of the reinstatement period.
- Allows the Commissioner of Banks (Commissioner) to discipline a licensee for having been found in violation of federal law.
- Authorizes the Commissioner to specify the time within which an individual may reapply for licensure after surrendering a license to avoid disciplinary action. Under prior law, a licensee who surrendered a license to avoid disciplinary action was not permitted to reapply for a license.
- Repeals the foreclosure suspension program, which authorized the Commissioner to temporarily suspend a foreclosure proceeding if evidence was found that a material violation of law occurred in the origination or servicing of a loan being foreclosed, because the Commissioner no longer administers the foreclosure prevention program. The program is currently under the authority of the Housing Finance Agency.

This act became effective August 23, 2013. (TG)

Enacted Legislation

Constitutional Amendments

Criminal Defendant May Waive Jury Trial

S.L. 2013-300 ([SB 399](#)) places a constitutional amendment on the ballot that would allow a defendant to waive a jury trial and have a trial by the judge without a jury. The measure will be on the statewide general election ballot on November 4, 2014.

This act became effective July 18, 2013, but the changes set forth in the act will take effect only if the voters approve the constitutional amendment on November 4, 2014. (KQ)

Elections

Jury List/Date of Birth Information

S.L. 2013-166 ([SB 539](#)). See **Courts, Justice, and Corrections**.

Repeal Laws Denied Section 5 Preclearance

S.L. 2013-343 ([SB 406](#)) repeals any (1) city or county ordinance or resolution, (2) act, policy, or resolution of a county board of elections, or (3) public or local law enacted by the General Assembly to which, prior to June 25, 2013, the United States Department of Justice had interposed an objection that had not been withdrawn or the United States District Court for the District of Columbia had denied a declaratory judgment under Section 5 of the Voting Rights Act of 1965.

This act became effective July 23, 2013. (KM)

Eliminate North Carolina Public Campaign Fund

S.L. 2013-360, Sec. 21.1 ([SB 402](#), Sec. 21.1) repeals the North Carolina Public Campaign Fund (Fund), which provided public financing for judicial candidates for the North Carolina Court of Appeals and the North Carolina Supreme Court. Also repealed is the \$50 surcharge for attorneys and the income tax check-off for financing of the Fund. The tax check-off is repealed for taxable years beginning on or after January 1, 2013. Money remaining in the Fund will be used to publish the Judicial Voter Guide (Voter Guide) until those funds are exhausted. When the funds are exhausted, statutory references to the Voter Guide are repealed.

Except as otherwise provided, this section became effective July 1, 2013. (KM)

Voter Information and Verification Act/Election Reform

- S.L. 2013-381 ([HB 589](#)) makes various changes to the election law including:
- Photo Identification. – Effective January 1, 2016, with limited exceptions, requires voters voting in person to present photo identification bearing a reasonable resemblance to that voter. Any voter not in compliance will be permitted to vote a provisional ballot, which will be counted upon the voter providing photo identification prior to canvass. (Parts 1 through 3)
 - Absentee Voting. –
 - Amends the procedures for mail-in absentee ballots by requiring a standardized written form to request ballots, requiring two witnesses for voting of the ballot unless done in front of a notary public, and allowing for the voted ballots to be returned to any early one-stop voting site in addition to the county board office. (Part 4)
 - Requires that in a presidential election year, the general election ballots are to be provided no later than 3 days after nomination of the Presidential and Vice Presidential candidates if that nomination occurs later than 63 days prior to the statewide general election. (Part 17)
 - Voter Registration and Education. –
 - Effective October 1, 2013, authorizes senior centers and county parks and recreation services to offer voter registration. (Part 5)
 - Effective September 1, 2013, repeals the program for pre-registration of 16 and 17 year olds. (Part 12)
 - Requires a wet ink signature on voter registration forms. (Part 13)
 - Establishes a criminal penalty for compensating persons based on the number of voter registration forms submitted. (Part 14)
 - Eliminates the process for same-day voter registration. (Part 16)
 - Effective August 12, 2013, authorizes the State Board of Elections (State Board), in addition to existing methods of list maintenance, to enter into data sharing agreements with other states to cross check voter registration information. (Part 18)
 - Removes the requirement that the Governor designate a month for voter registration. (Part 19)
 - Effective October 1, 2013, requires removal from the voter rolls of an individual identified as deceased by a signed statement of a near relative or personal representative of the estate of a deceased voter, and directs the county boards to make forms available for near relatives or personal representatives of the deceased voter. (Part 39)
 - Filling of Vacancy for United States Senate. – Requires the Governor to appoint a person affiliated with the same political party if the vacating Senator was elected as a nominee of a political party. (Part 8)
 - Special Election Dates. – Requires special elections to be held only at the same time as a State, county, or municipal general election, with limited exceptions. (Part 10)
 - Poll Observers. – Allows each county political party chair to designate 10 additional at-large observers to attend any voting place in that county, and allows 1 at-large observer per political party to be in the voting enclosure in addition to the 2 observers from the same political party assigned to the voting place. (Part 11)
 - Voter Challenges. – Provides that any registered voter of the State can challenge a person's right to register or vote, except on the day of the primary or election. On the day of the primary or election, any registered voter of the county may challenge the person's right to register or vote. (Part 20)

- Filing and Candidate Changes –
 - Provides that a candidate has the right to withdraw their name at any time prior to the close of business on the third business day prior to the date on which the right to file for that office expires. (Part 21)
 - Lowers the threshold of required petition signatures in lieu of payment of the filing fee for the following offices in the following manner:
 - Candidates for offices currently requiring a petition signed by 10% of registered voters of the State who are affiliated with the same political party in whose primary the candidate desires to run or 10,000 signatures of registered voters regardless of the voter's political party affiliation, whichever requirement is greater, are lowered to 5% or 8,000 signatures, whichever is greater.
 - Candidates for offices currently requiring a petition signed by 10% of the registered voters of the election area in which the offices will be voted for are lowered to 5%.
 - Candidates for office of the Supreme Court or Court of Appeals currently requiring a petition signed by 10,000 registered voters in the State are lowered to 8,000. (Part 22)
 - Changes the timeframe for a declared nominee of a political party to request the nominee's name be withdrawn from 30 days before the general election to prior to the first day on which military and overseas absentee ballots are transmitted to voters. (Part 23)
- Voting Sites –
 - Early Voting Sites. – Changes the beginning date of the early voting period from the third Thursday before an election to the second Thursday before the election and requires the early voting period to end at 1:00 p.m. on the last Saturday before the election. Counties are required to have early voting sites open for a number of hours equal to the hours of operation in 2010 and 2012, for non-presidential and presidential elections, respectively. In addition, all early voting sites approved by the county board and State Board must have the same days of operation and same number of hours of operation daily, except for the county office or alternate site. (Part 25)
 - Satellite Polling Places. – Provides that any request for satellite polling places made to the State Board must be made by the unanimous vote of a county board, and any approval granted by the State Board will be effective for only one year and requires annual review for extension. (Part 26)
 - Election Day Polls. – Provides that if polls are delayed in opening for more than 15 minutes, or are interrupted for more than 15 minutes after opening, the State Board can extend the closing time by an equal number of minutes. (Part 33)
 - Voting in Incorrect Precinct. – Qualifies a voter to vote only in the precinct in which that voter resides and requires that provisional ballots not be counted if that voter did not vote in the proper precinct. (Part 49)
- Ballots –
 - Clarifies that the State Board must ensure official ballots throughout the State meet certain standards and characteristics, such as being readily understandable by voters and facilitating an accurate vote count. (Part 29)
 - Effective January 1, 2018, requires that no voting system be used unless that system generates an individual paper ballot marked by the voter. (Part 30)
 - Requires the nominees of political parties with the two highest percentages of statewide voter registration be listed in alphabetical order beginning with the party whose nominee for Governor received the most votes in the most recent gubernatorial election. (Part 31)
 - Eliminates straight party voting on any ballots. (Part 32)

- Requires that when a provisional ballot is issued to a voter, the ballot be annotated to indicate it is a provisional ballot. (Part 52)
- Primaries. –
 - Date of the Presidential Primary – Moves the presidential primary to the Tuesday after the first South Carolina presidential primary, if South Carolina holds its presidential primary before March 15. (Part 35)
 - Authorizes the State Board to nominate as a presidential primary candidate any person affiliated with a political party that it finds is generally advocated and recognized in the news media throughout the United States or in North Carolina as a candidate for the nomination by that party, in addition to nominees of that party's chair. (Part 36)
- State Board Terms. – Limits service on the State Board to two consecutive four-year terms, applying to members appointed on or after August 12, 2013. (Part 45)
- Eliminate Instant Runoff Voting. – Eliminates the instant runoff voting method for appellate or superior court vacancies occurring less than 64 days before the date of the second primary and provides that those judicial vacancy races will be determined on a plurality basis. (Part 51)
- Repeal of Public Financing Funds. – Repeals the North Carolina Public Campaign Fund (Campaign Fund), which provided public financing for candidates for the North Carolina Supreme Court and North Carolina Court of Appeals, the North Carolina Voter-Owned Elections Fund, which provided public financing for the Council of State offices of Auditor, Superintendent of Public Instruction, and Commissioner of Insurance, and the North Carolina Political Parties Financing Fund (Financing Fund), which provided public funds designated by taxpayers to political parties. Also repealed are the \$50 surcharge for attorneys, effective for taxable years beginning on or after January 1, 2013, and the tax check-offs for financing of the Campaign Fund and Financing Fund. Money remaining in the Campaign Fund will be used to publish the Judicial Voter Guide (Voter Guide) until those funds are exhausted. When the funds are exhausted, statutory references to the Voter Guide are repealed. Except as otherwise noted, this Part became effective July 1, 2013. (Part 38)
- Campaign Contributions. – Raises the limit on contributions to candidates and political committees from \$4,000 per election to \$5,000 per election and narrows the exceptions to this limit only to a candidate's spouse. Repeals the \$1,000 limit for contributions to candidates for superior or district court judge. (Part 42)
- Use of Building Funds. – Amends the law allowing contributions from persons otherwise prohibited from making contributions to a political party headquarters building fund by allowing use of those funds for rent and utilities for a principal building and for up to three administrative personnel, but prohibiting use of the funds for personnel compensation, travel, or fundraising expenses, and headquarters equipment other than fixtures. (Part 43)
- Tightening of Lobbying Bundling. – Amends the law prohibiting lobbyists from collecting, taking possession of, transferring, or delivering contributions from multiple contributors for legislators and certain public servants by clarifying that lobbyists cannot collect a contribution from one or more contributors for the candidate, take possession of a contribution intended for the candidate, or transfer or deliver a collected contribution to the intended candidate. This Part became effective October 1, 2013, and applies to contributions made on or after that date. (Part 47)
- Candidate Specific Communications. – Repeals special disclosure requirements for candidate specific communications made through broadcast, cable, satellite, mass mailings, or telephone banks. (Part 48)
- Electioneering Communications. – Defines "electioneering communications" to include all relevant communications aired or transmitted after September 7 for general elections in November of even-numbered years. (Part 50)

- Media Advertisement Disclosure Requirements. –
 - Stand By Your Ad. – Repeals special disclosure requirements for television and radio political advertisements supporting or opposing candidates. All television political advertisements paid for by candidates or candidate campaign committees must include a photograph of the candidate with the visual disclosure legend indicating who paid for the advertisement. (Sec. 44)
 - Other Disclosure Requirements – Repeals sponsor position statement requirements for ballot measures. Also repealed are requirements for disclosure of the five largest donors to the sponsor of a print media advertisement that is an electioneering communication or independent expenditure supporting or opposing election of a candidate. (Part 56)
- Election Cycle and Reporting Changes. – For purposes of limits on campaign contributions, the term "election" is defined as the period of time from January 1 of an odd-numbered year through the primary, the day after the primary through the second primary, or the day after the primary through December 31 of the next even-numbered year. (Part 53)
- Raffles by Candidates of Political Committees. – Authorizes the conduct of raffles by candidates and political committees. (Part 59)
- Studies Authorized for the Joint Legislative Elections Oversight Committee, with a report to the 2014 General Assembly. –
 - Filling of vacancies for the General Assembly. (Part 7)
 - Filling of vacancies for the United States House of Representatives. (Part 9)
 - A bill of rights for election observers to guarantee their right to help assist proper voting while ensuring proper protection for voters. (Part 11)
 - Optimal numbers of voters in election precincts to reduce overcrowding and long lines. (Part 24)
 - Second primaries, including threshold levels, use of the plurality method, and differentiated systems by office. (Part 28)
 - Ways to improve protections for persons requiring assistance in voting places. (Part 34)
 - Electronic filing of campaign finance reports. (Part 41)
 - Establishing a threshold for the creation of a political committee. (Part 54)
 - Conforming reporting scheduled for political committees, electioneering communications, and independent expenditures to similar dates and information. (Part 55)
 - Elimination of the 48-hour campaign finance report. (Part 57)

Except as otherwise provided, this act becomes effective January 1, 2014. (EC, KM, and

KQ)

Chapter 7

Courts, Justice, and Corrections

Brenda Carter (BJC), Erika Churchill (EC), Shelly DeAdder (SD), Jennifer Hillman (JLH),
Brad Krehely (BK), Peter Ledford (PL), Bill Patterson (BP), Jan Paul (JPP),
Howard Alan Pell (HAP), Kelly Quick (KQ), Wendy Graf Ray (WGR),
Barbara Riley (BR), Susan L. Sitze (SLS)

Enacted Legislation

Incapacity to Proceed Amendments

S.L. 2013-18 ([SB 45](#)) amends laws pertaining to a criminal defendant's incapacity to proceed. The act authorizes a court to appoint one or more impartial medical experts to examine a defendant charged with a misdemeanor or felony and return a written report describing the defendant's mental health. A defendant charged with a felony may be ordered to a State facility for the mentally ill for observation and treatment. The act provides specific time periods within which examination reports must be submitted to the court.

The court may call any expert appointed to evaluate a defendant to testify at the capacity hearing. The court is required to make findings of fact to support its determination of the defendant's capacity to proceed. Parties may stipulate that the defendant is capable to proceed, but they may not stipulate that the defendant lacks capacity to proceed.

The act also amends laws governing the return of a defendant for trial upon gaining capacity. Effective April 3, 2013, the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services is directed to develop and adopt rules requiring forensic evaluators to meet specified requirements, and to adopt guidelines for treatment of persons involuntarily committed following a determination of incapacity to proceed. The rules and guidelines are to be in place by December 1, 2013.

Except as otherwise provided, this act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (BJC)

Good Samaritan Law/Naloxone Access

S.L. 2013-23 ([SB 20](#)) gives certain individuals limited immunity from prosecution when a person, acting in good faith, seeks medical assistance for himself or for another individual as a result of a drug-related overdose. Evidence obtained in connection with an investigation of crimes committed by a person entitled to limited immunity remains admissible as to crimes, other than those for which immunity is allowed by this act.

The act also authorizes a practitioner, acting in good faith and exercising reasonable care, to prescribe naloxone hydrochloride to a person at risk of experiencing an opiate-related overdose or to a family member, friend, or other person in a position to assist a person who is at risk of experiencing an overdose. The act authorizes a person who receives the prescribed naloxone hydrochloride from a medical practitioner to administer it to another person based on a good faith belief that such person is experiencing an opiate-related overdose, so long as the person exercises reasonable care in administering the drug. The act exempts the prescribing practitioner and the person administering the prescribed drug from civil or criminal liability.

The act also gives persons under the age of 21 limited immunity from prosecution for the possession or consumption of alcohol, if law enforcement became aware of the violation solely because the person was seeking medical assistance for another individual, and if the person acted in good faith, gave his or her own name to authorities, and stayed with the person needing medical assistance until help arrived.

This act became effective April 9, 2013. (JLH)

Assigned Counsel/Amend and Clarify

S.L. 2013-41 ([HB 388](#)) makes the following changes to the law governing the obligation, upon conviction, of partially indigent defendants to repay the State a portion of the costs of their representation by assigned counsel, public defenders, and appellate defenders:

- If the person was ordered, as a condition of probation, to pay for the costs of his or her representation, a judgment entered for attorneys' fees becomes effective when the probation expires as well as when the probation is terminated or revoked.
- Assigned counsel, public defenders, and appellate defenders representing a partially indigent person are required to make reasonable efforts to obtain the person's social security number.
- Attorneys representing partially indigent persons are entitled to receive payment even though their fee application does not include the client's social security number, if they certify that they could not obtain the social security number with reasonable efforts.

This act became effective May 2, 2013. (BP)

Name Change Requirements for Minors

S.L. 2013-42 ([SB 369](#)) permits a parent to apply for a name change for a minor child without consent of the child's other parent, if the other parent has abandoned the minor child or if the other parent has committed an act of violence against the minor or the minor's sibling.

This act became effective October 1, 2013, and applies to applications for name changes filed on or after that date. (JPP)

Prohibit Expunction Inquiry

S.L. 2013-53 ([SB 91](#)) provides for administrative action taken against a person by a State or local government agency as a result of the person having been charged or convicted of a crime to be vacated, rather than reversed, when the record of that person's conviction is expunged. If the agency is an occupational licensing board, the person may then reapply for licensure and must satisfy current licensing requirements.

The act prohibits an employer or educational institution from requiring an applicant to disclose information concerning any arrests, criminal charges, or criminal convictions that have been expunged; however, the prohibition does not apply to State or local law enforcement agencies authorized by statute to access confidential files for employment purposes. Upon investigation by the Commissioner of Labor, penalties may be assessed for any violation that occurs after receipt of a written warning.

Provisions of this act pertaining to administrative actions related to an expunged criminal charge became effective May 17, 2013. The remainder of this act becomes effective December 1, 2013, and the penalty provisions apply to violations occurring on or after that date. (BJC)

Authorize Chief Magistrates

S.L. 2013-89 ([SB 210](#)) authorizes a chief district court judge to designate a full-time magistrate in a county to serve as the chief magistrate for that county for an indefinite time at the judge's pleasure to carry out certain responsibilities as delegated by the chief district court judge.

This act became effective June 12, 2013. (BP)

No Social Security Number Required/Absolute Divorce

S.L. 2013-93 ([HB 114](#)) eliminates the requirement that social security numbers of parents of minor children be included in complaints or judgments in actions for absolute divorce.

This act became effective June 12, 2013. (JPP)

Justice Reinvestment Technical Corrections

S.L. 2013-101 ([HB 361](#)) makes technical and clarifying changes to the Justice Reinvestment Act enacted in 2011. This act makes several minor changes to the conditions of probation and responses to violations of those conditions. In addition, the act makes technical adjustments to the maximum sentence in certain minimum sentence ranges.

The maximum sentence adjustments became effective October 1, 2013, and apply to offenses committed on or after that date. The remainder of this act became effective June 12, 2013. (SLS)

Amend Definitions/Property Classification/Equitable Distribution

S.L. 2013-103 ([HB 384](#)). See **Children and Families**.

Trustee-Attorneys' Fee/Foreclosures/Clerk Approval

S.L. 2013-104 ([HB 407](#)) authorizes superior court clerks to determine the reasonableness of counsel fees paid to an attorney serving as a trustee in a proceeding to foreclose under a power of sale, if the professional services rendered are different from those normally performed by a trustee and are of a type that would reasonably justify a decision by a non-attorney trustee to retain legal counsel.

If the foreclosure is under a power of sale contained in a deed of trust providing for attorneys' fees as a percentage of the outstanding balance, the fee paid is presumed to be reasonable if it does not exceed the percentage specified in the deed of trust, up to a maximum of 15%. If the deed of trust authorizes attorneys' fees without specifying a percentage, the fee is presumed reasonable if it does not exceed 15% of the outstanding balance.

This act became effective June 12, 2013. (BP)

Domestic Violence/Abuser Treatment Program/Amendments

S.L. 2013-123 ([HB 24](#)) specifies the process for notifying an abuser treatment program a probationer is directed to attend, and the notification process if the probationer fails to attend or is discharged for violating program rules. The act also eliminates the requirement for review hearings every 60 days for defendants on unsupervised probation who are ordered into an abuser treatment program.

This act becomes effective December 1, 2013, and applies to defendants placed on supervised or unsupervised probation on or after that date. A technical change to a prior session law became effective June 19, 2013. (JPP)

Methamphetamine/Offense/Penalties

S.L. 2013-124 ([HB 29](#)). See **Criminal Law and Procedure**.

Homeowners Association Voluntary Prelitigation Mediation

S.L. 2013-127 ([HB 278](#)) sets out a procedure for voluntary prelitigation mediation to resolve disputes that arise between a homeowners association and its members. However, disputes related solely to a member's failure to timely pay an assessment or any fines or fees related to the levying or collection of an assessment are not covered under the act. As an incentive to mediate, the act provides that parties who do not reach an agreement and subsequently proceed to litigation are exempt from any mandatory mediation requirements enforced by the courts. The act requires homeowners associations to send members a yearly notice informing them of the option to mediate disputes.

This act became effective July 1, 2013, and applies to disputes that occur on or after that date. (SD)

Court Improvement Project Juvenile Law Changes

S.L. 2013-129 ([HB 350](#)), as amended by S.L. 2013-410, Sec. 27 ([HB 92](#), Sec. 27), makes various changes to the juvenile code. The act:

- Amends definitions.
- Modifies provisions related to responsible individual determinations.
- Amends venue provisions.
- Provides that only a county director of social services or the director's designee may file a petition alleging that a juvenile is abused, neglected, or dependent.
- Clarifies who is a party in juvenile proceedings.
- Defines "nonrelative kin" as a person who has a substantial relationship with the juvenile.
- Specifies that a parent who qualifies for an appointed attorney may proceed without an attorney after determining that the waiver was knowing and voluntary.
- Expands current provisions related to visitation.

The act also clarifies findings on which a court may terminate the parental rights of the father of a juvenile born out of wedlock. It provides that in the selection of adoptive parents, any current placement provider who wants to adopt the child must be considered. Additionally, it requires that foster parents must be notified of the selection of adoptive parents within 10 days of the selection.

This act became effective October 1, 2013, and applies to actions filed or pending on or after that date. (BK)

Amend Certain Bail Bond Procedures

S.L. 2013-139 ([HB 762](#)) makes the following changes to bail bond procedures:

- Bail bonds signed by a professional bondsman who is not a bail agent are treated the same as a cash deposit.
- Sureties are required to provide a copy of the bail bond, forfeiture, or release order to the sheriff before surrendering a defendant to a sheriff.
- Clerks of court are no longer required to serve the district attorney for the county and the attorney for the county board of education with a copy of a motion to set aside a forfeiture of the bail bond.

This act becomes effective December 1, 2013. (BP)

Allow Alimony/Post Separation Support during Marriage

S.L. 2013-140 ([HB 763](#)). See **Children and Families**.

Jury Instructions for School Budget Dispute

S.L. 2013-141 ([HB 765](#)). See **Education**.

Grand Jurors/Service

S.L. 2013-148 ([HB 879](#)) provides that any grand juror who serves the full term of service cannot be required to serve again as a grand juror or as a juror within six years after serving. The act adds a requirement that to qualify to serve as a juror an individual must not have served a full term of service as a grand juror during the preceding six years. The act also requires that grand jury service be noted on the master jury list.

This act becomes effective January 1, 2014. (JLH)

Capital Punishment/Amendments

S.L. 2013-154 ([SB 306](#)) amends the capital punishment procedural statutes by:

- Prohibiting disciplinary or corrective actions against health care professionals involved in the execution process and providing that the administration of lethal substances as part of a death sentence does not constitute the practice of medicine, pharmacy, or nursing.
- Requiring the Secretary of the Department of Public Safety (Secretary) to set an execution date not less than 15 days or more than 120 days from the date of receiving written notification from the Attorney General that any of the events that require an execution date to be set have occurred. The Attorney General is required to provide the written notice to the Secretary within 90 days of the occurrence of any of the events.
- Removing the specific requirement that an ultrashort acting barbiturate in combination with a chemical paralytic agent be used in administering the death sentence. The statute is amended to provide that the death sentence be carried out by an intravenous injection of a substance determined by the Secretary to be in compliance with the federal and State constitutions.
- Requiring the warden of Central Prison to report annually to the Joint Legislative Oversight Committee on Justice and Public Safety on the training and readiness of persons trained to take part in the execution process.
- Repealing the Racial Justice Act, thereby removing the use of certain statistics as evidence in pursuing a claim of racial bias in capital proceedings.

This act became effective June 19, 2013. The repeal of the Racial Justice Act applies to all motions and proceedings filed under the repealed statute, including those filed prior to the effective date thereof. The repeal does not apply to a court order resentencing a petitioner to life imprisonment without parole pursuant to the provisions of the Racial Justice Act prior to June 19, 2013, if the order is affirmed upon appellate review and becomes a final order issued by a court of competent jurisdiction. (HAP)

Disposition of Abandoned Firearms

S.L. 2013-158 ([SB 443](#)), as amended by S.L. 2013-410, Sec. 17 ([HB 92](#), Sec. 17), amends the statutes providing for the disposition of abandoned firearms, as well as firearms that have been seized as evidence to:

- Limit the option to destroy the firearm only to those that do not have a legible, unique identification number or are unsafe.
- Remove the option for the person who found the firearm to apply for its possession after a waiting period, if the firearm was abandoned.

- Remove the requirement that the law enforcement agency apply to a court for an order of disposition if the firearm was abandoned as opposed to seized. In addition to other disposal options, the law enforcement agency is given the option to sell the firearm at public auction to persons licensed as firearms collectors, dealers, importers, or manufacturers.
- Provide the option to maintain the firearm for training or transfer to a museum or historical society.

This act became effective September 1, 2013, and applies to firearms found or received by a law enforcement agency on or after that date and to any judicial order for disposition on or after that date. (HAP)

Jurisdictional Amounts/Arbitration/Small Claims Court

S.L. 2013-159 ([SB 452](#)) does all of the following:

- Increases the jurisdictional amount for small claims court from \$5,000 to \$10,000.
- Increases the jurisdictional amount for the district court division from \$10,000 to \$25,000.
- Requires court-ordered, non-binding arbitration in civil actions in district court, unless all parties to the action waive arbitration. See *Courts/Procedure and Fee Amendments* in **this Chapter**.
- Authorizes the court to assess all court costs and attorneys' fees associated with a case, including the \$100 arbitration fee, against the losing party who appeals a small claims case if the arbitrator finds in favor of the party that won the small claims action, and the arbitrator's decision is affirmed on appeal.
- Increases the damage recovery limit for award of attorneys' fees in certain personal injury, property damage, or insurance cases from \$20,000 to \$25,000.

This act became effective August 1, 2013, and applies to actions filed on or after that date. (JLH)

Clarify Petit Juror Oath

S.L. 2013-164 ([SB 528](#)) amends the statute governing petit jurors to require that all jurors take both the oath required by the Constitution of North Carolina, swearing to support and maintain the Constitution of the United States and the Constitution and laws of North Carolina, and the oath required by the General Statutes, swearing to truthfully and without prejudice try all issues in civil or criminal actions and give true verdicts according to the evidence.

This act became effective October 1, 2013, and applies to oaths taken on or after that date. (PL)

Jury List/Date of Birth Information

S.L. 2013-166 ([SB 539](#)) authorizes county boards of elections to release dates of birth of voter registration applicants and registered voters if requested by a county jury commission for purposes of preparing a master jury list. The act also ensures that dates of birth of prospective jurors remain confidential and are not made available to the public.

This act became effective June 19, 2013. (KQ)

Evidence and DNA Expunction Laws

S.L. 2013-171 ([SB 630](#)) makes changes relating to evidence retention and admissibility, as well as expunction of DNA samples.

The act authorizes the analyzing agency to destroy blood or urine samples taken for chemical analysis 12 months after the case is filed or after the case is concluded and not under appeal, whichever is later, unless a motion to preserve evidence has been filed.

The act modifies the notice and demand statutes related to admissibility of laboratory reports without the testimony of the laboratory analyst to require the reports to be admitted if the defendant does not object as required by statute.

The act also extends the time the State Bureau of Investigation (SBI) has to notify a defendant of the completion of or denial of a request to expunge a DNA sample that was taken upon arrest from 30 days to 90 days.

The provision authorizing the destruction of blood or urine samples became effective June 19, 2013. The remainder of this act becomes effective December 1, 2013, and applies to proceedings held on or after that date and verification forms received by the SBI on or after that date. (SLS)

Driving While Intoxicated Cases/No International Laboratory Accreditation Cooperation (ILAC) Required

S.L. 2013-194 ([SB 285](#)) amends the General Statutes to:

- Remove the requirement, for impaired driving cases, that the required chemical analysis be performed by a laboratory that is accredited by an accrediting agency that is a signatory to the International Laboratory Accreditation Cooperation Mutual Arrangement For Testing.
- Clarify that alcohol or controlled substance results from any hospital laboratory that is approved by the Department of Health and Human Services under the federal Clinical Laboratory Improvement Amendments of 1988 are admissible in impaired driving cases.
- Exclude chemical analyses for impaired driving cases from the requirements in the State Evidence Code.

This act became effective June 26, 2013. (HAP)

Community Service/Post-Release Supervision

S.L. 2013-196 ([SB 494](#)) amends the statute governing conditions of post-release supervision to authorize the Post-Release Supervision and Parole Commission (Commission) to impose a condition of community service on a supervisee who was a Class F through I felon and who has failed to fully satisfy any order for restitution, reparation, or costs imposed against the supervisee as part of the supervisee's sentence. The Commission is not authorized to impose the condition of community service if it determines that the supervisee has the financial resources to satisfy the order.

The act also amends the statute governing procedures of the Commission to provide that a three-member panel of the Commission can set the terms and conditions for a post-release supervisee and decide questions of violations. In the event of a tie in a vote by the full Commission, the chair must break the tie with an additional vote.

This act became effective June 26, 2013, and the authority of three-member panels of the Commission applies to actions taken by the Commission after that date. (KQ)

Exploitation of Seniors/Freeze Defendant's Assets

S.L. 2013-203 ([HB 891](#)) allows the district attorney to petition the court to freeze the assets of a defendant charged with exploitation of an elder or disabled adult and establishes a procedure to petition the court for the freezing or seizure of assets.

This act became effective October 1, 2013, and applies to offenses committed on or after that date. (BK)

Amend Conditional Discharge/First Drug Offense

S.L. 2013-210 ([HB 641](#)) gives the court discretion on whether to defer proceedings and allow certain first-time drug offenders to participate in the conditional discharge program. If the court makes a written finding that entry is inappropriate, and the district attorney agrees, then the offender will not be entered into the program. Prior to the act, the court had no discretion, and offenders were automatically entered into the program.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (HAP)

Courts/Procedure and Fee Amendments

S.L. 2013-225 ([HB 343](#)) makes various changes to court fees and the collection of court fees. The act eliminates the arbitration cap in district court to allow arbitration in any district court case. This act also clarifies when some fees are required to be paid, either in timing, the party to pay, or in the type of case, and in some instances, when those fees are not required to be paid. Additionally, the act requires counties to advance fees in actions filed by the county and removes a sunset on certain fees collected by registers of deeds.

This act became effective June 30, 2013, and applies to actions filed and amounts assessed or collected on or after that date, but various provisions of this act have different effective dates. (SLS)

Amend Adoption Laws

S.L. 2013-236 ([HB 147](#)). See **Children and Families**.

Domestic Violence Orders/Findings Not Required

S.L. 2013-237 ([HB 209](#)). See **Children and Families**.

Forfeiture for Speeding to Elude Revisions

S.L. 2013-243 ([HB 656](#)). See **Transportation**.

Guardianship Roles of Mental Health and Developmental Disability and Substance Abuse Providers

S.L. 2013-258 ([HB 543](#)). See **Health and Human Services**.

Reward Amount/Arrest of Fugitive from Justice

S.L. 2013-276 ([HB 137](#)) increases the maximum amount from \$10,000 to \$100,000 that the Governor may offer for the apprehension of a fugitive, or for information leading to the arrest and conviction of a person suspected of a crime, whether the name or names are known or unknown.

This act became effective July 18, 2013. (HAP)

Mandatory Retirement Age for Magistrates

S.L. 2013-277 ([HB 161](#)) establishes a mandatory retirement age for magistrates. The act prohibits any magistrate from continuing in office beyond the last day of the month in which the magistrate reaches the mandatory retirement age for justices and judges of the General Court of Justice (currently age 72).

This act becomes effective January 1, 2015, and applies to individuals whose terms of office as magistrates begin on or after the effective date. (BK)

Pretrial Release/Rebuttable Presumption

S.L. 2013-298 ([SB 316](#)) amends:

- The statute pertaining to pretrial release in capital and noncapital cases by creating a rebuttable presumption that no condition of pretrial release will assure the appearance of the defendant and assure the safety of the community when there is reasonable cause to believe that the defendant, under certain conditions, committed a felony or Class A1 misdemeanor involving the illegal use, possession, or discharge of a firearm. The defendant subject to the presumption may be released only by a district or superior court judge upon a finding that there is a reasonable assurance that the person will appear and release prior to trial will not pose an unreasonable risk of harm to the community.
- The bond requirement from \$500 to \$1,000 when a secured bond is required due to failure to appear on previous occasions and there was no previous amount required. The act also provides that when a defendant is on pretrial release from another charge, the bail requirement is doubled from the previous requirement, or if no previous amount was required, then bail is to be set at at least \$1,000.

This act becomes effective December 1, 2013, and applies to proceedings to determine pretrial release conditions on or after that date. (HAP)

Criminal Defendant May Waive Jury Trial

S.L. 2013-300 ([SB 399](#)). See **Constitution and Elections**.

Criminal Contempt/Bail Procedure

S.L. 2013-303 ([HB 450](#)) provides that if confinement is adjudged as part of a contempt order, upon appeal, there will be a bail hearing by a designated judicial official other than the judicial official who found the person in contempt. If the designated judicial official has not held a bail hearing within 24 hours from the imposition of confinement, then any judicial official may hold the bail hearing.

This act becomes effective December 1, 2013, and applies to confinement imposed on or after that date. (HAP)

Increase Family Court Fee

S.L. 2013-304 ([HB 462](#)) increases the hourly fee that the Administrative Office of the Courts may charge for supervised visitation and exchange center services through a family court program from \$30 to \$50.

This act became effective July 1, 2013, and applies to services provided on or after that date. (JLH)

Involuntary Commitment Custody Orders

S.L. 2013-308 ([HB 635](#)) amends the statute for authorizing involuntary inpatient commitments to provide that the clerk or magistrate may transmit the custody order to the physician or psychologist, or a designee, by fax or email if: (1) a person is physically present at a 24-hour facility; (2) a physician or psychologist at the facility recommends that the person be involuntarily committed; and (3) a clerk or magistrate finds probable cause to believe the person meets the commitment criteria.

Upon receiving the custody order, the physician, psychologist, or designee is required to do the following:

- Notify the respondent that the respondent has neither committed a crime nor is under arrest, but is being taken into custody for safety and treatment reasons.
- Take the respondent into custody.
- Complete and sign the custody order and return it to the clerk or magistrate via facsimile or email.
- Mail the original custody order to the clerk or magistrate within five days of the facsimile or email return.

The act also makes a conforming change to the statute requiring a law enforcement officer or other person to take a person into custody when that person is already in custody at the 24-hour facility.

This act became effective October 1, 2013. (KQ)

North Carolina Agriculture and Forestry Act

S.L. 2013-314 ([HB 614](#)). See **Agriculture and Wildlife**.

Landlord/Tenant/Shorten Eviction Time

S.L. 2013-334 ([HB 802](#)) amends laws relating to eviction proceedings to shorten the time period required to evict a tenant, including the following:

- Adds a provision that a magistrate in an eviction proceeding may continue the case only for good cause shown, and not for a period longer than five days or until the next session of small claims court, absent the agreement of both parties.
- Amends certain provisions governing the appeal of judgments or orders entered by a magistrate.
- Reduces from 10 days to 7 days the period of time a landlord must hold a tenant's personal property before disposing of it, the time a tenant has to request possession of the tenant's property, and the time period for accounting for surplus funds from a sale of the property.
- Shortens the time within which a sheriff must execute a writ for possession of the rental property, and permits a landlord placed in lawful possession of premises by writ for possession to throw away, dispose of, or sell the tenant's unclaimed personal property after seven days.

This act became effective September 1, 2013, and applies to all actions for summary ejection filed on and after that date. (JPP)

Extend Time for Forensic Accreditation

S.L. 2013-338 ([SB 200](#)) extends the deadline for all laboratories conducting forensic or chemical analysis for admission in the courts of this State to be accredited by an accrediting agency that is a signatory to the International Laboratory Accreditation Cooperation Mutual

Arrangement For Testing. The requirement currently applies to the North Carolina State Crime Laboratory. All other laboratories have until July 1, 2016, to obtain the proper accreditation.

This act became effective July 23, 2013. (HAP)

Emergency and Crisis Training

S.L. 2013-360, Sec. 8.44 ([SB 402](#), Sec. 8.44). See **Education**.

Volunteer School Safety Resource Officer Program

S.L. 2013-360, Sec. 8.45 ([SB 402](#), Sec. 8.45). See **Education**.

AIDS Drug Assistance Program

S.L. 2013-360, Sec. 12E.5 ([SB 402](#), Sec. 12E.5). See **Health and Human Services**.

Reports on Department of Public Safety Training

S.L. 2013-360, Sec. 16A.5 ([SB 402](#), Sec. 16A.5) requires the Department of Public Safety (Department) to report to the Joint Legislative Oversight Committee on Justice and Public Safety on its training facilities and programs in accordance with the following deadlines:

- *October 1, 2013.* – Report on an examination of current training practices, Department training facilities, and efforts by the Department to consolidate its training facilities.
- *February 1, 2014.* – Report on a plan for operating the Samarkand training facility, an estimate of the Samarkand facility's impact on the use of other Department training facilities, and a cost savings estimate that could be achieved by consolidating training and activities and facilities at the Samarkand facility.
- *March 1, 2014.* – Report on an examination of the feasibility of relocating the Highway Patrol training facility to the Samarkand facility, and issues associated with upgrading the Samarkand facility for use by the State Highway Patrol as a training facility.

This section became effective July 1, 2013. (KQ)

Eliminate Butner Public Safety Authority

S.L. 2013-360, Sec. 16B.4 ([SB 402](#), Sec. 16B.4), eliminates the Butner Public Safety Authority, which provided fire and police protection for the territory of the Camp Butner Reservation and the Town of Butner. The act provides that the Town of Butner may contract with the State of North Carolina or any State agency for the provision of special police officers or fire protection within the territory of the Camp Butner Reservation. The act clarifies that the Town of Butner has no obligation to provide law enforcement or fire protection services outside of its corporate limits except pursuant to a contract with a State agency or facility, a federal entity, or a private person or entity.

This section became effective July 1, 2013. (SD)

Voice Interoperability Plan for Emergency Response (VIPER) System

S.L. 2013-360, Sec. 16B.5 ([SB 402](#), Sec. 16B.5) authorizes the Department of Public Safety to spend up to \$5 million during fiscal year 2013-2014 and up to \$10 million during fiscal year 2014-2015 to construct towers to facilitate the expansion of the VIPER system. The Department, other State agencies, offices, commissions, and non-State entities must not spend more than the amount of State funds authorized in this section. The section does not prevent the expenditure of additional federal funds and must not be construed to impair or authorize the breach of any contract. The Department is directed to report quarterly to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety regarding the progress of the State's VIPER system.

This section became effective July 1, 2013. (BR)

Alcohol Law Enforcement Reports

S.L. 2013-360, Sec. 16B.7 ([SB 402](#), Sec. 16B.7) requires the Department of Public Safety to report to the General Assembly, including the Joint Legislative Oversight Committee on Justice and Public Safety, by October 1, 2013, on measures being taken to meet the recurring reduction in funding for the Alcohol Law Enforcement Section and on the mission and organization of the Alcohol Law Enforcement Section.

This section became effective July 1, 2013. (KQ)

Inmate Medical Costs

S.L. 2013-360, Sec. 16C.4 ([SB 402](#), Sec. 16C.4) requires the Department of Public Safety to reimburse providers and facilities providing approved inmate medical services outside the correctional facility either (1) a rate of 70% of the provider's then-current prevailing charge or (2) two times the then-current Medicaid rate for any given service, whichever is less. The section also directs the Department to use its own hospital and health care facilities to provide health care services to inmates. When the Department must use other facilities and services, it is required to make reasonable efforts to use hospitals or other providers with which it has a contract, or if none is reasonably available, hospitals with available capacity.

In addition, the Department must report to the General Assembly, including the Joint Legislative Oversight Committee on Justice and Public Safety, by November 1, 2013, and quarterly thereafter, on issues related to inmate medical costs.

This section became effective July 1, 2013. (KQ)

Annual Report on Safekeepers

S.L. 2013-360, Sec. 16C.5 ([SB 402](#), Sec. 16C.5) requires the Department of Public Safety to report to the General Assembly, including the Joint Legislative Oversight Committee on Justice and Public Safety, by October 1 of each year on county prisoners housed in the State prison system pursuant to safekeeping orders.

This section became effective July 1, 2013. (KQ)

Statewide Misdemeanant Confinement Program

S.L. 2013-360, Sec. 16C.6 ([SB 402](#), Sec. 16C.6) limits the funds transferred from the Statewide Misdemeanant Confinement Fund to the North Carolina Sheriffs' Association to support the Statewide Misdemeanant Confinement Program to 5% of the monthly receipts, not to exceed

the sum of \$1 million annually. The section also directs the Sheriffs' Association to report annually to the General Assembly, including the Joint Legislative Oversight Committee on Justice and Public Safety, on the Statewide Misdemeanant Confinement Program.

This section became effective July 1, 2013. (PL)

Report on Probation and Parole Caseloads

S.L. 2013-360, Sec. 16C.10 ([SB 402](#), Sec. 16C.10) requires the Department of Public Safety to report to the General Assembly, including the Joint Legislative Oversight Committee on Justice and Public Safety, by March 1 of each year on caseload averages for probation and parole officers and on issues related to the number of sex offenders enrolled on active and passive GPS monitoring.

This section became effective July 1, 2013. (KQ)

Parole Eligibility Report/Mutual Agreement Parole Program/ Medical Release Program

S.L. 2013-360, Sec. 16C.11 ([SB 402](#), Sec. 16C.11), as amended by S.L. 2013-363, Sec. 6.5 ([HB 112](#), Sec. 6.5), mandates that the Post-Release Supervision and Parole Commission (Parole Commission), with the assistance of the North Carolina Sentencing and Policy Advisory Commission and the Department of Public Safety (Department), analyze the amount of time each inmate who is eligible for parole on or before July 1, 2014, has served compared to the time served by offenders under Structured Sentencing for comparable crimes. The Parole Commission must submit a report to the General Assembly by April 1, 2014.

The act also requires the Department and the Parole Commission to report to the General Assembly, including the Joint Legislative Oversight Committee on Justice and Public Safety, by March 1 of each year on the number of inmates enrolled in the mutual agreement parole program and the number of inmates who are granted medical release.

This section became effective July 1, 2013. (KQ)

Report on Treatment for Effective Community Supervision

S.L. 2013-360, Sec. 16C.12 ([SB 402](#), Sec. 16C.12) directs the Division of Community Corrections, Department of Public Safety, to report to the General Assembly, including the Joint Legislative Oversight Committee on Justice and Public Safety, by March 1 on the status of the Treatment for Effective Community Supervision program.

This section became effective July 1, 2013. (KQ)

Testing Inmates for HIV Infection

S.L. 2013-360, Sec. 16C.15 ([SB 402](#), Sec. 16C.15) requires that every person sentenced to imprisonment and committed to the custody of the Division of Adult Correction, Department of Public Safety, be tested for HIV infection. Each inmate who has not previously tested positive for HIV must be tested at least once every four years from the date of the inmate's initial testing and must be tested prior to the inmate's release from custody, unless the inmate was tested within one year of release. The results of each test must be reported to the inmate, and all inmates who test positive must be referred to public health officials for counseling.

This section became effective July 1, 2013. All inmates in the custody of the Division of Adult Correction on July 1, 2013, who have not previously been tested for HIV must be tested by October 1, 2013. (KQ)

Electronic Monitoring Fee

S.L. 2013-360, Sec. 16C.16 ([SB 402](#), Sec. 16C.16), as amended by S.L. 2013-363, Sec. 6.7(c) ([HB 112](#), Sec. 6.7(c)), provides that any person placed on house arrest with electronic monitoring must pay a daily fee in an amount that reflects the actual cost of providing the electronic monitoring device. The daily fees collected must be remitted to the Department of Public Safety to cover the costs of providing the electronic monitoring. This daily fee is in addition to the one-time \$90 fee the person must pay for the electronic monitoring device.

This section became effective September 1, 2013, and applies to persons placed on house arrest with electronic monitoring on or after that date. (SD)

Annual Evaluation of Community Programs and Multiple Purpose Group Homes

S.L. 2013-360, Sec. 16D.1 ([SB 402](#), Sec. 16D.1) requires the Department of Public Safety to conduct an annual evaluation of community programs and of multipurpose group homes for their effectiveness in reducing court involvement among juveniles and report the results of the evaluation to the General Assembly, including the Joint Legislative Oversight Committee on Justice and Public Safety, by March 1 of each year.

This section became effective July 1, 2013. (KQ)

Juvenile Crime Prevention Council Funds

S.L. 2013-360, Sec. 16D.2 ([SB 402](#), Sec. 16D.2) requires the Department of Public Safety to submit to the General Assembly, including the Joint Legislative Oversight Committee on Government Operations, by February 1 of each year a list of recipients of the local Juvenile Crime Prevention Council grants.

This section became effective July 1, 2013. (KQ)

Youth Development Center Annual Report

S.L. 2013-360, Sec. 16D.3 ([SB 402](#), Sec. 16D.3) requires the Department of Public Safety to report to the General Assembly, including the Joint Legislative Oversight Committee on Justice and Public Safety, by October 1 of each year on the Youth Development Center population, staffing, and capacity in the preceding fiscal year.

This section became effective July 1, 2013. (KQ)

Juvenile Facility Monthly Commitment Report

S.L. 2013-360, Sec. 16D.4 ([SB 402](#), Sec. 16D.4) requires the Department of Public Safety to report electronically on the first day of each month to the Fiscal Research Division of the General Assembly regarding each juvenile correctional facility and the average daily population for the previous month.

This section became effective July 1, 2013. (KQ)

Annual Reporting on Attorney Activity

S.L. 2013-360, Sec. 17.1 ([SB 402](#), Sec. 17.1) directs the Attorney General to report annually, beginning August 1, 2014, to the General Assembly, including the Joint Legislative Oversight Committee on Justice and Public Safety, on the work of Department of Justice

attorneys, including the amount of time spent on litigation, other work, and billing to clients. The report must contain only summaries of attorney activity, and must not include detailed information about the work of individual attorneys.

This section became effective July 1, 2013. (PL)

Annual Crime Lab Report

S.L. 2013-360, Sec. 17.2 ([SB 402](#), Sec. 17.2) directs the Attorney General to report annually, beginning October 1, 2013, to the General Assembly, including the Joint Legislative Oversight Committee on Justice and Public Safety, on the work of the North Carolina State Crime Laboratory. The report must contain information about the workload of the Laboratory, information about the number of cases completed, a breakdown by county of the number of submissions, and an average estimate of the dollar and time cost to perform each type of procedure and analysis.

This section became effective July 1, 2013. (PL)

Development of Training Program on Proper Procedures for Submission of Evidence to the Crime Lab

S.L. 2013-360, Sec. 17.3 ([SB 402](#), Sec. 17.3) requires the North Carolina State Crime Laboratory (Laboratory), in conjunction with the University of North Carolina School of Government and the Conference of District Attorneys, to develop a training curriculum for district attorneys that must include instruction on fundamentals of Laboratory forensic science disciplines, the Laboratory's electronic information system, and the Laboratory's case management guidelines. The Laboratory must report its progress on developing the training program to the General Assembly, including the Joint Legislative Oversight Committee on Justice and Public Safety, by October 1, 2013.

This section became effective July 1, 2013. (KQ)

Remove the North Carolina State Crime Laboratory from the State Bureau of Investigation

S.L. 2013-360, Sec. 17.6 ([SB 402](#), Sec. 17.6) removes the North Carolina State Crime Laboratory (Laboratory) and the State DNA Database and Databank from the State Bureau of Investigation, requires the Department of Justice (DOJ) to begin budgeting the Laboratory in a fund code separate from the remainder of the DOJ by July 1, 2014, and makes conforming statutory changes. In addition, the act authorizes the Director of the Laboratory to transfer employees from one Crime Laboratory location in the State to another.

The act also requires the Attorney General to designate the Laboratory as a North Carolina Internet Crimes Against Children affiliated agency.

This section became effective July 1, 2013. (KQ)

Transfer of Certain Department of Justice Positions to the Departments They Serve

S.L. 2013-360, Sec. 17.8 ([SB 402](#), Sec. 17.8), as amended by S.L. 2013-363, Sec. 6.2 ([HB 112](#), Sec. 6.2), transfers specific State employee positions (listed by position number) from the Department of Justice to certain State agencies. Any person employed in a position transferred under this section must report to the appropriate head of the State agency to which

the person is transferred. The Office of State Human Resources, formerly the Office of State Personnel, may reclassify the positions transferred into a comparable salary classification.

This section became effective October 1, 2013, except that effective July 1, 2013, any vacancies in the specified positions prior to October 1, 2013, may not be filled and no person may be transferred into any of the specified positions. (SD)

Office of Indigent Defense Services Report

S.L. 2013-360, Sec. 18A.1 ([SB 402](#), Sec. 18A.1), provides that the Office of Indigent Defense Services (Office), Administrative Office of the Courts, must report to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the General Assembly by March 1 of each year on:

- The volume and cost of cases handled in each district by assigned counsel or public defenders.
- Actions taken by the Office to improve the cost-effectiveness and quality of indigent defense, including the capital case program.
- Plans for changes in rules, standards, or regulations in the upcoming year.
- Any recommended changes in law or funding procedures that would assist the Office in improving the management of funds expended for indigent defense services, including any recommendations concerning the feasibility and desirability of establishing regional public defender offices.

This section became effective July 1, 2013. (SD)

Senior Resident Superior Court Judges Shall Appoint Public Defenders

S.L. 2013-360, Sec. 18A.5 ([SB 402](#), Sec. 18A.5), provides that for each new term, and to fill any vacancy, public defenders will be appointed by senior resident superior court judges. The judge will select the public defender from a list of two to three people nominated by licensed attorneys in the public defender's district.

This section became effective August 1, 2013. (SD)

Resolving Conflicts of Interest in Public Defender Offices

S.L. 2013-360, Sec. 18A.6 ([SB 402](#), Sec. 18A.6) amends the statute governing Public Defender Offices to allow a public defender, whenever practical, to request the appointment of an assistant public defender from another office in the region in cases when a conflict of interest exists in the office instead of obtaining private assigned counsel. This section also directs the Office of Indigent Defense Services to report annually to the Joint Legislative Oversight Committee on Justice and Public Safety on the number of conflicts of interest that arose in public defender offices and the cost in private assigned counsel funds, and on the number of conflicts of interest resolved through the new option of appointing an assistant public defender from another office in the region and the savings to the State in private assigned counsel funds as a result.

This section became effective July 1, 2013. (PL)

Conference of District Attorneys Grant Fund

S.L. 2013-360, Sec. 18B.4 ([SB 402](#), Sec. 18B.4) directs the Judicial Department to allocate \$500,000 to the Conference of District Attorneys to establish a grant fund to provide district attorneys with the resources to obtain toxicology analysis from local hospitals on persons charged with driving while impaired whose conduct did not result in serious injury or death to

others. The section also directs the Conference of District Attorneys to report to the Joint Legislative Oversight Committee on Justice and Public Safety on the expenditure of these funds.

This section became effective July 1, 2013. (PL)

Modify Legal Aid Domestic Violence Report

S.L. 2013-360, Sec. 18B.5 ([SB 402](#), Sec. 18B.5) directs the North Carolina State Bar to annually report on the amount of funds disbursed and the use of funds by legal services programs receiving funds to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety, rather than the General Assembly.

This section became effective July 1, 2013. (PL)

Family Court Programs

S.L. 2013-360, Sec. 18B.6 ([SB 402](#), Sec. 18B.6) directs the Administrative Office of the Courts to provide direction and oversight to existing family court programs to ensure that each district with a program is utilizing best practices and working effectively and efficiently and report these efforts to the General Assembly, including the Joint Legislative Oversight Committee on Justice and Public Safety, by March 1, 2014.

This section became effective July 1, 2013. (PL)

Minutes Maintained by the Clerk of Superior Court to Record Convening and Adjournment or Recess of Both District and Superior Court

S.L. 2013-360, Sec. 18B.8 ([SB 402](#), Sec. 18B.8) amends the statute governing the record keeping procedures for clerks of superior court to clarify that the clerk maintain records for the date and time of each convening of both district and superior courts and the date and time of each recess or adjournment of both district and superior courts. This section also directs the Administrative Office of the Courts to provide these records on a monthly basis to the National Center for State Courts and the General Assembly, including the Joint Legislative Oversight Committee on Justice and Public Safety.

This section becomes effective January 1, 2014. (PL)

Clerks' Acceptance of Credit Cards

S.L. 2013-360, Sec. 18B.11 ([SB 402](#), Sec. 18B.11) requires the Judicial Department to begin implementation of a system for acceptance of credit card payments for court costs. The Department must select at least five counties that do not currently accept credit card payments and implement a system in those counties by January 1, 2014, and must implement the system statewide by January 1, 2015. The Department is required to submit to the Joint Legislative Oversight Committee on Justice and Public Safety a report on implementation of the pilot system and plans for implementing the system in the remaining counties by February 1, 2014, and on statewide implementation by February 1, 2015.

This section became effective July 1, 2013. (KQ)

Amend Class 3 Misdemeanor Sentencing

S.L. 2013-360, Sec. 18B.13 ([SB 402](#), Sec. 18B.13) modifies the sentencing for Class 3 misdemeanors to provide that the judgment for a person convicted of a Class 3 misdemeanor who has no more than three prior convictions must consist of only a fine.

This section becomes effective December 1, 2013, and applies to offenses committed on or after that date. (SLS)

Reclassify Certain Class 1 and Class 2 Misdemeanors as Class 3 Misdemeanors

S.L. 2013-360, Sec. 18B.14 ([SB 402](#), Sec. 18B.14) reclassifies various Class 1 and Class 2 misdemeanors as Class 3 misdemeanors. *[Note: Some of the misdemeanors reclassified in subsections in this section were further reclassified to infractions by S.L. 2013-385 ([SB 182](#)) also summarized in this Chapter].*

This section becomes effective December 1, 2013, and applies to offenses committed on or after that date. (SLS)

Expunction Fees

S.L. 2013-360, Sec. 18B.16 ([SB 402](#), Sec. 18B.16) increases the filing fee for petitions to expunge a criminal record from \$125 to \$175. This section also requires the Administrative Office of the Courts and the Department of Justice to report annually on the number of expunctions granted and how the generated fees have been spent to the Joint Legislative Oversight Committee on Justice and Public Safety.

The increase in fee created by this section became effective September 1, 2013, and applies to petitions for expunction filed on or after that date. The remainder of this section became effective July 1, 2013. (SLS)

Amend Motion Fees

S.L. 2013-360, Sec. 18B.17 ([SB 402](#), Sec. 18B.17) provides that a \$20 payment must accompany any filing of a notice of hearing on a motion not listed in the statutes governing fees and commissions, which lists 21 documents that may be filed and the fee that must be paid upon filing. No more than one fee may be assessed for any motion for which a notice of hearing is filed, regardless of whether the hearing is continued, rescheduled, or otherwise delayed.

This section became effective August 1, 2013, and applies to notices of hearing on a motion filed on or after that date. (SD)

Criminal Justice Education and Standards Commission Court Fee

S.L. 2013-360, Sec. 18B.18 ([SB 402](#), Sec. 18B.18) removes the requirement that \$0.70 of each \$2 court fee remitted to the Department of Justice go to the Sheriffs' Education and Training Standards Commission. As a result, the entire \$2 fee is now remitted to the Criminal Justice Education and Standards Commission.

This section became effective August 1, 2013, and applies to all costs assessed or collected on or after that date. (KQ)

Court Costs for Services of Expert Witness Providing Testimony about a Chemical or Forensic Analysis at Trial

S.L. 2013-360, Sec. 18B.19 ([SB 402](#), Sec. 18B.19), provides that where a defendant is convicted of a crime, the trial court must order the defendant to pay \$600 for the services of an expert witness who testified at the defendant's trial concerning a chemical analysis or forensic analysis if the witness was employed by the North Carolina State Crime Laboratory or a crime laboratory operated by a local government. The court may waive the costs assessed only upon entry of a written order, supported by findings of fact and conclusions of law, determining just cause for the waiver.

This section became effective August 1, 2013, and applies to fees assessed or collected on or after that date. (SD)

Consolidate District Court and Prosecutorial Districts/ Restructure Superior Court, District Court, and Prosecutorial Districts/Authorize Additional District Court Judge

S.L. 2013-360, Sec. 18B.22 ([SB 402](#), Sec. 18B.22), as amended by S.L. 2013-33, Sec. 6.1 ([HB 112](#), Sec. 6.1), does all of the following:

- Combines district court and prosecutorial districts 6A and 6B to place Bertie, Halifax, Hertford, and Northampton Counties in the same district.
- Provides that Stanly County is a separate district for superior court, district court, and prosecutorial districts.
- Grants an additional district court judge to Forsyth County, District 21.

This section becomes effective January 1, 2015. (EC)

Eliminate Displaced Homemakers Program/Fund

S.L. 2013-360, Sec. 30.2 ([SB 402](#), Sec. 30.2). See **State Government**.

National Guard Projects

S.L. 2013-360, Sec. 36.11 ([SB 402](#), Sec. 36.11) directs the Department of Public Safety (Department) to allocate \$8.25 million towards 25 National Guard capital projects to provide a State match for an estimated \$21 million in federal funds. The section also directs the Department to report to the General Assembly, including the Joint Legislative Oversight Committee on Government Operations, and the Office of State Budget and Management every two years on the use of these funds.

This section also requires the Department to annually prepare a statewide plan for project priorities and funding recommendations for armories for a period of seven years into the future, and to submit the plan to the Director of the Budget. The section also provides that any unexpended appropriations for armories remaining at the end of a biennium do not revert to the General Fund, but constitute part of the permanent fund for the purposes of the National Guard.

This section became effective July 1, 2013. (PL)

Safe Harbor/Victims of Human Trafficking

S.L. 2013-368 ([SB 683](#)). See **Criminal Law and Procedure**.

Amend Various Firearms Laws

S.L. 2013-369 ([HB 937](#)). See **Criminal Law and Procedure**.

Amend Laws Pertaining to Department of Health and Human Services

S.L. 2013-378 ([HB 399](#)). See **Health and Human Services**.

Limit Appeals to Superior Court

S.L. 2013-385 ([SB 182](#)) limits appeals to superior court by eliminating appeals for infractions and prohibiting the appeal of probation revocations to superior court when the defendant has waived a revocation hearing. Additionally, the act modifies some appeals from superior court convictions by (1) providing that the statute which prohibits a judge from resentencing a defendant to a more severe sentence after a successful appeal of a superior court conviction does not apply to a defendant whose appeal results in having a plea of guilty vacated, and (2) removing some time limits and procedures for the handling of motions for appropriate relief.

The act also reduces several motor vehicle offenses relating to failure to carry a license or registration while driving and the offense of fishing without a license from misdemeanors to infractions.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date, probation violations occurring on or after that date, motions filed on or after that date, and resentencing hearings held on or after that date. (SLS)

Court Appointment

S.L. 2013-387, Sec. 4 ([SB 321](#), Sec. 4) alters the process to fill a vacancy in the office of district court judge. District court judges serve four-year terms and vacancies in the offices are filled for the unexpired term by appointment of the Governor from nominations submitted by the district bar. The act authorizes the local bar to nominate five persons for consideration by the Governor, who is to fill the vacancy by appointment. The Governor must give due consideration to the persons nominated by the local bar.

This section became effective August 23, 2013. (EC)

Assess Costs/Restraining Orders

S.L. 2013-390 ([SB 409](#)) amends the statutes providing for civil no-contact orders and emergency relief and temporary orders in cases involving domestic violence to provide that, consistent with the federal Violence Against Women Act, court costs and attorneys' fees may not be assessed for the filing, issuance, registration, or service of complaints, petitions for protective orders, orders, or witness subpoenas, except as provided in Rule 11 of the Rules of Civil Procedure. The act also provides that if a request for a temporary ex parte no contact order is granted, then a hearing for a permanent order must be set no later than 10 days from the date of the motion for a temporary order. If the temporary ex parte order is denied, the trial on the plaintiff's request for the no-contact order must be set for hearing within 30 days of the date of denial.

This act became effective October 1, 2013, and applies to actions commenced on or after that date. (BR)

Modify Judicial Discipline

S.L. 2013-404 ([HB 652](#)) modifies the laws related to the discipline of judges for violations of the North Carolina Code of Judicial Conduct. The act changes the definition of "public reprimand" to mean a finding by the Supreme Court, based upon a written recommendation by the Judicial Standard Commission, that a judge has violated the Code of Judicial Conduct but that the misconduct is minor. The term "public reprimand" no longer refers to a written action of the Commission. Based on this new definition, the act changes disclosure requirements as follows:

- After the Commission completes an investigation, if the Commission determines that disciplinary proceedings should be held, then the documents associated with the proceedings remain confidential.
- Commission disciplinary hearings are confidential.
- The Commission's recommendations to the Supreme Court and associated documents regarding further action are confidential.
- Once the Supreme Court issues a public reprimand or takes other adverse action in the case, then the documents associated with disciplinary proceedings and recommendations by the Commission are no longer confidential.

This act became effective August 23, 2013. (JLH)

Amend Interlocutory Appeals/Family Law

S.L. 2013-411 ([HB 122](#)) allows appeals from an order or judgment that arise from claims for absolute divorce, divorce from bed and board, child custody, child support, alimony, or equitable distribution, when the order or judgment otherwise would be final under Rule 54(b) of the Rules of Civil Procedure were it not for other pending claims in the same action.

This act became effective August 23, 2013. (JPP)

Various Emergency Management Changes

S.L. 2013-415 ([HB 15](#)). See **Transportation**.

Studies

Referrals to Departments, Agencies, Etc.

Magistrate Distribution Formula

S.L. 2013-360, Sec. 18B.7 ([SB 402](#), Sec. 18B.7) requires the Administrative Office of the Courts, in consultation with the National Center for State Courts, to study its current formula for the distribution of magistrates across the State and to report its findings and recommendations to the General Assembly by February 1, 2014.

This section became effective July 1, 2013. (KQ)

Study Use and Compensation of Court Reporters

S.L. 2013-360, Sec. 18B.21 ([SB 402](#), Sec. 18B.21) requires the Administrative Office of the Courts, in consultation with the National Center for State Courts, to study the most effective and efficient deployment of court reporters and compensation of court reporters and report findings to the General Assembly, including the Joint Legislative Oversight Committee on Justice and Public Safety, by February 1, 2014.

This section became effective July 1, 2013. (KQ)

RECLAIM North Carolina Act

S.L. 2013-418, Sec. 1 ([HB 786](#), Sec. 1) directs the Department of Public Safety, in conjunction with the Department of Insurance, the Division of Motor Vehicles, Department of Transportation, the Department of Commerce, and others, to study the potential impact of various measures that may be employed to address matters related to illegal immigration. The Department of Public Safety is authorized to use available funds to contract for services related to the study, and is directed to report its findings and recommendations to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by March 1, 2014.

This act became effective September 4, 2013. (BJC)

Chapter 8

Criminal Law and Procedure

Brenda Carter (BJC), Howard Alan Pell (HAP), Kelly Quick (KQ), Susan L. Sitze (SLS)

Enacted Legislation

Respect our Fallen Heroes

S.L. 2013-6 ([HB 19](#)) increases the penalty for disorderly conduct at a funeral or family processional to a funeral, and increases the period of time and the area within which such conduct is prohibited. The act amends the law to include conduct that occurs within 500 feet of the ceremonial site during the period beginning two hours before the service and ending two hours after the service. The act provides that a first offense is a Class 1 misdemeanor; a second offense is a Class I felony; a third or subsequent offense is a Class H felony.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (BJC)

Clarify Sex Offender Residence Law

S.L. 2013-28 ([SB 123](#)) codifies a provision in a 2006 law that prohibits a registered sex offender from residing at a location within 1,000 feet of a school or day care center unless the registered sex offender had established residency at that location prior to August 16, 2006. The act places the provision in the statute for clarification.

This act became effective April 16, 2013. (HAP)

Sex Trafficking/Sex Offender Registration

S.L. 2013-33 ([SB 122](#)) requires that a person convicted of human trafficking, where the offense is committed against a person under the age of 18 or the offense is committed with the intent to hold a person in sexual servitude, must register as a sex offender.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (SLS)

Kilah's Law/Increase Child Abuse Penalties

S.L. 2013-35 ([HB 75](#)) increases the penalties for several child abuse offenses, and provides for a recordkeeping system that identifies repeat child abuse offenders.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date and the recordkeeping provisions apply to judgments entered on or after that date. (HAP)

Lily's Law

S.L. 2013-47 ([SB 117](#)) codifies the common law rule that if a child is born alive, but dies of injuries inflicted prior to being born alive, it is murder under North Carolina's first degree murder statute, with the degree of murder determined in accordance with applicable law.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (HAP)

Caylee's Law/Report Missing Children

S.L. 2013-52 ([HB 149](#)) creates the criminal offense of failure to report the disappearance of a child to law enforcement, and makes failure to report a child as missing a grossly negligent omission that will subject the parent or other person providing care to or supervision of the minor to Class H felony punishment for child abuse if the child is seriously injured. The act increases the penalties for intentional concealment of the death of a child, and for making a false report to law enforcement concerning an investigation into the disappearance of a child or an investigation into certain felony offenses against child victims. The act also imposes criminal penalties for certain violations of the child abuse reporting law.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (BJC)

Prohibit Expunction Inquiry

S.L. 2013-53 ([SB 91](#)). See **Courts, Justice, and Corrections**.

Increase Penalties/Utilities Theft

S.L. 2013-88 ([SB 634](#)) increases the penalties for interfering with electric, gas, or water lines and meters.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (HAP)

Increase Penalty/Controlled Substance Crimes

S.L. 2013-90 ([SB 252](#)) increases the penalty for an employee of a medical practitioner, pharmacy, hospital, or other institution who misappropriates any controlled substances to which he or she may have access by virtue of the employment. The act makes the offense punishable as a Class G felony.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (BJC)

Amend Felony Breaking or Entering

S.L. 2013-95 ([HB 25](#)) makes it a Class H felony to break into a building with the intent to terrorize or injure an occupant.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (HAP)

Justice Reinvestment Technical Corrections

S.L. 2013-101 ([HB 361](#)). See **Courts, Justice, and Corrections**.

Ban Synthetic Cannabinoids

S.L. 2013-109 ([HB 813](#)) amends the definition of "synthetic cannabinoid" to mean any quantity of any synthetic compound that either:

- Is a cannabinoid receptor agonist and mimics the pharmacological effect of a naturally occurring substance, or

- Has a stimulant, depressant, or hallucinogenic effect on the central nervous system.

The act's definition of "synthetic cannabinoid" results in the inclusion in Schedule VI of the Controlled Substances Act of any drug that affects a cannabinoid receptor in the user's body and has the same pharmacological effect as a naturally occurring substance (marijuana). In addition, the act provides that a chemical compound that has a stimulant, depressant, or hallucinogenic effect on the central nervous system is included in Schedule VI.

This act became effective July 1, 2013, and applies to offenses committed on or after that date. (HAP)

Methamphetamine/Offense/Penalties

S.L. 2013-124 ([HB 29](#)) creates a Class H felony for possession of pseudoephedrine by a person who has a prior conviction for possession or manufacture of methamphetamine, and provides a sentence enhancement for any person convicted of manufacture of methamphetamine where a child or a disabled or elder adult is present.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (SLS)

Shoot Gun Inside/To Incite Fear

S.L. 2013-144 ([SB 124](#)) creates a class F felony for willfully or wantonly discharging or attempting to discharge a firearm within any occupied enclosure with the intent to incite fear in another.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (SLS)

Possession of Needles/Tell Law Officer

S.L. 2013-147 ([HB 850](#)) exempts persons from prosecution for possession of drug paraphernalia for needles or sharp objects when they alert an officer of the presence of the needle or sharp object prior to the officer conducting a search.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (SLS)

Capital Punishment/Amendments

S.L. 2013-154 ([SB 306](#)). See **Courts, Justice, and Corrections**.

Prohibit E-Cigarette Sales to Minors

S.L. 2013-165 ([SB 530](#)) adds tobacco-derived products and vapor products to the criminal statutes prohibiting access to tobacco products by individuals under the age of 18 years. The act requires proof of age for the purchase of cigarette wrapping papers and requires persons engaged in the distribution of tobacco products through the Internet to verify the purchaser's age.

This act became effective August 1, 2013, and applies to offenses committed on or after that date. (BJC)

Amend False Liens Law

S.L. 2013-170 ([SB 584](#)) expands the protection afforded public officers and employees against false liens or encumbrances against their real or personal property. The act makes it unlawful for a person to knowingly file a false lien or encumbrance against the real or personal property of the spouse or child of a public officer or employee on account of the officer or employee's official duties.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (BJC)

Evidence and DNA Expunction Laws

S.L. 2013-171 ([SB 630](#)). See **Courts, Justice, and Corrections**.

Driving While Impaired Cases/No International Laboratory Accreditation Cooperation Required

S.L. 2013-194 ([SB 285](#)). See **Courts, Justice, and Corrections**.

Sex Offender Residency/Registration Amendments

S.L. 2013-205 ([HB 333](#)) clarifies sex offender statutes relating to residency and registration. The act provides that a person released from a penal institution is guilty of a Class F felony if the person fails to register with the sheriff in the county where the person indicated he or she would reside upon release. A person arrested for failure to register is subject to the jurisdiction of the prosecutorial and judicial district that includes the sheriff's office in the county where the person failed to register as required.

This act became effective June 26, 2013. (BJC)

Amend Conditional Discharge/First Drug Offense

S.L. 2013-210 ([HB 641](#)). See **Courts, Justice, and Corrections**.

Courts/Procedure and Fee Amendments

S.L. 2013-225 ([HB 343](#)). See **Courts, Justice, and Corrections**.

Worthless Check/Present Cashed Check

S.L. 2013-244 ([HB 784](#)). See **Civil Law and Procedure**.

Pyrotechnics Technical and Conforming Changes

S.L. 2013-275 ([HB 783](#)). See **Insurance**.

Increase Penalties for Misuse of 911 System

S.L. 2013-286, Sec. 1 ([HB 345](#), Sec. 1) increases the penalty for misuse of the 911 system from a Class 3 misdemeanor to a Class 1 misdemeanor. Misuse of the 911 system

includes accessing or attempting to access the 911 system for a purpose other than an emergency communication by a person who is not seeking public safety assistance, is not providing 911 service, or is not responding to a 911 call.

This section becomes effective December 1, 2013, and applies to offenses committed on or after that date. (KQ)

Pretrial Release/Rebuttable Presumption

S.L. 2013-298 ([SB 316](#)). See **Courts, Justice, and Corrections**.

Prohibit Use of Tax Zapper Software

S.L. 2013-301 ([SB 465](#)) makes it unlawful to sell, purchase, or use software programs that falsify the electronic records of electronic cash registers and other point-of-sale systems. The offense is a Class H felony, with a fine of up to \$10,000.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (BJC)

Strengthen Laws/Vehicle Theft

S.L. 2013-323 ([HB 26](#)), as amended by S.L. 2013-410, Sec. 28 ([HB 92](#), Sec. 28), amends the laws to:

- Increase the penalty for activities related to the dismantling and resale of parts from a stolen motor vehicle.
- Provide that a person need only have reasonable grounds to believe, rather than actual knowledge, that the activity was illegal.
- Create a real-time on-line system to verify with the Division of Motor Vehicles, Department of Transportation, that a motor vehicle being sold for scrap metal or parts is not a stolen vehicle.
- Require scrap dealers to submit required information into the National Motor Vehicle Title Information System.

Effective August 23, 2013, the Division of Motor Vehicles is protected from liability if it reports that a vehicle is not stolen based on available information. The Division also must establish procedures and software solutions to implement the new reporting system by October 1, 2014.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (HAP)

Financial Exploitation of Older Adults

S.L. 2013-337 ([SB 140](#)) makes changes to statutes prohibiting fraud and exploitation of disabled or older adults, including:

- Allowing county department of social services (DSS) and law enforcement agencies to obtain financial records needed to investigate alleged financial exploitation.
- Exempting financial institutions and requesting entities from liability when acting in good faith.
- Allowing financial institutions to maintain lists of authorized customer contacts to report a suspected case of financial exploitation.
- Requiring financial institutions to report suspected fraud to designated customer contacts, law enforcement agencies, and county DSS.
- Continuing and modifying membership of the Task Force on Fraud Against Older Adults, effective July 23, 2013.

Except as otherwise provided, this act becomes effective December 1, 2013. The criminal provisions of this act apply to offenses committed on or after that date. (SLS)

MAP 21 Conforming Revisions

S.L. 2013-348 ([SB 659](#)). See **Transportation**.

Safe Harbor/Victims of Human Trafficking

S.L. 2013-368 ([SB 683](#)) makes various changes to the criminal laws relating to human trafficking, sexual servitude, and prostitution.

The act modifies the definitions of "human trafficking" and "sexual servitude" to include actions taken in reckless disregard of the consequences, and also clarifies that neither mistake of age nor consent of a minor is a defense to prosecution for one of these offenses against a minor.

The act rewrites the prostitution laws to provide greater penalties to those soliciting and hiring prostitutes, provide immunity from prosecution for minors, and provide a conditional discharge program for first offenders. Provisions also are made for expunction of prostitution convictions, vacating of charges where the prostitute is a victim of sexual trafficking, allowing a victim of human trafficking to make a claim to the Crime Victims Compensation Fund, and requiring mandatory restitution to a victim of human trafficking, involuntary servitude, or sexual servitude in at least the value of the victim's labor under minimum wage laws.

Effective July 29, 2013, the act also provides for parole consideration for certain inmates sentenced under the Fair Sentencing Act.

The act modifies the membership of the North Carolina Human Trafficking Commission.

Except as otherwise noted, this act became effective October 1, 2013, and applies to offenses committed on or after that date. (SLS)

Amend Various Firearms Laws

S.L. 2013-369 ([HB 937](#)) makes various changes to the firearms laws as follows:

- Clarifies that a concealed carry permit holder may have a handgun in a locked vehicle in a parking lot owned or leased by State government.
- Authorizes certain employees who reside on the campus of a college, university, or boarding school to have a handgun on the premises of their residence.
- Authorizes a concealed carry permit holder to have a handgun in a locked vehicle on educational property.
- Authorizes a concealed carry permit holder to have a handgun at assemblies where admission is charged, establishments that serve alcohol, and at parades and funeral processions, unless a notice is posted prohibiting it.
- Modifies the law regarding permitting children under 12 years of age to use a firearm.
- Increases the sentencing enhancement for using, displaying, or threatening to use or display a firearm.
- Redefines the "recreational facilities" where local governments can regulate the possession of concealed handguns.
- Clarifies the law regarding which mental health determinations must be reported to the National Instant Criminal Background Check System and requires transmission of those determinations within set time frames.
- Provides that records of concealed carry permit holders, pistol permit holders, and firearm dealer records are not public record.

- Increases the penalty for violating the conditions of a concealed carry permit by carrying on posted property or carrying while consuming alcohol or having alcohol in the person's system.
- Makes modifications to the pistol permit process and requires revocation of pistol permits and concealed carry permits of persons who have had a disqualifying event.
- Exempts district court and superior court judges, magistrates, clerks of court, and registers of deeds with concealed carry permits from the general prohibitions against carrying concealed on certain premises or in certain circumstances.
- Authorizes hunting with a silencer.
- Conforms the definition of "qualified retired law enforcement officer" with federal law.
- Creates the status offense of armed habitual felon.

This act became effective October 1, 2013. Provisions affecting criminal penalties apply to offenses committed on or after that date. (SLS)

Voter Information Verification Act/Election Reform

S.L. 2013-381 ([HB 589](#)). See **Constitution and Elections**.

Felony Escape

S.L. 2013-389, Sec. 3 ([SB 368](#), Sec. 3) broadens the existing law that makes it a Class H felony to escape from custody while awaiting transfer to the State prison system after being convicted of a felony to include escaping from custody while awaiting trial on a felony charge.

This section becomes effective December 1, 2013, and applies to offenses committed on or after that date. (KQ)

No Filing Fee for Notice of Denied Lien or Encumbrance

S.L. 2013-410, Sec. 27.8 ([HB 92](#), Sec. 27.8) amends the law regarding the filing of a false lien or encumbrance by clarifying that filing fees cannot be collected for the filing of a Notice of Denied Lien or Encumbrance.

This section became effective August 23, 2013. (KQ)

Regulatory Reform

Clarifying and Conforming Changes to Statutes Pertaining to the Management of Snakes and Other Reptiles

S.L. 2013-413, Sec. 38 ([HB 74](#), Sec. 38) amends the statute regulating ownership or use of venomous reptiles to correctly refer to the term "antivenin," not "antivenom," as the serum or treatment for venom. This section also amends the statute governing the investigation of suspected violations, seizure, and disposition of reptiles to direct law enforcement personnel to consult with representatives of the North Carolina Museum of Natural Sciences (Museum) or the North Carolina Zoological Park (Zoo) to identify appropriate and safe methods to seize a reptile. If there is an immediate risk to public safety, the officer is not required to consult first with Museum or Zoo representatives. Further, this section authorizes the representatives of the Museum or the Zoo to euthanize a venomous reptile for which antivenin is not readily available.

This section became effective August 23, 2013. (KQ)

Chapter 9

Education

Denise Huntley Adams (DHA), Dee Atkinson (DA), Drupti Chauhan (DC),
Kara McCraw (KM), Patsy Pierce (PLP)

Enacted Legislation

Public Schools

Increase Access to Career/Technical Education

S.L. 2013-1 ([SB 14](#)), as amended by S.L. 2013-410, Sec. 16.1 ([HB 92](#), Sec. 16.1), directs the State Board of Education (SBE) to establish, implement, and determine the impact of adding endorsements to high school diplomas. These endorsements will reflect foci of student coursework to indicate a career, college, or a college and career concentration. The SBE must report to the Joint Legislative Education Oversight Committee (JLEOC) on progress toward establishing the endorsements by February 1, 2014, make the endorsements available beginning with the 2014-2015 school year, and report to the JLEOC on the impact of awarding the endorsements by September 1, 2016, and annually thereafter.

The act also directs the SBE to coordinate placement of NC Teacher Corps members in schools with unmet recruitment needs, especially for career and technical education (CTE) teachers. The SBE must revise education and evaluation requirements for CTE teacher licensure, and develop alternative professional development models for CTE teachers who may not have extensive teaching or classroom management experience. The SBE must report to the JLEOC on progress made to increase accessibility of the licensure process and of professional development for CTE teachers by January 15, 2014.

The SBE, in collaboration with the State Board of Community Colleges (SBCC), must develop strategies to increase the number of high school students engaged in CTE, especially in engineering and industrial technologies, and in other occupations with high numbers of employment opportunities. The SBE and the SBCC must report to the JLEOC on these strategies by October 1, 2014.

This act became effective February 18, 2013. (PLP)

Digital Learning Competencies/School Employees

S.L. 2013-11 ([HB 23](#)), as amended by S.L. 2013-226 ([SB 168](#)), and S.L. 2013-410, Sec. 20 ([HB 92](#), Sec. 20), directs the State Board of Education (SBE) to develop digital teaching and learning competencies for skills needed to provide high quality, integrated digital teaching and learning. Beginning in 2017, the SBE must require students in school administrator preparation programs to demonstrate competencies in using digital and other instructional technologies and supporting teachers and school personnel in those uses, and require continuing education in digital teaching and learning be integrated into the requirements for licensure renewal for school administrators.

This act became effective March 15, 2013. The increased digital learning requirements for school administrator licensure and licensure renewal become effective July 1, 2017, and apply beginning with the 2017-2018 school year. (KM)

Transition to Digital Learning in Schools

S.L. 2013-12 ([HB 44](#)) states the intent of the current General Assembly to transition from funding textbooks, both traditional and digital, to funding digital materials, including digital textbooks and instructional resources, in the public schools by 2017.

This act became effective March 15, 2013. (PP)

Amend Law Defining Home Schools

S.L. 2013-57 ([SB 189](#)) amends the definition of home school to allow parents, legal guardians, or members of the household to determine the scope and sequence of academic instruction, provide academic instruction, and determine additional sources of academic instruction for the children in the home school.

This act became effective May 30, 2013. (KM)

Back to Basics

S.L. 2013-71 ([HB 146](#)) requires that instruction of cursive writing and memorization of multiplication tables be included as part of the standard course of study in public schools.

This act became effective June 12, 2013, and applies beginning with the 2013-2014 school year. (PLP)

Reporting and Terms for Longitudinal Data Board

S.L. 2013-80 ([HB 591](#)), as amended by S.L. 2013-410, Sec. 22 ([HB 92](#), Sec. 22), makes the following changes pertaining to the governing board of the North Carolina Longitudinal Data System:

- Deletes the option for the State Chief Information Officer (State CIO) to designate someone to sit on the Board in the place of the State CIO.
- Specifies that appointed members' terms begin on May 1, 2013, and every four years thereafter.
- Provides that the State CIO is chair of the Board (rather than the chair being elected by the membership of the Board).
- Directs the Board to hold an initial meeting upon appointment of a majority of the appointed members. The Board is required to meet quarterly, but may meet more frequently upon call of the chair.
- Requires the Board to report quarterly (rather than annually), to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Oversight Committee on Information Technology (in addition to the Joint Legislative Education Oversight Committee.)

This act became effective June 12, 2013. (DHA)

Improve Education for Children Who are Deaf

S.L. 2013-119 ([HB 317](#)) directs the State Board of Education to do the following:

- Develop culturally and linguistically appropriate assessment procedures to assess literacy skills at least annually, and to address the outcomes of the annual assessment.
- Require an individualized education program (IEP) team to use the Communication Plan Worksheet for Students Who are Deaf and Hard of Hearing to assist in making placement decisions, and to annually review needs and placements.

- Ensure availability of highly qualified personnel to meet academic and social goals, including interactions in the child's language and communication modality.
- Ensure that parents know their right to request the IEP team to consider residential placement, and if this request is made, that a representative from one of the residential schools/day programs be made a member of the IEP team.

The Department of Health and Human Services and other State agencies and organizations must make their databases containing information on children birth to 22 years who are deaf and hard of hearing available to the Department of Public Instruction (DPI), upon DPI's request. DPI must use this information to develop and maintain a statewide data tracking system to coordinate State agency and organization efforts to ensure literacy achievement for all children who are deaf and hard of hearing.

This act became effective June 19, 2013. (PLP)

Jury Instructions for School Budget Dispute

S.L. 2013-141 ([HB 765](#)) requires that, in a dispute between a local board of education and board of county commissioners over appropriations to the local current expense fund or capital outlay fund, the trial court or jury must make findings as to the amount of money needed from all sources and the amount of money legally needed from the board of county commissioners in order to maintain a system of free public schools. The judge or jury must consider the following in making the findings:

- The educational goals and policies of the State and the local board of education.
- The budgetary request of the local board of education.
- The financial resources of the county and the local board of education.
- The fiscal policies of the board of county commissioners and the local board of education.

This act became effective June 19, 2013, and applies to all actions commenced on or after that date. (KM)

Alternate ACT/PLAN for Certain Students

S.L. 2013-208 ([HB 587](#)) directs the State Board of Education (SBE) to administer an alternate ACT or PLAN assessment to a student who: (1) exhibits severe and pervasive delays in academic and adaptive behavioral development, (2) is following the extended content standards of the Standard Course of Study or a course of study that, upon completing high school, may not lead to admission in a college level course of study resulting in a college degree; and (3) has a written parental request for an alternate assessment. An alternate assessment for career and college readiness for students not taking the ACT or PLAN will be developed. The SBE will pilot the ACT alternate during the 2013-2014 school year, and pilot the PLAN alternate during the 2014-2015 school year. Students taking the pilot versions of the tests will not take the ACT and the PLAN, and where possible, the results of the ACT pilot will be included in school accountability reports.

This act became effective June 26, 2013. (SK)

Clarify Education Reporting Requirements

S.L. 2013-226 ([SB 168](#)), as amended by S.L. 2013-410, Sec. 20(a) ([HB 92](#), Sec. 20(a)), repeals several reporting requirements for the State Board of Education (SBE), including the evaluation of the Disadvantaged Student Supplemental Funding Initiative and Low-Wealth Initiative. The requirement that the SBE periodically review and report data on the progress of students who have personal education plans to the Joint Legislative Education Oversight Committee also is repealed. The State child nutrition standards and annual report to the SBE and

the Joint Legislative Education Oversight Committee from the Child Nutrition Services Section of the Department of Public Instruction also is repealed.

This act also clarifies the teacher licensure statutes and directs teacher education programs to include information on the effectiveness of their graduates when fulfilling annual reporting requirements to the SBE. The act also directs SBE to create an educator preparation program report card.

This act became effective July 3, 2013, and applies beginning with the 2013-2014 school year. (PLP)

Child Nutrition Program Solvency and Support

S.L. 2013-235 ([HB 57](#)) prohibits a local school administrative unit from assessing indirect costs to their child nutrition program unless the program has a minimum of one month's operating balance. One month's operating balance is equal to the net cash resources divided by one month's operating costs. The North Carolina Procurement Alliance is directed to promote optimal pricing for program foods and supplies.

This act became effective July 1, 2013. (SK)

Substitute Teacher Deduction/Personal Leave

S.L. 2013-240 ([HB 249](#)) requires teachers to be refunded the cost of the substitute deduction if a teacher uses personal leave on a day other than a teacher workday and a substitute is not hired. Teachers will receive full salary for personal leave taken on teacher workdays.

This act became effective July 3, 2013, and applies beginning with the 2013-2014 school year. (PLP)

Residential School Changes

S.L. 2013-247 ([HB 868](#)) provides that the State Board of Education (SBE) is the governing agency of the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf. The SBE is directed to adopt rules to implement the laws and the act specifies four factors that the SBE must use in determining admission criteria for these three schools:

- State and federal laws.
- Optimal academic and communicative outcomes for the child.
- Parental input and choice.
- Recommendations in a child's Individualized Education Program.

The current rules governing the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf remain in effect until superseded by rules adopted by the SBE pursuant to this act.

This act became effective July 3, 2013. (DHA)

Corporal Pruitt Rainey Brass to Class Act

S.L. 2013-268 ([HB 767](#)) directs the State Board of Education (SBE) to establish rules for awarding credit for salary purposes to principals, assistant principals, and teachers who have retired or received an Honorable Discharge from the Armed Forces of the United States. The SBE also must establish criteria within the rules for determining the relevance of nonteaching work experience earned while on active military duty to be credited towards an individual's total licensure experience rating. The SBE continues to have the authority to cap nonteaching experience credit for Junior Reserve Officer Training Corps. The SBE must report, by February 28,

2014, to the Joint Legislative Education Oversight Committee on the rules drafted to implement this act.

This act became effective July 17, 2013, and applies to military veterans initially employed by local school administrative units in the 2014-2015 school year and beyond. (PLP)

TRICARE Supplement for Flexible Accounts

S.L. 2013-292 ([HB 402](#)). See **State Government**.

Modify Duties/Advisory Council on Indian Education

S.L. 2013-295 ([SB 231](#)) modifies the duties of the Advisory Council on Indian Education to include the following:

- Annually review educational data provided by the Department of Public Instruction (DPI).
- Advocate for programs to eradicate low achievement.
- Annually report recommendations to improve student outcomes to the State Board of Education (SBE), tribal councils, the North Carolina Commission of Indian Affairs, and at the annual Indian unity conference.
- Work closely with DPI, tribal leaders, and Title VII coordinators to improve communication and coordination among programs.
- Improve consultations among the SBE, DPI, tribal communities, parents and students.
- Advise the SBE on any other matters upon request by the SBE.

This act became effective July 18, 2013. (PLP)

Health Curriculum/Preterm Birth

S.L. 2013-307 ([SB 132](#)) requires that the reproductive health and safety education program provided by each local school administrative unit starting in the seventh grade must include instruction about the preventable risks of preterm birth in subsequent pregnancies. The Department of Public Instruction (DPI) must ensure that charter schools annually provide students in grades 7 through 12 information on the preventable risks for preterm birth in subsequent pregnancies. The Division of Nonpublic Education, Department of Administration, must ensure that information on the preventable risks for preterm birth in subsequent pregnancies is available to private schools, qualified nonpublic schools, and home schools. The preventable risks of preterm birth include induced abortion, smoking, alcohol consumption, the use of illicit drugs, and inadequate prenatal care.

The Division of Public Health, Department of Health and Human Services, must provide sample educational materials with the most current information about the preventable causes of preterm birth to DPI and the Division of Nonpublic Education within 60 days of the effective date of this act and annually thereafter.

This act became effective July 18, 2013, and applies beginning with the 2013-2014 school year. (SK)

Tax Simplification and Reduction Act

S.L. 2013-316 ([HB 998](#)). See **Finance**.

North Carolina Charter School Advisory Board

S.L. 2013-355 ([SB 337](#)) makes numerous changes to the charter school laws. The act creates the North Carolina Charter Schools Advisory Board (Advisory Board) to make recommendations to the State Board of Education (SBE) on the adoption of rules related to charter schools and on actions regarding charter schools, including approvals, renewals, and revocations. The North Carolina Charter School Advisory Council established by the SBE is abolished. The act amends the law such that only nonprofit corporations can apply to establish a charter school. The preliminary approval process is repealed and no preliminary approvals for charters can be granted from an entity such as a local board of education or a North Carolina constituent institution. Charter schools can no longer agree to be accountable to the local board of education (local board) of the local school administrative unit (LEA) in which the charter is located rather than the SBE. Applicants for charters are no longer required to submit a copy of their charter school application to the local board of the LEA in which the charter school would be located, and information received from the local board regarding the charter application does not have to be considered by the SBE in reviewing the charter application. The SBE must establish reasonable fees of no less than \$500 and no more than \$1,000 for initial and renewal charter applications in accordance with the Administrative Procedure Act. If a charter school has requested to lease available buildings or land from the local board of the LEA in which the charter school is located and is unable to reach an agreement with the local board, the charter school has the right to appeal to the board of county commissioners, who has the final decision-making authority on the leasing issue.

At least 50% of charter school teachers in grades K through 12 must be licensed, and all charter school teachers teaching core subject areas must be college graduates. If the local board of the LEA in which a charter school is located has a policy on criminal history checks, then the board of directors of each charter school in that LEA must adopt a policy mirroring the LEA's policy. The SBE no longer conducts criminal history checks for charter schools, and there is no liability for negligence on the part of the SBE, the board of directors of a charter school, or their employees for any act or omission in carrying out criminal history checks except in cases of gross negligence, wanton conduct, or intentional wrongdoing.

The SBE can terminate, not renew, or seek applicants to assume a charter through a competitive bid process, and public assets transfer to the new entity rather than revert to the LEA in which the charter is located. Charter schools can use State funds for payments on loans made to them for operations. LEAs must transfer the per pupil share of the local current expense fund to the charter school within 30 days of the receipt of monies into the local current expense fund. An LEA must provide to each charter school it transfers a per pupil share of its local current expense fund the following information within the 30-day time period: (1) the total amount of monies the LEA has in each of the funds listed in the uniform budget, such as reimbursements, fees for actual costs, tuition, sales tax refunds, etc.; (2) the student membership numbers used to calculate the per pupil share of the local current expense fund; and (3) how the per pupil share of the local current expense fund was calculated. Before bringing an action regarding a funding transfer, the complaining party must give the other party 15 days written notice of the alleged violation. The court must award the prevailing party reasonable attorney fees and costs in an action to enforce a funding transfer. Any delinquent funds, costs, fees, and interest must be paid in equal monthly installments with payment in full no later than three years from the entry of any judgment.

The act clarifies that special funds of individual schools are not to be included as a part of the local current expense fund of an LEA for determining the per pupil share of the local

current expense fund to be transferred to a charter school. Additionally, an exception is created to allow assignments of State monies by charter schools to obtain funds for facilities, equipment, or operations.

The abolishment of the North Carolina Charter School Advisory Council established by the SBE became effective August 1, 2013. The remainder of the act became effective July 25, 2013. (DC)

Charter School/Property Tax Exemption

S.L. 2013-355, Sec. 3 ([SB 337](#), Sec. 3). See **Finance**.

Charter School Enrollment and Charter Revisions

S.L. 2013-359 ([HB 250](#)) amends the enrollment procedures and priorities for charter schools by:

- Requiring a charter school to make efforts to reasonably reflect the racial and ethnic composition of the general population or the special population the school seeks to serve residing within the local school administrative unit.
- Allowing a charter school to give priority to siblings of students who are no longer enrolled, if the sibling was enrolled in at least four grade levels and completed the highest grade level offered, or if less than four grades are offered, in the maximum number of grades offered.
- Allowing a charter school to give priority to the following children if the total number of those children do not exceed 15% of the total enrollment:
 - Children of full-time employees.
 - Children of the charter school's board of directors for the first year of operation. The State Board of Education (SBE) can waive the 15% cap.
- Creating a new class of enrollment priority for students enrolled in the charter school within the previous two years who left the school:
 - To participate in an academic study abroad program or a competitive admission residential program.
 - Because of the vocational opportunities of the student's parents.
- Allowing a charter school to enter all siblings into the lottery together under one surname and admitting those siblings to the extent that space is available and grade level capacity is not exceeded.

The act adds the expansion of one grade higher than currently offered if the charter school has operated for a minimum of three years and has not been identified as having inadequate performance as an event that must not be considered a material revision of a charter application and does not require prior approval by the SBE.

This act became effective July 26, 2013, and applies beginning with the 2013-2014 school year. (SK)

Revise Public School Building Capital Fund/Appropriate Education Lottery Funds

S.L. 2013-360, Secs. 6.11(a) through (e) ([SB 402](#), Secs. 6.11(a) through (e)) revises the allocation formula and use of monies in the Public School Building Capital Fund (Capital Fund) and the Education Lottery Fund (Lottery Fund). Monies previously credited to the Capital Fund from the corporate income tax may continue to be used for capital outlay projects. Effective June 30, 2013, automatic distribution of certain net revenues from the Lottery Fund for reduction of class size, to support academic pre-kindergarten programs, to the Capital Fund, and to fund college and university scholarships are repealed. The General Assembly will appropriate those net

revenues from the Lottery Fund for education-related purposes. Funds appropriated from the Lottery Fund to the Capital Fund will be allocated for school capital construction projects on a per pupil average daily membership basis.

Except as otherwise provided, this section became effective July 1, 2013. (KM)

Public School Procurement of Information Technology

S.L. 2013-360, Sec. 7.6 ([SB 402](#), Sec. 7.6). See **State Government**.

School Bus Replacement

S.L. 2013-360, Sec. 8.11 ([SB 402](#), Sec. 8.11) modifies the replacement process for school buses in the statewide fleet. A bus is eligible for replacement with State funds when either it is 20 years old by model year or has been operated for 250,000 miles, except in the following two situations:

- A bus that has been operated for less than 150,000 miles is not eligible for replacement regardless of its model year.
- A bus that is less than 15 years old by model year is not eligible for replacement until the bus has been operated for 300,000 miles.

The State Board of Education may authorize the replacement of up to 30 buses each year due to safety, mechanical, or structural concerns that would place an undue burden on a local school administrative unit (LEA). An LEA will receive an incentive payment of \$2,000 at the beginning of each school year for each bus that it continues to operate although the bus is eligible for replacement, until the bus is 23 years old by model year.

For the 2013-2015 fiscal biennium only, State funds will be used, at the request of a LEA, to replace all buses that are 20 years old by model year in addition to all buses eligible for replacement under the new replacement process.

This section became effective July 1, 2013. (DHA)

Local School Administrative Unit Budgetary Flexibility

S.L. 2013-360, Sec. 8.14 ([SB 402](#), Sec. 8.14) eliminates many of the limitations on the transfer of funds between funding allotment categories, allowing local school administrative units (LEAs) more flexibility to move monies. The following limitations will remain:

- Funds for children with disabilities, career and technical education, and other purposes may be transferred only as permitted by federal law and the conditions of federal grants or as provided by any rules adopted by the State Board of Education (SBE) to ensure federal compliance.
- No funds are allowed to be transferred into the central office administration category.
- Positions allocated for classroom teachers may be converted to dollar equivalents to contract for visiting international exchange teachers.
- Positions allocated for classroom teachers and instructional support personnel also may be converted to dollar equivalents for purposes authorized by the SBE.
- Funds allocated for school building administration may be converted for any purpose authorized by the policies of the SBE.
- Funds allocated to carry out the Read to Achieve Program under the Excellent Public Schools Act cannot be transferred.

LEAs must publish the following information, written in plain English, on their Web sites by October 15 of each year:

- A description of each program report code and summary of the prior fiscal year's expenditure of State funds within each program code.

- A description of each object code within a program report code and summary of the prior fiscal year's expenditure of State funds for each object code.
- A description of each allotment transfer that increased or decreased the initial allotment amount by more than 5% and the educational priorities that necessitated the transfer.

This section became effective July 1, 2013. (DC)

Participation in Communities in Schools Learning Initiative

S.L. 2013-360, Sec. 8.17 ([SB 402](#), Sec. 8.17) provides that students enrolled in the Harvard University Reads for Summer Learning Initiative (Initiative), which is conducted with Communities in Schools of North Carolina (CISNC), are exempted from mandatory retention requirements under the North Carolina Read to Achieve Program. A student participating in the Initiative who needs more intensive intervention must be placed in a summer reading program as determined by the local school administrative unit and as approved by the student's parent or guardian.

CISNC must report to the Joint Legislative Education Oversight Committee on the Initiative by November 1, 2015, and include reading competency outcome data for all participating students.

This section became effective July 1, 2013, and expires at the end of the 2014-2015 school year. (DC)

Regional School Boards

S.L. 2013-360, Sec. 8.20 ([SB 402](#), Sec. 8.20) requires that the board of directors for the chamber of commerce of the county in which a regional school is located, in consultation with the North Carolina Economic Developers Association, appoint at least three members as representatives of the business community to the board of directors for a regional school. At least 50% of the members of a board of directors for a regional school must be representatives of the business community appointed in accordance with this section.

This section became effective July 1, 2013. (SK)

Teach for America Expansion and North Carolina Teacher Corps

S.L. 2013-360, Sec. 8.21 ([SB 402](#), Sec. 8.21) makes various changes to the Teach for America (TFA) and the North Carolina Teacher Corps (Teacher Corps) programs, including:

Expansion of TFA. — Directs TFA to use a portion of the funds available to it for the 2013-2015 fiscal biennium to recruit, train, support, and retain teachers to work in North Carolina public schools and to raise additional funds to expand its current programs and initiate new programs, including Teach Back Home (recruiting teaching candidates who are North Carolina residents) and Teach Beyond Two and Make it Home (encouraging teaching commitments beyond TFA's required two years).

Reports. — By March 1, 2014, and annually beginning on January 1, 2015, TFA must report to the Joint Legislative Education Oversight Committee on the operation of its program, including: (1) the number of applicants received nationally; (2) the number of applicants received from North Carolina residents; (3) North Carolina residents accepted by TFA; (4) applicants placed in the State; (5) regions where TFA candidates work; (6) recruiting and retention efforts; and (7) a financial accounting of how State funds appropriated to TFA were expended in the previous year.

TFA must submit quarterly updates on the information in the annual report to the General Assembly.

TFA and Teacher Corps. — Effective July 1, 2014, the State Board of Education is directed to enter into a contract with TFA to administer the Teachers Corps, and beginning with the 2014-2015 fiscal year, TFA must use a portion of the funds available to administer the program. The SBE is directed to provide ongoing support to Teacher Corps members who were placed in the public schools for the 2012-2013 and 2014-2015 school years.

This section became effective July 1, 2013. (DHA)

Phase Out Certain Teacher Salary Supplements

S.L. 2013-360, Sec. 8.22 ([SB 402](#), Sec. 8.22) provides that, except for certified school nurses and instructional support personnel in positions for which a master's degree is required for licensure, no teachers or instructional support personnel can be paid on the "M" salary schedule or receive a salary supplement for academic preparation at the six-year degree level or at the doctoral degree level for the 2014-2015 school year, unless the individual was paid on that salary schedule or received that salary supplement prior to the 2014-2015 school year.

This section became effective July 1, 2013. (DC)

Investing in Innovation Grant

S.L. 2013-360, Sec. 8.25 ([SB 402](#), Sec. 8.25) allows certain local school administrative units (LEAs) to offer one community college course to 10th grade students. The participating LEAs are: Alleghany, Beaufort, Hertford, Jones, Madison, Richmond, Rutherford, Surry, Warren, Wilkes, and Yancey County Schools. These LEAs are a part of the federal Investing in Innovation Fund Grant: Validating Early College Strategies for Traditional Comprehensive High Schools (Grant) which was awarded to the North Carolina New Schools Project (NCNSP) for 2012-2017.

The Grant funds will pay for the costs incurred by the LEAs and the community college partners, including community college tuition costs. Community colleges cannot earn budget FTE for student course enrollments supported with the Grant. The NCNSP must report on the implementation of the Grant to the State Board of Education, the State Board of Community Colleges, the Office of the Governor, and the Joint Legislative Education Oversight Committee by March 15, 2014, and annually until the end of the grant period.

This section became effective July 1, 2013. (DC)

Broaden Successful Participation in Advanced Courses

S.L. 2013-360, Sec. 8.27 ([SB 402](#), Sec. 8.27), as amended by S.L. 2013-363, Sec. 3.18 ([HB 112](#), Sec. 3.18), directs the State Board of Education (SBE) to include measures of Advanced Placement (AP) and International Baccalaureate (IB) Diploma Programme participation and performance on the annual report card issued for each local school administrative unit (LEA). To the extent that funds are available, students are exempt from paying any fees for administration of exams for advanced courses. The results of student diagnostic tests like the PSAT/NMSQT and PLAN precursor test to the ACT, and other criteria established by schools, will be used to identify students who are prepared, and those needing additional support, to be successful in advanced courses. Local boards of education must (1) provide information to students and parents on available opportunities and the enrollment process for students to take advanced courses, and (2) ensure all high school students have access to advanced courses in language arts, mathematics, science, and social studies. Such access may be provided through enrollment in courses offered through, or approved by, North Carolina Virtual Public Schools. The SBE will seek a partner, such as the College Board, to form the North Carolina Advanced Placement Partnership (Partnership) to assist secondary schools in offering AP courses and in improving college readiness of students. The Partnership must report annually to the Department of Public Instruction, and the SBE must report annually to the Joint Legislative Education Oversight

Committee on assistance provided and on the demographics of students enrolled in advanced courses. Funds are appropriated for the Partnership to implement its responsibilities during the 2013-2014 school year, and for student AP/IB assessment fees during the 2014-2015 school year.

This section became effective July 1, 2013, and applies beginning with the 2013-2014 school year. (PLP)

Increase Successful Career and Technical Education Participation

S.L. 2013-360, Sec. 8.28 ([SB 402](#), Sec. 8.28) directs the State Board of Education (SBE) to implement, to the extent that funds are available, an industry certifications and credentials program. Students enrolled in Career and Technical Education (CTE) courses in the public schools are exempted from paying any fees for one administration of exams according to rules adopted by the SBE. Annually, the Department of Commerce must provide the SBE with a list of occupations in high need of additional skilled employees. Local school administrative units must consult with local industries and employers to identify those certifications and credentials that best meet State and local workforce needs. Starting in 2014, the SBE must report to the Joint Legislative Education Oversight Committee annually by September 1 on the number of students in CTE courses who earned community college credit and who earned related industry certifications and credentials.

This section became effective July 1, 2013, and applies beginning with the 2013-2014 school year. (SK)

Opportunity Scholarships

S.L. 2013-360, Sec. 8.29 ([SB 402](#), Sec. 8.29) creates scholarship grants (grants) for nonpublic school tuition for students who meet certain criteria and income threshold requirements. The State Education Assistance Authority (SEAA) will be responsible for administration of the program, with grants first awarded for the 2014-2015 school year.

For the 2014-2015 school year, to be eligible for a grant a child must qualify for both free and reduced lunch and must have been enrolled in a North Carolina public school during the 2014 spring semester. After the 2014-2015 school year, to be eligible for a grant a child must reside in a household with an income level not in excess of 133% of the amount required for the student to qualify for the federal free or reduced price lunch program, and must meet one of the following criteria:

- Was a full-time student assigned to and attending a North Carolina public school during the previous semester.
- Received a scholarship grant during the previous school year.
- Is entering either kindergarten or the first grade.
- Is a child in foster care.
- Is a child whose adoption decree was entered not more than one year prior to submission of the scholarship grant application.

Award of grants are based on the following criteria:

- First priority will be given to students who received a scholarship the prior year, if the student applies by March 1.
- After scholarships have been awarded to prior recipients, the remaining funds will be awarded as follows:
 - At least 50% to students from households with incomes that qualify for free and reduced lunch.
 - No more than 35% to students entering kindergarten or first grade.
- Any remaining funds will be used to award scholarships to all other eligible students.

The SEAA is required to develop rules for the administration of this process and may include a lottery selection process within the above criteria as part of that process.

Nonpublic schools that accept students receiving grants must agree to meet certain requirements, including providing tuition information to the SEAA, conducting a criminal background check on the school's highest-ranking staff person, providing information to parents on the scholarship students' progress, annually administering nationally normed tests for third grade and above and sharing results of those tests for analysis, reporting on scholarship student graduation rates, and conducting financial reviews if more than \$300,000 in grants are received.

Parents must restrictively endorse the grants to the school at the site of the nonpublic school. Failure to do so will result in forfeiture of the scholarship.

The SEAA must report on students receiving scholarships to the Department of Public Instruction (DPI) by September 1 to allow reductions in per pupil allocations for average daily membership in local school administrative units. The SEAA must report annually by March 1 to the Joint Legislative Education Oversight Committee (JLEOC) on demographic information and statistical information on grant awards. The SEAA also must report annually by December 1 to DPI and JLEOC on learning gains or losses of students receiving scholarship grants and competitive effects on public school performance on standardized tests as a result of the program. The report must be conducted by an independent research organization selected by the SEAA.

Qualifications for nonpublic schools are clarified to include any nonpublic school that is accredited by a national or regional accrediting agency.

This section became effective July 1, 2013, and applies beginning with the 2014-2015 school year. (KM)

Repeal Requirement that Schools Provide Reading Workshops for Parents of Students Who Have Been Retained

S.L. 2013-360, Sec. 8.30 ([SB 402](#), Sec. 8.30) repeals the requirement that local school administrative units provide a plan for reading at home, including parental participation in reading workshops to parents or guardians of students who have been retained once in the third grade for failure to demonstrate reading proficiency.

This section became effective July 1, 2013. (DHA)

Education and Workforce Innovation Program

S.L. 2013-360, Sec. 8.34 ([SB 402](#), Sec. 8.34), as amended by S.L. 2013-363, Sec. 3.10(a) ([HB 112](#), Sec. 3.10(a)), creates the North Carolina Education and Workforce Innovation Commission (Commission) whose purpose is to ensure North Carolina graduates more career and college ready students. The independent, 11-member Commission is located administratively in the Governor's Office. The Commission is directed to administer the Education and Workforce Innovation Program (Program), including making grant awards and publishing an annual report of its activities. The grants may be awarded to a school, local school administrative unit (LEA), and regional partnerships of LEAs that have partnerships with an institution of higher education, regional businesses, and business leaders. Grantees must demonstrate ability to create and sustain proposed educational and career innovations. State funds granted through the Program must be matched by a combination of local and private funds. Grantees must submit an annual report on the progress and outcomes of grant activities to the Commission.

The Commission also is directed to study the most efficient way to fund enrollment of high school students in college course work and report the results of this study to the Joint Legislative Education Oversight Committee by October 1, 2014.

This section became effective July 1, 2013. (PLP)

State Employee Literacy Volunteer Leave Time

S.L. 2013-360, Sec. 9.1 ([SB 402](#), Sec. 9.1). See **State Government**.

Maximize Instructional Time

S.L. 2013-360, Sec. 9.2 ([SB 402](#), Sec. 9.2) limits the administration of all final exams and federally required testing of students to the final 10 instructional days of each school year, and to the last 5 instructional days of a semester for a semester-long course. Exceptions can be made for children with disabilities and for administration of assessments associated with national or international curricula. The State Board of Education is required to report to the Joint Legislative Education Oversight Committee and wait for legislative action before purchasing any assessments associated with the Common Core State Standards.

This section became effective July 1, 2013, and applies beginning with the 2013-2014 school year. (PLP)

Strengthen Teacher Licensure and Modify Licensure Fees

S.L. 2013-360, Sec. 9.3 ([SB 402](#), Sec. 9.3) amends the schedule of fees for teacher licensure and administrative changes so that the fees do not exceed the actual cost of providing the service. The State Board of Education (SBE) must report to the Joint Legislative Education Oversight Committee (JLEOC) by March 15 in any year that fees have been modified on the number of personnel paid from licensure receipts, any change in personnel paid from licensure receipts, and other related costs covered by the receipts. For the 2013-2014 fiscal year only, the SBE is exempt from rulemaking in establishing the schedule of fees for teacher licensure and administrative changes.

Beginning with the 2013-2014 school year, the standards for continuing licensure must include at least eight continuing education credits with at least three credits required in the teacher's academic subject area. The SBE must adopt a minimum composite ACT math and verbal score needed for admission to an approved undergraduate teacher education program.

Beginning with the 2014-2015 school year, Elementary Education (K-6) and special education general curriculum teachers must achieve a prescribed minimum score on tests specific to teaching reading and mathematics. The standards for continuing licensure for elementary and middle school teachers must include at least three continuing education credits related to literacy. The standards for elementary and special education general curriculum teacher education programs must include demonstrated competencies in specific literacy-related assessment and instruction skills.

For teachers who are in their fourth or fifth year of their current five-year license renewal cycle, the changes to the standards for continuing licensure apply beginning with the first year of their next five-year license renewal cycle.

The SBE must develop a plan requiring the schools of education to measure performance on the above demonstrated competencies included in their elementary and special education general curriculum teacher education programs and require this information to be included in the annual performance reports to the SBE and the higher education educator preparation program report cards. The SBE must report to the JLEOC by March 15, 2014, on the plan to include the information in the performance reports required for the 2014-2015 school year.

This section became effective July 1, 2013. (SK)

School Performance Grades

S.L. 2013-360, Sec. 9.4 ([SB 402](#), Sec. 9.4), as amended by S.L. 2013-363, Sec. 3.6 ([HB 112](#), Sec. 3.6), sets out the calculation methodology for school performance grades. The State

Board of Education (SBE) must award a school performance grade of A, B, C, D, or F to each school based on a performance score of 0 to 100. 80% of the school performance score is derived from a sum of points earned for school achievement, and 20% is derived from the score for school growth. If a school's achievement score is 80 or higher and the school meets expected growth, then the school's performance score and associated letter grade is based solely on the school's achievement score. School report cards must include achievement, growth, and performance scores, along with the associated letter grade and an indication of whether the school has met, not met, or exceeded expected growth. Elementary and middle school report cards also must include separate mathematics and reading achievement scores. The SBE may modify this system for alternative schools and programs. School performance grades cannot be issued prior to August 1, 2014.

This section became effective July 1, 2013, and applies beginning with the 2013-2014 school year. (PLP)

Pay for Excellence

S.L. 2013-360, Sec. 9.5 ([SB 402](#), Sec. 9.5) states the intent of the General Assembly to utilize a plan of performance pay for teachers once an evaluation instrument and process that accurately assesses and evaluates the effectiveness of teachers is wholly implemented in North Carolina.

This section became effective July 1, 2013. (DHA)

Teacher Contracts

S.L. 2013-360, Sec. 9.6 ([SB 402](#), Sec. 9.6) eliminates career status in North Carolina over a five-year period and requires that all teachers be employed on contract. Local boards of education must employ teachers upon the recommendation of the superintendent. Teachers employed less than three years by a local board may be employed only on one-year contracts. Contracts or contract renewals between a local board and teachers employed by that board for three or more years may be for one, two, or four school years. For teachers employed more than three years, a teacher may be recommended for a contract term of longer than one year only if the teacher has shown effectiveness as demonstrated by proficiency on the teacher evaluation instrument. Local boards have the option to approve the superintendent's recommendation, to not approve the recommendation, or to offer a teacher a renewed contract for a term different from that recommended by the superintendent.

Dismissal during the term of the contract may be for only one of 15 statutory grounds (the same 15 grounds for which teachers currently with career status can be dismissed). Teachers have the right to petition for a hearing for a nonrenewal of a contract, but the local board has discretion in whether to grant such a hearing. A teacher has no right to appeal the denial of such a hearing or for the nonrenewal of a contract. For teachers being dismissed during the term of the contract, there is a right to a hearing before the local board. The local board must grant the hearing if requested by the teacher, and the teacher has a right to a further appeal to superior court.

From September 1, 2013, to June 30, 2014, superintendents must review the performance and evaluations of all teachers who have been employed for three consecutive years by the local board of education and then recommend 25% of these teachers to the local board for four-year contracts starting in 2014-2015. The local board must review the recommendations and accept them or select other teachers as part of the 25% to offer four-year contracts. Four-year contracts to teachers can be offered only to teachers who are effective as demonstrated by proficiency on the teacher evaluation instrument. All contract offers must be made and accepted by June 30, 2014. Teachers employed on these four-year contracts will receive a \$500 annual pay raise for each year of the contract. A person not granted career status

prior to the 2013-2014 school year cannot be granted career status after August 1, 2013. Career status is repealed effective June 30, 2018.

Except as otherwise provided, this section became effective July 1, 2013. (DC)

Study Use of Unique Student Identifier/Child Care Subsidy

S.L. 2013-360, Sec. 12B.8 ([SB 402](#), Sec. 12B.8). See **Health and Human Services**.

Driver Education

S.L. 2013-360, Sec. 34.20 ([SB 402](#), Sec. 34.20) authorizes local boards of education to charge up to \$55 to participate in driver education courses to offset the costs of the training and instruction, effective July 26, 2013, for driver education courses occurring after that date.

The Division of Motor Vehicles, Department of Transportation, and the Department of Public Instruction must collaborate to revise the driver knowledge test and create a process for test administration and certification of passage by public schools with driver education programs. Progress on the collaboration must be reported to the General Assembly, including the Joint Legislative Transportation Oversight Committee and the Joint Legislative Education Oversight Committee by March 1, 2014.

This section became effective July 1, 2013. (KM)

Kindergarten Through Third Grade Class Size

S.L. 2013-363, Sec. 3.3 ([HB 112](#), Sec. 3.3) specifies class size for kindergarten through third grade (K-3) cannot exceed the funded allotment ratio of teachers to students. In grades 4 through 12, local school administrative units (LEAs) have the maximum flexibility to use allotted teacher positions to maximize student achievement. The provisions that set maximum teaching loads for grades 7 through 12 and allowed the State Board of Education (SBE) to allot additional positions and set maximum class size in music, physical education, and similar subjects are repealed. Exceptions to class size requirements for K-3 and significant increases in class size at other grade levels must be reported. LEAs can request allotment adjustments at any grade level and waivers from the requirements for K-3 classrooms. LEAs must ensure that class size requirements are met in K-3. The SBE may grant waivers for excess class size in K-3.

This section became effective July 1, 2013. (PLP)

Funds for 12 Months of Employment for Regional School Principals

S.L. 2013-363, Sec. 3.5 ([HB 112](#), Sec. 3.5) directs the State Board of Education to allocate to a regional school funds for 12 months of employment for the school principal if the regional school has a final total average daily membership of 100 or more students.

This section became effective July 1, 2013. (SK)

Modifications to the Developmental Screening and Kindergarten Entry Assessment

S.L. 2013-363, Sec. 3.9 ([HB 112](#), Sec. 3.9) provides that the developmental screening and entry assessment required of every student entering kindergarten must be administered in at least 50% of local school administrative units beginning with the 2014-2015 school year, with statewide implementation no later than the 2015-2016 school year.

This section became effective July 1, 2013. (DHA)

Children with Disabilities Scholarship Grants

S.L. 2013-364 ([HB 269](#)), as amended by S.L. 2013-363, Secs. 3.2 and 3.17 ([HB 112](#), Secs. 3.2 and 3.17) and S.L. 2013-410, Sec. 47 ([HB 92](#), Sec. 47), repeals the current tax credit for children with disabilities and related Fund for Special Education and Related Services. A new program of Special Education Scholarship Grants for Children with Disabilities (grants) is created that provides up to \$3,000 per semester to eligible students for reimbursement of tuition and special education and related services.

To be eligible for the grant a child with a disability under the age of 22 must meet the following requirements:

- Require an individualized education plan.
- Receive special education or related services on a daily basis.
- Meet one of the following requirements:
 - Was enrolled in a North Carolina public school during the previous semester.
 - Received special education or related services through the North Carolina public schools as a preschool child with a disability during the previous semester.
 - Received a scholarship grant for the previous semester.
 - Be eligible for initial enrollment in kindergarten or the first grade in a North Carolina public school.

A child with a disability is not eligible if the child has been placed in a nonpublic school or facility by a public agency at public expense, has been enrolled in a postsecondary institution as a full-time student, or has received a high school diploma. To remain eligible, a child must be reevaluated by the local educational agency every three years.

The grant will be administered by the State Education Assistance Authority (SEAA), with applications available by May 1 annually. Priority will be given in awarding grants to students who received a grant in the previous semester. Otherwise, grants will be awarded to eligible students in the order in which applications are received. Parents will be required to submit receipts or other documentation to the SEAA at the end of each semester for reimbursement up to the maximum amount of the grant. Parents also must provide documentation that the student was enrolled in nonpublic school or was homeschooled and receiving related services for no less than 75 days of the semester for which the parent seeks reimbursement.

The SEAA must report annually by October 1 to the Joint Legislative Education Oversight Committee on demographics of students receiving grants, total amount of grant funding awarded, nonpublic schools in which grant recipients are enrolled, and types of special education or related services for which grants were awarded.

For the 2014 spring semester, the SEAA is required to make applications available in October 2013. For awards for that semester, students whose parents are allowed a tax credit for the fall semester of 2013 will receive priority in awards, and students eligible for enrollment in kindergarten or the first grade during the 2013-2014 school year who also meet other requirements are eligible for award of grants.

This act became effective July 29, 2013, and applies beginning with the spring semester of the 2013-2014 school year. The repeal of the children with disabilities tax credit is effective for taxable years beginning on or after January 1, 2014. Appropriations included within the act became effective July 1, 2013. (KM)

Public Contracts/Construction Methods/Design-Build/Public Private Partnerships

S.L. 2013-401 ([HB 857](#)). See **State Government**.

School Safety

School Psychologists, School Counselors, and School Social Workers

S.L. 2013-360, Sec. 8.35 ([SB 402](#), Sec. 8.35) directs school counselors to implement a comprehensive developmental school counseling program in their schools, with at least 80% of their work time spent on direct services to students. During the remainder of their work time, school counselors must spend adequate time on such activities as professional development and program management. The duties of school counselors must not include the coordination of standardized testing, but school counselors may assist other staff with the coordination of standardized testing. Each local board of education must develop a transition plan for implementing the new program within existing resources by reassigning duties within its schools. The State Board of Education must develop and distribute guidelines to all local school administrative units to assist with implementation of their programs.

This section became effective July 1, 2013. (SK)

Grants for School Resource Officers in Elementary and Middle Schools

S.L. 2013-360, Sec. 8.36 ([SB 402](#), Sec. 8.36) provides that grants to local school administrative units, regional schools, and charter schools for the hiring and/or training of school resource officers in elementary and middle schools will be matched on the basis of \$2 in State funds for every \$1 in local funds and are to be used to supplement and not supplant State, local, and federal funds for school resource officers. The State Board of Education must include need-based considerations in its criteria when awarding these grants.

This section became effective July 1, 2013. (DHA)

Panic Alarm Systems

S.L. 2013-360, Sec. 8.37 ([SB 402](#), Sec. 8.37) requires local boards of education, in coordination with local law enforcement agencies, to adopt emergency response plans relating to incidents of school violence. Grants to local school administrative units, regional schools, and charter schools for panic alarm systems in schools will be matched on the basis of \$1 in State funds for every \$1 in local funds and are to be used to supplement and not supplant State, local, and federal funds for panic alarm systems.

Every public school must have a panic alarm system that connects with the nearest local law enforcement agency in the local board of education's emergency response plan by July 1, 2015.

This section became effective July 1, 2013. (DC)

School Safety Exercises

S.L. 2013-360, Sec. 8.38 ([SB 402](#), Sec. 8.38) encourages each local school administrative unit to hold a full systemwide school safety and school lockdown exercise at least every two years with local law enforcement agencies that are part of the local board of education's emergency response plan. As a part of a local board of education's emergency response plan, each school is encouraged to hold a full school-wide school safety and lockdown exercise with local law enforcement agencies at least annually.

This section became effective July 1, 2013. (DC)

Schematic Diagrams of School Facilities

S.L. 2013-360, Sec. 8.39 ([SB 402](#), Sec. 8.39) requires each local school administrative unit (LEA) that currently has a schematic diagram of its school facilities to provide those diagrams to local law enforcement agencies and to provide updates of the diagrams when substantial modifications are made to facilities. If an LEA does not have a schematic diagram of its school facilities, then it is required to report to the Department of Public Instruction (DPI) by March 1, 2014, on plans to develop these diagrams and provide them to local law enforcement agencies and if any obstacles exist in preparing such diagrams. LEAs are encouraged to prepare diagrams and to provide keys to main entrances of school facilities to law enforcement agencies prior to the beginning of the 2014-2015 school year. DPI, in consultation with the Department of Public Safety, may develop standards and guidelines to assist LEAs in developing schematic diagrams of their school facilities. Schematic diagrams are not considered public records and are not subject to inspection and examination.

This section became effective July 1, 2013. (PLP)

Anonymous Tip Line

S.L. 2013-360, Sec. 8.40 ([SB 402](#), Sec. 8.40) encourages each local school administrative unit to operate an anonymous tip line to receive information on risks to school buildings and school-related activities. The Department of Public Instruction, in consultation with the Department of Public Safety, may develop guidelines for the operation and staffing of the tip lines.

This section became effective July 1, 2013. (SK)

School Safety Component of School Improvement Plans

S.L. 2013-360, Sec. 8.41 ([SB 402](#), Sec. 8.41) restructures the statute governing school improvement plans and makes the following changes:

- Provides that while school improvement team meetings are subject to the open meetings law, deliberations on the school safety components of the plan are to be held in closed session. The principal is responsible for ensuring these requirements are met.
- Provides that the school improvement plan, except for the school safety components of the plan, is a public record and should be posted on the school's Web site.
- Requires the superintendent to review the school safety components of the plan and make written recommendations on the plan to the local board of education. The local board of education must review and make findings on the school safety components of the plan in closed session, and neither the safety components nor the board's findings on the safety components should be included in the minutes of the board.
- Encourages employees, parents, and other interested persons to notify the principal or superintendent of concerns regarding compliance with the school improvement

plan. The superintendent must make a good faith effort to investigate the concern and, upon request, provide a written response to the concern.

This section became effective July 1, 2013, and applies beginning with the 2013-2014 school year. (DHA)

Crisis Kits

S.L. 2013-360, Sec. 8.42 ([SB 402](#), Sec. 8.42) provides that the Department of Public Instruction, in consultation with the Department of Public Safety through the North Carolina Center for Safer Schools, may develop and adopt policies on the placement and content of school crisis kits. At a minimum, such kits should contain basic first-aid supplies, communications devices, and other items recommended by the International Association of Chiefs of Police. The principal of a school, in coordination with the law enforcement agencies that are part of the local board of education's emergency response plan, may place one or more of the kits in appropriate locations in the school.

This section became effective July 1, 2013. (DC)

School Safety for Charter Schools and Regional Schools

S.L. 2013-360, Sec. 8.43 ([SB 402](#), Sec. 8.43) encourages charter schools and regional schools, in coordination with local law enforcement agencies, to adopt emergency response plans related to incidents of school violence. These plans are not considered public records and are not subject to inspection and examination. Both charter schools and regional schools are encouraged to provide schematic diagrams and keys to the main entrance of school facilities to local law enforcement agencies, hold school-wide safety and lockdown exercises annually with local law enforcement agencies, and place school crisis kits at appropriate locations.

This section became effective July 1, 2013. (KM)

Emergency and Crisis Training

S.L. 2013-360, Sec. 8.44 ([SB 402](#), Sec. 8.44) encourages the Departments of Public Safety, Justice, and Public Instruction to collaboratively develop school emergency and crisis training modules for school employees and to provide them to schools as soon as practicable.

This section became effective July 1, 2013. (PLP)

Volunteer School Safety Resource Officer Program

S.L. 2013-360, Sec. 8.45 ([SB 402](#), Sec. 8.45) allows the sheriff and the chief of police of a local or county police department (chief of police) to establish a program to provide non-salaried special deputies to serve as volunteer school safety resource officers (volunteer SROs) in public schools. Volunteers have the power of arrest while performing official duties.

Volunteer SROs must:

- Have prior experience either as a sworn law enforcement officer or a military police officer with a minimum of two years' service.
- Have training on research into the social and cognitive development of students.
- Work under the direction and supervision of the sheriff or chief of police.
- Have been certified by the North Carolina Sheriff's Education and Training Standards Commission as meeting the educational and firearms proficiency standards required of special deputy sheriffs.
- Take a standard medical exam to ensure the volunteer is in good health.

Local boards of education may enter into agreements with the sheriff and the chief of police for volunteer SROs to provide security at public schools.

Volunteer SROs acting in the discharge of official duties on the property of the school to which the volunteer is assigned are exempt from the restrictions on weapons on campus or other educational property.

Volunteer school safety resource officers are exempt from benefits under the North Carolina Workers' Compensation Act and any fringe benefits. There is no liability on the part of and no cause of action can arise against a volunteer SRO, the sheriff or the chief of police or their employees, or the school system or its employees for any good-faith action taken in the performance of their duties.

This section becomes effective December 1, 2013. (SK)

Higher Education

Prohibit Expunction Inquiry

S.L. 2013-53 ([SB 91](#)). See **Courts, Justice, and Corrections**.

The University of North Carolina and Community College Credit Transfers

S.L. 2013-72 ([HB 903](#)) requires the constituent institutions of The University of North Carolina (UNC) to fully comply with the Comprehensive Articulation Agreement (CAA) and requires the Board of Governors of The University of North Carolina to ensure that the CAA is applied consistently through the UNC system. Both the UNC system and North Carolina Community College System (NCCCS) must conduct biannual joint reviews of the CAA to ensure that it is fair, current, and relevant for the students and the institutions. UNC and NCCCS must report findings to the Joint Legislative Education Oversight Committee by November 1 of each year and include revisions to the CAA as well as reports of noncompliance with the CAA. Finally, UNC and the NCCCS must jointly develop an articulation agreement advising tool for students, parents, and faculty to simplify the course transfer and admissions process.

This act became effective June 12, 2013. (PLP)

TRICARE Supplement for Flexible Accounts

S.L. 2013-292 ([HB 402](#)). See **State Government**.

Coordinated Residency Determination Process

S.L. 2013-360, Sec. 11.3 ([SB 402](#), Sec. 11.3) directs The University of North Carolina, the North Carolina Community College System, and the State Education Assistance Authority to determine residency for tuition purposes in a coordinated and similar manner, including the implementation of a coordinated and centralized process. These entities must report to the Joint Legislative Education Oversight Committee on the centralized residency determination process, and on any statutory changes needed to implement this process, by January 1, 2014.

This section became effective July 1, 2013. (PLP)

Hospital Debt Collection

S.L. 2013-382, Part XII ([HB 834](#), Part XII). See **Finance**.

Regulatory Reform

Disciplinary Proceedings/Right to Counsel for Students and Organizations

S.L. 2013-413, Secs. 6(c) through 6(e) ([HB 74](#), Secs. 6(c) through 6(e)) make the following changes to the laws governing colleges and universities.

- *Right to Counsel for Students and Organizations in Disciplinary Proceedings.* — A student or recognized student organization at a constituent institution charged with violating the disciplinary or conduct rules of the constituent institution may be represented, at the student's or organization's expense, by an attorney or non-attorney advocate at most disciplinary proceedings used by the constituent institution regarding the alleged violation. This requirement does not apply if the constituent institution has implemented a Student Honor Court fully staffed by students or for students facing an allegation of academic dishonesty.
- *Report on Disciplinary Proceedings at Constituent Institutions.* – Each constituent institution must track the number and type of disciplinary proceedings, as well as the number of cases in which a student or student organization is represented by an attorney or non-attorney advocate. The constituent institutions must report their findings to the Board of Governors of The University of North Carolina (BOG), and the BOG must submit a combined report to the Joint Legislative Education Oversight Committee and the General Assembly by May 1, 2014.

These sections became effective August 23, 2013, and apply to all allegations of violations beginning on or after that date. (DHA)

Prohibit Public Entities from Purchasing or Acquiring Property with Known Contamination without Approval of the Governor and Council of State

S.L. 2013-413, Sec. 40 ([HB 74](#), Sec. 40). See **State Government**.

Community Colleges

Redeposit Government Funds into Insured Deposit Accounts

S.L. 2013-305 ([HB 474](#)). See **State Government**.

Lease Purchase of Real Property/Community Colleges

S.L. 2013-310 ([HB 754](#)) authorizes the board of trustees of a community college to use local funds for lease purchase or installment purchase contracts to buy real property.

This act became effective July 18, 2013. (DC)

Enrollment Funding

S.L. 2013-360, Secs. 10.4(b) through 10.4(d) ([SB 402](#), Secs. 10.4(b) through 10.4(d)) authorizes community colleges to teach technical education, health care, developmental education, and STEM-related courses at any time during the year, including the summer term. Student membership hours from these courses must be counted when computing FTE students

for use in budget funding formulas at the State level. The State Board of Community Colleges must report on FTE for the 2014 summer term to the Joint Legislative Education Oversight Committee by October 1, 2014.

This section became effective July 1, 2013, and applies beginning with the summer 2014 term. (DC)

Performance Funding

S.L. 2013-360, Sec. 10.5 ([SB 402](#), Sec. 10.5) directs the State Board of Community Colleges (SBCC) to review, at least once every three years, the accountability and performance standards used to recognize successful institutional performance. Before any proposed revisions to the accountability and performance standards are implemented, the SBCC must report to the Joint Legislative Education Oversight Committee. Subject to the availability of funds, the SBCC may allocate funds based on the evaluation of each institution's performance, including the following components:

- A college's rate of student success on each measure compared to a systemwide baseline and goal.
- Program impact on student outcomes evaluated by the number of students succeeding on each measure.

The section amends the amount of funds that a college may retain and carry forward into the next fiscal year to an amount up to or equal to its performance-based funding allocation for that year.

The section repeals the following provisions:

- Recognition for exceptional institutional performance.
- Permissible uses of funds for the purchase of equipment, initial program start-up costs, and faculty and staff bonuses.
- The use of funds in low-wealth counties.

Each community college must report on the mandatory performance standards in this section beginning with the 2012-2013 reporting year.

This section became effective July 1, 2013. (SK)

Repeal of Senior Citizen Tuition Waiver

S.L. 2013-360, Sec. 10.6 ([SB 402](#), Sec. 10.6) eliminates the senior citizen community college tuition waiver, which allowed North Carolina community colleges to waive tuition and registration fees for up to 6 hours of for-credit courses and 1 non-credit course per semester for legal residents of the State age 65 or older.

This section became effective July 1, 2013. (DHA)

Expand Industrial and Engineering Technologies Education to Freshman and Sophomore High School Students

S.L. 2013-360, Sec. 10.9 ([SB 402](#), Sec. 10.9), subject to the approval of the State Board of Community Colleges, allows community colleges to collaborate with local school administrative units to offer courses through academic transition pathways for qualified freshman and sophomore high school students that lead to a career technical education certificate or diploma in industrial and engineering technologies. The Community College System Office must report to the Joint Legislative Education Oversight Committee by October 1, 2014, and October 1, 2015, on the freshman and sophomore students served by this expansion, and include the number of and budget FTE equivalent freshman and sophomore students.

This section became effective July 1, 2013. (DC)

Clarify Employee Academic Assistance

S.L. 2013-360, Sec. 10.12 ([SB 402](#), Sec. 10.12) allows community colleges to use State and local funds to cover tuition and fees for their employees for professional development consistent with the academic assistance program authorized by the State Personnel Commission.

This section became effective July 1, 2013. (PLP)

Revise Targeted Assistance Criteria

S.L. 2013-360, Sec. 10.13 ([SB 402](#), Sec. 10.13) amends the criteria for students who can receive targeted financial aid assistance from the community colleges' need-based financial aid assistance program. Students who enroll in low-enrollment programs that prepare students for high-demand occupations must qualify for need-based assistance.

This section became effective July 1, 2013. (SK)

Clarify Community College Audits

S.L. 2013-360, Sec. 10.15 ([SB 402](#), Sec. 10.15), as amended by S.L. 2013-363, Sec. 3.14 ([HB 112](#), Sec. 3.14), effective July 1, 2015, eliminates the requirement that the State Board of Community Colleges (SBCC) maintain an education program auditing function that conducts an annual audit of college programs and fiscal operations of each community college.

A designated 12-member committee is charged with the responsibility to study the program audit function of the SBCC and determine how program audit procedures may be streamlined, and report recommendations to the Joint Legislative Education Oversight Committee by January 1, 2015.

The section also provides that each community college is subject to a financial audit a minimum of once every two years.

Except as otherwise provided, this section became effective July 1, 2013. (DHA)

North Carolina Back-To-Work Funds

S.L. 2013-360, Sec. 10.16 ([SB 402](#), Sec. 10.16), as amended by S.L. 2013-363, Sec. 3.15 ([HB 112](#), Sec. 3.15), specifies funds for the North Carolina Back-to-Work Program (Program). The Program provides unemployed and underemployed North Carolina residents, military veterans, and North Carolina National Guard members with occupational skills, employability skills, and opportunities to earn third-party, industry recognized credentials. Funds may be given only to community colleges whose training plans include support to specified employees or projects and programs.

Funds can be used only for student instruction, student support and coaching, and targeted financial assistance for students, including assistance with tuition, registration fees, books, and certification costs. Funds appropriated for the Program for the 2012-2013 fiscal year do not revert at the end of that fiscal year but remain available for the Program.

This section became effective July 1, 2013. The provision that provides that funds for the 2012-2013 fiscal year do not revert became effective June 30, 2013. (DC)

Membership on the Advisory Board for the North Carolina Center for Applied Textile Technology

S.L. 2013-410, Sec. 36 ([HB 92](#), Sec. 36) revises the membership on the Advisory Board for the North Carolina Center for Applied Textile Technology. The Advisory Board will have two

members who are residents of North Carolina who are appointed by the National Council of Textile Organizations and adds two members appointed by the Southern Textile Association.

This section became effective July 26, 2013. (DC)

Universities

Provide Access to Campus Police Records

S.L. 2013-97 ([HB 142](#)) establishes that campus police agency records are not public records, but requires that, as a condition of certification under the Campus Police Act, campus police agencies be required to make the following information available to the public:

- Time, date, location, and nature of a violation or apparent violation of the law reported to the campus police agency.
- Name, sex, age, address, employment, and alleged violation of law of a person arrested or formally charged or indicted.
- Circumstances surrounding an arrest.
- Contents of emergency telephone calls received by or on behalf of the campus police agency, except for information that may identify the caller, victim, or witness.
- Contents of communications between or among employees of the campus police agency pertaining to the above information broadcast over the public airways.
- Name, sex, age, and address of a complaining witness.
- Daily log of crimes reported to the campus police agency maintained pursuant to the federal Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act.

The act allows temporary withholding of information regarding a complaining witness in certain circumstances, and provides a method for seeking a court order to withhold other information.

This act became effective June 12, 2013. (KM)

The University of North Carolina/Cherokee Language

S.L. 2013-322 ([SB 444](#)) directs the Board of Governors to require each constituent institution of The University of North Carolina to implement a policy to recognize the Cherokee language as a language that may satisfy the foreign language course requirement for degree completion at that campus.

This act became effective July 23, 2013, and applies beginning with the 2013-2014 academic year. (SK)

The University of North Carolina Tuition Surcharge/Advance Notice

S.L. 2013-325 ([HB 255](#)) provides that courses and credit hours transferred from (1) an institution of higher education that is not a constituent institution or (2) a North Carolina community college established pursuant to statute and accepted by a constituent institution prior to August 15, 2013, will not count toward the tuition surcharge. Beginning with the 2013 fall academic semester, the Board of Governors of The University of North Carolina is directed to develop a set of uniform principles for notification of the tuition surcharge, including a process for each campus to notify students and parents at orientation and through each semester's tuition statements, as well as a process to provide advance notification when a student is approaching the credit hour limit.

The General Administration of The University of North Carolina must report to the Joint Legislative Education Oversight Committee by March 1, 2014, on the number of courses exempted from the tuition surcharge.

This act became effective July 22, 2013. (DHA)

The University of North Carolina Board of Governors Report on Overhead Receipts

S.L. 2013-360, Sec. 11.6 ([SB 402](#), Sec. 11.6) directs the Board of Governors of The University of North Carolina to report annually to the Joint Legislative Education Oversight Committee and the Office of State Budget and Management regarding the sum of facilities and administrative fees and overhead receipts that are collected and expended by each constituent institution. This section repealed an obsolete report on the amount and use of overhead receipts.

This section became effective July 1, 2013. (SK)

Student Charges at the North Carolina School of Science and Math

S.L. 2013-360, Sec. 11.7 ([SB 402](#), Sec. 11.7) allows the Board of Governors of The University of North Carolina to approve, upon recommendation of the Board of Trustees of the North Carolina School of Science and Mathematics, fees not inconsistent with actions of the General Assembly for distance education services provided by the School to nonresidents and for students participating in extracurricular enrichment programs sponsored by the School.

This section became effective July 1, 2013, and applies to the 2013-2014 spring academic semester and each subsequent academic semester. (DHA)

Student Charges at the University of North Carolina School of the Arts

S.L. 2013-360, Sec. 11.8 ([SB 402](#), Sec. 11.8) allows the Board of Governors at The University of North Carolina, at the recommendation of the Board of Trustees of the University of North Carolina School of the Arts, to set fees that are not inconsistent with the actions of the General Assembly. These fees would be paid by in-State high school students enrolled at the University of North Carolina School of the Arts to assist with expenses of the institution.

This section became effective July 1, 2013, and applies to the 2014-2015 academic year and each subsequent academic year. (DC)

The University of North Carolina Disposition and Acquisition of Real Property

S.L. 2013-360, Sec. 11.10 ([SB 402](#), Sec. 11.10), as amended by S.L. 2013-363, Sec. 3.12 ([HB 112](#), Sec. 3.12), allows the Board of Governors of The University of North Carolina (BOG) to not obtain the approval of the Governor and the Council of State for acquisition of real property for a period of 10 years or less or disposition of 65 years or less by easement, lease, or rental agreement in any building on the Centennial Campus, the Horace Williams Campus, on a Millennial Campus, or the Kannapolis Research Campus. The BOG must report these acquisitions or dispositions to the Department of Administration for inclusion in the inventory maintained by the Department of Administration.

This section became effective July 1, 2013, and expires June 30, 2015. (DC)

Student Financial Aid/Semester Limit

S.L. 2013-360, Sec. 11.15 ([SB 402](#), Sec. 11.15) limits the number of semesters that a student can receive a scholarship or need-based financial aid from a constituent institution of The University of North Carolina to 10 full-time semesters, or equivalent for part-time students, unless the student is enrolled in a program that has been officially designated by the Board of Governors as a 5-year program. Students enrolled in a 5-year program may receive a scholarship or financial aid for up to 12 full-time semesters, or equivalent for part-time enrollment. Students enrolled in a community college may not receive a scholarship or need-based grant for more than six full-time semesters, or the equivalent if enrolled part-time. A student enrolled in a postsecondary institution with a military obligation, serious medical condition, short- or long-term disability, or other extraordinary hardship may receive a waiver to receive a scholarship or need-based grant for one additional full-time semester. The State Education Assistance Authority is directed to: (1) enforce the limits on the scholarships and financial aid programs that the Authority administers; (2) encourage students to complete an average of 30 credit hours per year; and (3) report to the Joint Legislative Education Oversight Committee by March 1, 2014, regarding the measures implemented by this section.

This section became effective July 1, 2013, and applies beginning with the 2014-2015 academic year and each subsequent academic year. (PLP)

Limit The University of North Carolina Repairs and Maintenance Exemption

S.L. 2013-360, Sec. 36.10 ([SB 402](#), Sec. 36.10) limits the exemption allowing chancellors of constituent institutions of The University of North Carolina system to approve use of available operating funds for repair and maintenance projects that do not exceed \$1 million to those projects of the type that may be funded from the Repairs and Renovations Reserve Account and that are State facilities and related infrastructure supported by the General Fund. The chancellor must report on the approval of the expenditure within 60 days to the Office of State Budget and Management and the Fiscal Research Division.

This section became effective July 1, 2013. (KM)

The University of North Carolina/Report/E-Commerce/Improvements

S.L. 2013-375 ([SB 485](#)), as amended by S.L. 2013-410, Sec. 38.5 ([HB 92](#), Sec. 38.5), makes the following changes pertaining to The University of North Carolina:

- Allows the Board of Governors of The University of North Carolina to implement and expand its electronic commerce infrastructure among the constituent institutions to allow those institutions to use common application programs.
- Provides a property tax exemption for improvements made on property owned by social fraternities, sororities, and similar college, university, or high school organizations and located on land owned by or allocated to The University of North Carolina or one of its constituent institutions.

The section on property taxes is effective for taxes imposed for taxable years beginning on or after July 1, 2013. The remainder of this act became effective July 29, 2013. (DHA)

University of North Carolina Special One-Time Permits

S.L. 2013-410, Sec. 27.9 ([HB 92](#), Sec. 27.9). See **Alcoholic Beverage Control**.

Repeal Academic Common Market Report

S.L. 2013-410, Sec. 36.5 ([HB 92](#), Sec. 36.5) repeals a requirement that the Board of Governors of The University of North Carolina report biennially to the Joint Legislative Education Oversight Committee on the Academic Common Market Program.

This act became effective August 23, 2013. (KM)

Studies

Referrals to Existing Commissions/Committees

Study of Grade Point Average Calculations

S.L. 2013-360, Sec. 8.19 ([SB 402](#), Sec. 8.19) directs the Joint Legislative Education Oversight Committee (JLEOC) to study the State Board of Education's policy on calculating weighted grade point averages and class rank on high school transcripts, especially for courses taken through institutions of higher education. The JLEOC must report study findings to the General Assembly prior to the convening of the 2014 Regular Session of the 2013 General Assembly.

This section became effective July 1, 2013. (PLP)

Study Scholarships for Children of War Veterans Program

S.L. 2013-360, Sec. 11.1(g) ([SB 402](#), Sec. 11.1(g)) directs the Joint Legislative Education Oversight Committee to study the Scholarships for Children of War Veterans Program in the Department of Administration and report its findings and recommendations by March 1, 2014, to the General Assembly.

This section became effective July 1, 2013. (DC)

Study North Carolina Guaranteed Admission Program

S.L. 2013-360, Sec. 11.17 ([SB 402](#), Sec. 11.17), as amended by S.L. 2013-363, Sec. 3.16 ([HB 112](#), Sec. 3.16), directs the Joint Legislative Education Oversight Committee (JLEOC), the Board of Governors of The University of North Carolina, and the State Board of Community Colleges to jointly study the feasibility of establishing an alternative undergraduate admission program to be known as the North Carolina Guaranteed Admission Program (NC GAP). Under the program envisioned in this section, a student admitted to a constituent institution through NC GAP must agree to defer enrollment at the constituent institution until the student earns an associate degree from one of the State's community colleges, at which time the student is guaranteed admission as a junior at the constituent institution. Each constituent institution of higher education would be directed to establish NC GAP as part of its undergraduate admission program.

The JLEOC must report its findings and recommendations regarding the feasibility of NC GAP, including any recommended legislation, to the 2014 Regular Session of the 2013 General Assembly upon its convening.

This section became effective July 1, 2013. (DHA)

New/Independent Studies/Commissions

Task Force to Study Teacher and School Administrator Effectiveness and Compensation

S.L. 2013-360, Sec. 8.31 ([SB 402](#), Sec. 8.31) establishes the 18-member North Carolina Educator Effectiveness and Compensation Task Force (Task Force). The Task Force must make recommendations on whether to create a statewide model of incentives to encourage the recruitment and retention of highly effective educators and to consider the transition to an alternative compensation system for educators. The Task Force must consider the following factors in making its recommendations:

- Alternatives to, or simplification of, the current teacher and school principal salary schedules..
- Incorporating the feedback of educators in order to maximize buy-in.
- The integration of school level performance measures in an alternative compensation system.
- Whether local school administrative units may create their own customized alternative compensation systems in lieu of or in addition to a statewide system.
- The use of incentive pay to recruit and retain educators to teach in hard-to-staff areas.
- The recognition of educator responsibilities and leadership roles such as mentoring of beginning teachers and instructional coaching.
- Methods for identifying effective teaching and its relationship to an alternative compensation system.
- Barriers to the implementation of alternative compensation systems.
- Educator compensation reform in other states and North Carolina pilot programs currently utilizing alternative compensation.
- Effective strategies for retaining effective teachers.

The Task Force must report its findings and recommendations to the 2014 Regular Session of the 2013 General Assembly by April 15, 2014. The Task Force terminates on April 14, 2014, or upon the filing of its final report, whichever occurs first.

This section became effective July 1, 2013. (DC)

Study the Most Efficient Way to Fund Dual Enrollment for High School Students in College Coursework

S.L. 2013-360, Sec. 8.34 ([SB 402](#), Sec. 8.34). See Education and Workforce Innovation Program summary in the **Public Schools** subheading.

Referrals to Departments, Agencies, Etc.

Study Virtual Charter Schools

S.L. 2013-360, Sec. 8.48 ([SB 402](#), Sec. 8.48) directs the State Board of Education to study and recommend rules or statutory modifications for the authorization and oversight of virtual charter schools, including application requirements, enrollment growth, and funding allocations. The recommended draft rules and proposed statutory changes must be reported to the Joint Legislative Education Oversight Committee by February 1, 2014.

This section became effective July 1, 2013. (DHA)

Pilot Program to Raise the High School Dropout Age from 16 to 18

S.L. 2013-360, Sec. 8.49 ([SB 402](#), Sec. 8.49) requires the State Board of Education (SBE) to authorize the Hickory Public Schools and the Newton-Conover City Schools to establish and implement a pilot program to increase the high school dropout age from 16 to 18, unless the student has previously graduated from high school. However, the SBE may not authorize a pilot program before it receives a copy of a joint resolution adopted by the boards of education of the Hickory Public Schools and the Newton-Conover City Schools setting forth a date to begin establishment and implementation of the pilot program.

Both of the local school administrative units (LEAs) can use any funds available to implement the pilot program to employ up to three additional teachers and fund additional student-related costs such as transportation and technology costs. The LEAs also may use any available funds to operate a night school program for students at risk of dropping out of high school. The LEAs must partner with Catawba Valley Community College in administering the pilot program to the extent possible.

The LEAs, in collaboration with the State Board of Education, must report on the Pilot Program to the Joint Legislative Education Oversight Committee and the General Assembly on or before January 1, 2016.

This section became effective July 1, 2013. (DC)

Study of the Approval Process for Multicampus Centers

S.L. 2013-360, Sec. 10.7 ([SB 402](#), Sec. 10.7) directs the State Board of Community Colleges to develop a process for approval of multicampus centers and report to the Joint Legislative Education Oversight Committee by January 1, 2014, on its plan for a multicampus approval process and any statutory changes necessary to implement the plan.

This section became effective July 1, 2013. (DHA)

Study the Program Audit Function of the State Board of Community Colleges

S.L. 2013-360, Sec. 10.15 ([SB 402](#), Sec. 10.15). See Clarify Community College Audits summary in the **Community Colleges** subheading.

Study School of Science and Mathematics/Morganton Campus

S.L. 2013-360, Sec. 11.16 ([SB 402](#), Sec. 11.16) directs the Board of Governors of The University of North Carolina, the School of Science and Math, and the Department of Public Instruction to jointly study the feasibility of establishing a western campus for the School of Science and Math at the School for the Deaf in Morganton. If it is determined that the School for the Deaf is not a suitable site, then other available sites in western North Carolina may be considered. Upon request, the Department of Administration must provide information about renovations that would be needed at the School for the Deaf, and information about other State-owned real property that might be available. A report, including findings and recommendations, is due to the General Assembly by February 1, 2014.

This section became effective July 1, 2013. (SK)

University of North Carolina iSchool/Career and College Promise Program

S.L. 2013-360, Sec. 11.18 ([SB 402](#), Sec. 11.18) directs the University of North Carolina at Greensboro and the Department of Public Instruction to jointly study the feasibility and cost of restarting the UNC-G iSchool by incorporating it as a part of the existing structure of the Career and College Promise Program. The findings and recommendations must be reported to the Joint Legislative Education Oversight Committee by March 1, 2014.

This section became effective July 1, 2013. (DC)

Chapter 10

Environment and Natural Resources and Energy

Jeff Hudson (JH), Mariah Matheson (MM), Jennifer McGinnis (JLM), Jennifer Mundt (JM),
Chris Saunders (CS)

Enacted Legislation

Coastal Issues

Ensure Safe Navigation Channels

S.L. 2013-138 ([HB 707](#)) directs the Department of Environment and Natural Resources to work with local governments and the United States Army Corps of Engineers to ensure that the State's shallow draft navigation channels are safe and navigable. The act also establishes the Oregon Inlet Land Acquisition Task Force for the purpose of determining, reviewing, and considering the State's options for acquiring the federal government's right, title, and interest in Oregon Inlet and the real property adjacent to Oregon Inlet.

This act became effective June 19, 2013. (JH)

Increase Funding for Dredging

S.L. 2013-360, Sec. 14.22 ([SB 402](#), Sec. 14.22). See **Agriculture**.

Coastal Resources Commission

S.L. 2013-360, Sec. 14.24 ([SB 402](#), Sec. 14.24) decreases the membership of the Coastal Resources Commission from 15 to 13 members. Except as otherwise provided, the terms of all members serving on January 1, 2013, expired July 31, 2013, and the provision directs the appointment of a new Commission.

This section became effective July 1, 2013. (MM)

Coastal Resources Advisory Council

S.L. 2013-360, Sec. 14.25 ([SB 402](#), Sec. 14.25) decreases membership of the Coastal Resources Advisory Council from 45 to 20 members. Members are solely designated by the Coastal Resources Commission. Counties and cities in the coastal area may nominate candidates for consideration by the Commission. The terms of all Advisory Council members serving on January 1, 2013, expired on July 31, 2013. A new Advisory Council must be appointed with terms beginning on August 1, 2013, and expiring on June 30, 2015. Members may be reappointed at the discretion of the Commission, provided that one-half of the membership at the beginning of any two-year term are residents of counties in the coastal area.

This act became effective July 1, 2013. (MM)

Coastal Policy Reform Act of 2013

S.L. 2013-384 ([SB 151](#)) amends various laws related to the coastal region of the State as follows:

- Repeals the requirement that the Secretary of Environment and Natural Resources designate at least one licensed agent in each county bordering coastal fishing waters.
- Repeals various licenses for the taking of menhaden by the use of a purse seine net deployed by a mother ship and one or more runner boats in coastal fishing waters.
- Amends the law governing terminal groin construction as follows:
 - Amends the definition of terminal groin.
 - Repeals the requirement that an applicant for a terminal groin demonstrate that structures or infrastructure are imminently threatened by erosion and that nonstructural approaches to erosion control, including relocation of threatened structures, are impractical.
 - Provides that an environmental impact statement (EIS) prepared for a terminal groin pursuant to federal law is sufficient to satisfy the EIS requirements of the terminal groin law.
 - Provides that the requirements of an inlet management plan must be reasonable and may not impose requirements with costs that outweigh the benefits, and provides that an inlet management plan is not required to address sea level rise.
 - Amends the financial assurance requirements.
 - Provides that the Coastal Resources Commission consider the benefits of a terminal groin when determining whether the terminal groin will result in significant adverse impacts to private property or the public beach.
- Clarifies that cities may adopt and enforce ordinances on the State's ocean beaches and abate unreasonable interferences with public trust rights on the State's ocean beaches.

This act became effective August 23, 2013. The provisions of this act governing the issuance of terminal groin permits apply to permit applications submitted on or after that date. (JH)

Amend Coastal Area Management Act Minor Permit Notice Requirements

S.L. 2013-413, Sec. 30 ([HB 74](#), Sec. 30) eliminates the newspaper notice requirement for Coastal Area Management Act minor permits.

This section became effective August 23, 2013. (JH)

Energy

Permitting of Wind Energy Facilities

S.L. 2013-51 ([HB 484](#)) establishes a permitting program, implemented by the Department of Environment and Natural Resources (DENR), for the siting and operation of wind energy facilities in North Carolina. Under the program, no person may undertake construction, operation, or expansion activities associated with a wind energy facility without first obtaining a permit from DENR.

The program includes pre-permit application criteria that requires: (1) the applicant to request a pre-application site evaluation meeting with DENR to determine if proposed wind energy facility sites pose a serious risk to civil air navigation, military activities, or natural resources; (2) the applicant to submit a pre-application package to DENR that includes a narrative description and map of the proposed facility, a description of potential impacts to civil air navigation, military activities, or natural resources, and a timetable for development through

commercial operation; and (3) the applicant to request a scoping meeting with DENR to review the proposed permit within 30 days of filing the permit application.

Permit application requirements. – A permit application for a wind energy facility must include:

- A narrative description and map showing the location of each turbine.
- A description of civil air navigation or military activities that may be affected by the construction or operation of the proposed facility.
- Documentation addressing any potential adverse impacts on military activities as identified by the federal Department of Defense Clearinghouse and any mitigation actions agreed to by the applicant.
- A study of the noise and shadow flicker impacts of the turbines associated with the proposed facility.
- A study of the proposed facility on natural resources.
- A permit application fee of \$3,500.
- A plan for decommissioning and removal of the facility.

DENR must provide notice of receipt of the complete permit application, accompanied by a request for information related to potential adverse impact of the proposed wind energy facility, to potentially affected military installations and local governments. DENR is directed to hold a public hearing within 75 days of receipt of a complete permit application in each county in which the wind energy facility is proposed to be located.

Permit approval conditions. – DENR must approve a permit application for a proposed wind energy facility unless it finds that construction or operation of the facility would:

- Be inconsistent with or violate rules of DENR or any other provision of law.
- Encroach upon or otherwise have a significant adverse impact on military operations.
- Result in significant adverse impacts to natural resources, fish, wildlife, or views from State or national parks and other areas with high recreational values.
- Obstruct major navigation channels.
- Be denied based on criteria under the Coastal Area Management Act or prohibited under the Mountain Ridge Protection Act.
- Not comply with all applicable federal, State, or local permitting requirements, licenses, or approvals, including local zoning requirements.

The act requires the applicant or permit holder to establish financial assurance that ensures funds are available for decommissioning the facility and reclamation of the property to its condition prior to commencement of activities on site.

This act became effective May 17, 2013, and applies to wind energy facilities or facility expansions that have not received a written Determination of No Hazard to Air Navigation issued by the Federal Aviation Administration on or before that date. (JM)

Accelerate Sunset Date of Petroleum Displacement Plan

S.L. 2013-265, Sec. 23 ([SB 638](#), Sec. 23) accelerates the sunset date of the Petroleum Displacement Plan from July 1, 2016, to July 17, 2013.

This section became effective July 17, 2013. (CS)

Domestic Energy Jobs Act

S.L. 2013-365 ([SB 76](#)) modifies provisions related to oil and gas exploration and development activities in the State, including the use of horizontal drilling and hydraulic fracturing treatments for that purpose (fracking activities); enacts various provisions related to offshore energy activities; amends the Energy Policy Act and the Energy Policy Council; and directs the Medical Care Commission to amend a rule governing required emergency fuel for health facilities. In particular, the act:

- Directs that all rules required to be adopted to govern fracking activities are subject to automatic review by the General Assembly.
- Provides that, with respect to rules proposed for the creation of a modern regulatory program for fracking activities, the Mining and Energy Commission (MEC), the Environmental Management Commission (EMC), and the Commission for Public Health (CPH) are exempt from the provisions of the Administrative Procedure Act that require the preparation of fiscal notes.
- Modifies the moratorium enacted in 2012 on issuance of permits for fracking activities so that the moratorium is operative until: (1) all rules required to be adopted by the MEC, the EMC, and the CPH have become effective; and, (2) the General Assembly takes affirmative legislative action, including repeal of the moratorium, to allow the issuance of such permits.
- Directs several studies on various matters, including: (1) development of a coordinated permitting program for fracking activities in order that a single comprehensive environmental permit could be issued for an applicant's fracking activities; (2) an appropriate rate of severance tax that should be imposed in association with fracking activities; and (3) registration requirements for landmen.
- Modifies the membership of the MEC.
- Modifies the MEC's authority to limit the total amount of oil and gas produced in the State (an allowable) in certain circumstances.
- Clarifies bonding requirements associated with fracking activities.
- Requires that any revenues or royalties paid to the State from offshore leasing, exploration, development, and production of energy be deposited in a special revenue fund until the fund reaches \$250 million. The fund may be used only for emergency purposes in response to a release of liquid hydrocarbons or associated fluids resulting from offshore energy activities. Funds in excess of \$250 million are designated for specific uses.
- Encourages the Governor to develop a compact with the governors of South Carolina and Virginia to develop a regional strategy for exploration of offshore energy resources, and otherwise work with other states, Congressional delegations, and applicable federal agencies to develop strategies for increasing domestic energy supply and to promote a constructive dialogue on offshore energy issues.
- Amends the purpose, goals, and duties of the Energy Policy Council (Council); reconstitutes the Council's membership; and transfers the Council from the Department of Commerce to the Department of Environment and Natural Resources.
- Directs the Medical Care Commission to amend the Electrical Requirements Rule to allow facilities licensed by the Department of Health and Human Services to use bi-fuel generators that operate with both liquid fuel and other gaseous fuels that are not stored on the site, in certain circumstances, for the purpose of providing emergency electricity to such facilities.

This act became effective July 29, 2013. (JLM)

Energy Savings Contracting Amendments

S.L. 2013-396 ([SB 547](#)). See **State Government**.

Fisheries

Fishery Resource Grant Program Repeal

S.L. 2013-360, Sec. 14.7 ([SB 402](#), Sec. 14.7) repeals the Fishery Resource Grant Program, a grant program that funded work on new fisheries equipment and gear, environmental studies, mariculture, and seafood technology.

This section became effective July 1, 2013. (JH)

Marine Fisheries Licenses and Permits

S.L. 2013-360, Sec. 14.8 ([SB 402](#), Sec. 14.8) increases various marine fisheries license and permit fees in order to support the Marine Fisheries At-Sea Observer Program and makes other changes to marine fisheries license and permit requirements. The Marine Fisheries Commission must report to the General Assembly by March 1, 2014, on additional funding for the Program.

This section became effective August 1, 2013. (JH)

Marine Resources Fund and Marine Resources Endowment Fund Disbursements

S.L. 2013-360, Sec. 14.9 ([SB 402](#), Sec. 14.9) amends the Marine Resources Fund and the Marine Resources Endowment Fund so that disbursements from the Funds must be authorized solely by the Marine Fisheries Commission, rather than by that Commission and the Wildlife Resources Commission.

This section became effective July 1, 2013. (JH)

Marine Fisheries Endowment Fund Repealed

S.L. 2013-360, Sec. 14.10 ([SB 402](#), Sec. 14.10) repeals the Marine Fisheries Endowment Fund, which has never been appointed or received any funding.

This section became effective July 1, 2013. (JH)

Miscellaneous

Regionalization of Public Utilities

S.L. 2013-50 ([HB 488](#)). See **Local Government**.

Transfer Environmental Permits

S.L. 2013-121 ([HB 279](#)) authorizes the Department of Environment and Natural Resources to transfer stormwater management system permits, sewer system permits, and State-administered erosion control plans and authorizes local governments to transfer locally-administered erosion control plans without the consent of the permit or plan holder to a successor-owner of the property on which the permitted activity is occurring or will occur under certain conditions.

This act became effective June 19, 2013. (JH)

Tennessee Valley Authority Settlement Funds

S.L. 2013-360, Sec. 13.3 ([SB 402](#), Sec. 13.3). See **Agriculture**.

Environmental Management Commission

S.L. 2013-360, Sec. 14.23 ([SB 402](#), Sec. 14.23) decreases the membership of the Environmental Management Commission from 19 to 15 members, terminates the membership of individuals serving on January 1, 2013, effective July 31, 2013, and directs appointment of a new Commission. Members serve terms of four years.

This section became effective July 1, 2013. (MM)

Transfer State Energy Office from the Department of Commerce to the Department of Environment and Natural Resources

S.L. 2013-360, Sec. 15.22 ([SB 402](#), Sec. 15.22). See **State Government**.

Various Emergency Management Changes

S.L. 2013-415 ([HB 15](#)). See **Transportation**.

Parks and Recreation

Special License Plate Revenue for Friends of State Parks, Inc.

S.L. 2013-360, Sec. 14.3B ([SB 402](#), Sec. 14.3B). See **Transportation**.

Deed Stamp Tax Proceeds Credited to General Fund

S.L. 2013-360, Sec. 14.4 ([SB 402](#), Sec. 14.4). See **Finance**.

Parks and Recreation Authority

S.L. 2013-360, Sec. 14.5 ([SB 402](#), Sec. 14.5) decreases the membership of the Parks and Recreation Authority from 15 to 9 members. Effective July 1, 2013, terms of members of the Authority expire and a new nine-member authority is appointed.

This section became effective July 1, 2013. (JLM)

Amendments to the Parks and Recreation Trust Fund

S.L. 2013-363, Sec. 5.8 ([HB 112](#), Sec. 5.8) amends the purposes for which monies in the Parks and Recreation Trust Fund may be used by eliminating authority to use such funds to retire debt incurred for capital projects, repairs, and renovation of facilities that are part of the State Parks System.

This section became effective July 1, 2013. (JLM)

Regulatory Reform

County Comment on Permits for Land Application of Bulk Residuals

S.L. 2013-340 ([SB 372](#)). See **Local Government**.

Temporary Limitation on Enactment of Environmental Ordinances by Cities and Counties; Study

S.L. 2013-413, Sec. 10.2 ([HB 74](#), Sec. 10.2). See **Local Government**.

Lagoon Closure Rule

S.L. 2013-413, Sec. 20 ([HB 74](#), Sec. 20) provides for another option to the implementation of a rule governing closure requirements for containment basins, such as lagoons or waste storage structures, permitted at a cattle facility to allow for an alternative closure process if the cattle facility no longer meets the statutory definition of an "animal feeding operation" and directs the Environmental Management Commission to adopt a rule consistent with the provisions of this section.

This section became effective August 23, 2013. (JM)

Amend the Definition of "New Animal Waste Management System"

S.L. 2013-413, Sec. 21 ([HB 74](#), Sec. 21) amends the definition of "new animal waste management system" in the Administrative Code and directs the Environmental Management Commission to adopt a rule consistent with the amended definition.

This section became effective August 23, 2013. (JM)

Repeal 2008 and Subsequent Model Year Heavy-Duty Diesel Vehicle Requirements

S.L. 2013-413, Sec. 25 ([HB 74](#), Sec. 25) directs the Environmental Management Commission (EMC) to repeal the Model Year 2008 and Subsequent Model Year Heavy-Duty Vehicle Requirements rule on or before December 1, 2013, and provides that until the rule is repealed, the EMC, the Department of Environment and Natural Resources, or any other political subdivision of the State may not implement or enforce the rule.

This section became effective August 23, 2013. (JM)

Provide Environmental Management Commission with Flexibility as to the Necessity of Regulating Complex Sources

S.L. 2013-413, Sec. 27 ([HB 74](#), Sec. 27) provides the Environmental Management Commission with the flexibility to determine whether rules are necessary for controlling the effects of complex sources on air quality. Complex sources are facilities which are or may be an air pollution source or which will induce or tend to induce development or activities which will or

may be air pollution sources largely the result of increased emissions from motor vehicles or stationary sources.

This section became effective August 23, 2013. (JM)

Amend Rules that Pertain to Open Burning for Land Clearing or Right-of-Way Maintenance

S.L. 2013-413, Sec. 28 ([HB 74](#), Sec. 28) amends the rules that pertain to open burning for land clearing or right-of-way maintenance to provide that an air quality permit is not required if materials are not carried off site or transported over public roads for open burning unless the materials are carried or transported to: (1) facilities permitted for the operation of an air curtain burner; or (2) a location where the material is burned no more than four times per year. The sites must be at least 500 feet from any dwelling or occupied structure not located on the property; with no more than 2 piles, each 20 feet in diameter, burned at one time; and may not be a permitted solid waste facility. This section also makes conforming statutory changes.

This section became effective August 23, 2013. (JM)

Air Quality Permit Duration/Clarify Third Party Filings

S.L. 2013-413, Sec. 29 ([HB 74](#), Sec. 29) provides that, with the exception of permits issued pursuant to Title V of the federal Clean Air Act, air quality permits must be issued for a term of eight years. This section also provides that, in addition to a permit applicant and a permittee, a third party who is dissatisfied with a decision of the Environmental Management Commission (EMC) may commence a contested case within 30 days of the EMC notifying the applicant of its decision.

This section became effective August 23, 2013. (JM)

Clarify Local Government Authority under the Sedimentation and Pollution Control Act

S.L. 2013-413, Sec. 33 ([HB 74](#), Sec. 33) clarifies the process for appeals from civil penalties assessed by a local government that has established and administers a State-approved erosion and sedimentation control program. This section also provides that civil penalties assessed by a local government under the Sedimentation and Pollution Control Act of 1973 must be remitted to the Civil Penalty and Forfeiture Fund.

This section became effective August 23, 2013. (JM)

Technical and Conforming Changes to Protected Species and Marine/Wildlife Resources Statutes

S.L. 2013-413, Sec. 37 ([HB 74](#), Sec. 37) amends various statutes governing protected species, marine, and wildlife resources to conform to analogous federal law.

This section became effective August 23, 2013. (JM)

Clarifying and Conforming Changes to Statutes Pertaining to the Management of Snakes and Other Reptiles

S.L. 2013-413, Sec. 38 ([HB 74](#), Sec. 38). See **Criminal Law and Procedure**.

Prohibit Public Entities from Purchasing or Acquiring Property with Known Contamination without Approval of the Governor and Council of State

S.L. 2013-413, Sec. 40 ([HB 74](#), Sec. 40). See **State Government**.

Clarify the Fees for North Carolina Aquariums

S.L. 2013-413, Sec. 42 ([HB 74](#), Sec. 42) clarifies that the Secretary of Environment and Natural Resources may adopt fees for the aquariums and piers operated by the North Carolina Aquariums, for facility rentals, and educational programs.

This section became effective August 23, 2013. (JM)

Repeal Requirements for Increases in Vehicular Surface Areas

S.L. 2013-413, Sec. 54 ([HB 74](#), Sec. 54) repeals the alternative requirements for land-disturbing activity that result in an increase in vehicular surface area of one acre or more.

This section became effective August 23, 2013. (JM)

Amend Notice Procedure for Dredge and Fill Permits

S.L. 2013-413, Sec. 55 ([HB 74](#), Sec. 55) amends the notice procedure to riparian property owners that adjoin property subject to an application for a dredge and fill permit.

This section became effective August 23, 2013. (JM)

Solid Waste

Construction/Demolition Landfill Siting

S.L. 2013-25 ([SB 24](#)) decreases the buffer requirement from State gamelands for landfills solely for the disposal of construction and demolition debris from 1 mile to 500 feet when both of the following apply: (1) the disposal unit would be located within the primary corporate limits of a municipality located in a county with a population less than 15,000; and (2) all portions of the gameland within 1 mile of the proposed disposal unit are separated from the disposal unit by a primary highway designated by the Federal Highway Administration as a United States Highway.

This act became effective April 9, 2013, and applies to any application for a permit for a sanitary landfill for the disposal of construction and demolition debris waste pending on that date or submitted on or after that date. (JLM)

Preserve Landfill Space

S.L. 2013-55 ([HB 706](#)) allows disposal of demolition debris from the decommissioning of manufacturing buildings, including electric generating stations, on the same site as the decommissioned buildings, and exempts such sites from landfill permitting requirements, in certain circumstances.

This act became effective July 1, 2013. (JLM)

Plastics Labeling Requirements

S.L. 2013-74 ([HB 315](#)) prohibits the sale of rigid plastic containers, including beverage containers, in the State that are labeled as "degradable," "biodegradable," "compostable," or other words suggesting the container will biodegrade unless the container also includes a label with the statement "Not Recyclable, Do Not Recycle" in print of the same color, contrast, font, and size as the language suggesting the container will biodegrade.

This act became effective June 12, 2013, and applies to any plastic containers distributed, sold, or offered for sale after July 1, 2014. (JLM)

Underground Storage Tanks Eligible for Brownfields

S.L. 2013-108 ([HB 789](#)) makes properties with contamination due to releases from underground petroleum storage tanks eligible for participation in the State's Brownfields Program, which encourages redevelopment of contaminated sites by removing barriers to redevelopment posed by a prospective developer's potential liability for clean-up costs. The act also requires the Department of Environment and Natural Resources to report to the Environmental Review Commission no later than April 1, 2014, on the impacts of this change to the Brownfields Property Reuse Program and the Leaking Petroleum Underground Storage Tank Cleanup Program.

This act became effective July 1, 2013. (JLM)

Amend Definition of Special Purpose Project

S.L. 2013-135 ([HB 639](#)). See **Local Government**.

Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund

S.L. 2013-360, Sec. 14.15(a) ([SB 402](#), Sec. 14.15(a)) modifies the purposes for which the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund (Fund) may be used, to provide that with respect to releases discovered or reported to the Department of Environment and Natural Resources on or after August 1, 2013, the Fund may pay only for the cleanup of environmental damage in excess of \$2,000 or the sum of the following amounts, whichever is less:

- A deductible of \$1,000 per occurrence.
- A co-payment equal to 10% of the costs of the cleanup of environmental damage, per occurrence.

This section became effective July 1, 2013. (JLM)

Portion of Scrap Tire Disposal Tax Credited to General Fund; Repeal of Scrap Tire Disposal Account

S.L. 2013-360, Secs. 14.16(a) through (e) ([SB 402](#), Secs. 14.16(a) through (e)) eliminate the Scrap Tire Disposal Account and redistribute revenues collected from the scrap tire disposal tax so that 30% of the net tax proceeds are credited to the General Fund (in lieu of distributions to the Solid Waste Management Trust Fund, the Scrap Tire Disposal Account, the Inactive Hazardous Sites Cleanup Fund, and the Bernard Allen Memorial Emergency Fund); 70% of the net tax proceeds will continue to be distributed among the counties on a per capita basis. The Department of Environment and Natural Resources retains authorization to make grants to units

of local government to assist them in disposing of scrap tires, however, grants to encourage the use of processed scrap tire materials are prohibited under the legislation.

This section became effective July 1, 2013. (JLM)

Portion of White Goods Disposal Tax Credited to General Fund

S.L. 2013-360, Sec. 14.17 ([SB 402](#), Sec. 14.17) redistributes revenues collected from the white goods disposal tax so that 28% of the net tax proceeds are credited to the General Fund (in lieu of distributions to the Solid Waste Management Trust Fund and the White Goods Management Account); 72% of the net tax proceeds will continue to be distributed among the counties on a per capita basis. The legislation also eliminates the White Goods Management Account, effective June 30, 2017.

Except as otherwise provided, this section became effective August 1, 2013. (JLM)

Portion of Solid Waste Disposal Tax Credited to General Fund; Repeal of Solid Waste Management Trust Fund

S.L. 2013-360, Secs. 14.18(a) through (c) ([SB 402](#), Secs. 14.18(a) through (c)) eliminate the Solid Waste Management Trust Fund and redistribute revenues collected from the solid waste disposal tax so that 12.5% of the net tax proceeds are credited to the General Fund (in lieu of a distribution to the Solid Waste Management Trust Fund). Of the remaining net tax proceeds, 50% will continue to be distributed to the Inactive Hazardous Sites Cleanup Fund, and 37.5% will continue to be distributed among the cities and counties on a per capita basis. The legislation also directs the Department of Environment and Natural Resources to develop an outreach program to promote waste reduction and recycling.

These sections became effective July 1, 2013. (JLM)

Adjust Landfill Permit Fee Timing

S.L. 2013-408 ([HB 135](#)) makes adjustments to the fee schedule for permits for sanitary landfills and transfer stations to reflect extension of the duration of these permits (from 5 to 10 years) as directed by legislation enacted in 2012.

This act became effective August 23, 2013, and applies to permit applications submitted on or after July 1, 2013. (JLM)

Amend Local Solid Waste Planning

S.L. 2013-409 ([HB 321](#)) eliminates a requirement that each unit of local government, either individually or in cooperation with other units of local government, develop a 10-year comprehensive solid waste management plan. In addition, the act modifies several requirements applicable to local governments for reports due to the Department of Environment and Natural Resources.

This act became effective August 23, 2013. (JLM)

Scrap Tire Disposal

S.L. 2013-413, Sec. 18 ([HB 74](#), Sec. 18) amends a provision enacted in 2012 that required the Department of Environment and Natural Resources to adopt rules to prohibit permitted scrap tire collectors from contracting with a scrap tire processing facility unless the

processing facility documents that it has access to a facility permitted to receive scrap tires. This section codifies this requirement in the statutes and eliminates the rulemaking requirement.

This section became effective August 23, 2013. (JLM)

Clarify Rules for Underground Storage Tanks

S.L. 2013-413, Sec. 36 ([HB 74](#), Sec. 36) clarifies legislation enacted in 2011 that provided that underground storage tanks and systems installed after January 1, 1991, were not required to comply with well setback requirements or provide secondary containment until January 1, 2020. The section further limits the applicability of the 2011 legislation only to those tanks and systems installed prior to April 1, 2001.

This section became effective August 23, 2013. (JLM)

Development Agreements/Brownfields

S.L. 2013-413, Sec. 44 ([HB 74](#), Sec. 44). See **Local Government**.

Clarify that Extended-Duration Permits for Sanitary Landfills and Transfer Stations are Permits for Operation as well as Construction

S.L. 2013-413, Sec. 48 ([HB 74](#), Sec. 48) clarifies a provision enacted in 2012 that extended the duration of permits for sanitary landfills and transfer stations to explicitly provide that these permits are for both construction and operation of a facility.

This section became effective August 23, 2013. (JLM)

Add a Factor for Consideration in Assessing Solid Waste Penalties

S.L. 2013-413, Sec. 49 ([HB 74](#), Sec. 49) codifies in statute factors that the Secretary of Environment and Natural Resources must use to determine the amount of a penalty for violations of solid waste management laws (these factors were previously included only in the Administrative Code), and adds the amount of money a violator saved as a new factor for consideration in assessing solid waste penalties.

This section became effective August 23, 2013. (JLM)

Limit Local Government Regulation of Storage, Retention, or Use of Nonhazardous Recyclable Materials

S.L. 2013-413, Sec. 50 ([HB 74](#), Sec. 50) prohibits a local government from impeding the storage, retention, or use of nonhazardous recyclable materials, including asphalt pavement, rap, or roofing shingles in properly zoned storage facilities, through regulation of the height or setback of recyclable materials stockpiles, except when such facilities are located on lots within 200 yards of residential districts.

This section became effective August 23, 2013. (JLM)

Solid Waste Reform Provisions

S.L. 2013-413, Part VI ([HB 74](#), Part VI), as amended by S.L. 2013-410, Sec. 47.6 ([HB 92](#), Sec. 47.6), makes various changes to laws governing solid waste as follows:

- Modifies a basis on which the Department of Environment and Natural Resources (DENR) is statutorily required to deny a permit for solid waste management facilities. DENR must deny a permit if the cumulative impact of the proposed facility, when considered in relation to other similar impacts of facilities located or proposed in the community, would have a disproportionate adverse impact on a minority or low-income community protected by Title VI of the federal Civil Rights Act of 1964. The legislation specifies that the provision applies only to the extent required by federal law.
- Modifies the requirement that an applicant for a proposed sanitary landfill conduct an environmental impact study of the proposed facility to provide that the applicant must contract with a qualified third party approved by DENR to conduct the study. This provision is applicable to applications for new permits, including expansions, submitted on or after August 23, 2013.
- Modifies the one-mile buffer from the outermost boundary of a State gameland owned, leased, or managed by the Wildlife Resources Commission by providing that only buffers established on or before July 1, 2013, apply.
- Deletes requirements for annual cleaning of leachate collection lines, but provides that these lines must be cleaned as necessary for proper functioning and to address buildup of leachate over a liner.
- Adds a requirement that, with respect to requirements for daily cover at sanitary landfills, once DENR has approved use of an alternative method of daily cover for use at any sanitary landfill, that alternative method must be approved for use at all sanitary landfills located within the State.
- Adds requirements that owners or operators of sanitary landfills permitted to receive more than 240,000 tons of waste per year: (1) research the development of alternative disposal technologies and allow access to nonproprietary information and provide site resources to others for such research; and (2) perform a feasibility study of landfill gas-to-energy, or other waste-to-energy technology, to determine opportunities for production of renewable energy from landfills in order to promote economic development and job creation in the State, and specifically examine opportunities for returning a portion of the benefits derived from energy produced from the landfill to the jurisdiction within which the landfill is located. This provision is applicable to new landfills for which a permit is issued on or after August 23, 2013.
- Directs the Commission for Public Health to amend a rule governing containers for collection and transport of solid waste to provide that vehicles or containers be designed and maintained to be leak-resistant in accordance with industry standards, rather than be leak-proof. In addition, this Part amends a statute that requires vehicles to be constructed and loaded to prevent leakage, to provide that leakage does not include water accumulated from precipitation.
- Defines "leachate" to exclude liquid adhering to tires of vehicles leaving sanitary landfills and transfer stations.
- Authorizes cities and counties to: (1) levy a surcharge on existing fees for use of waste disposal facilities by other cities and counties located within the State that use their disposal facility, and provides that funds accrued in excess of the amount needed to operate the landfill may be used for other governmental purposes; and (2) include such a surcharge on other local governments' waste as part of a franchise agreement entered into with a private landfill owner or operator. These provisions became effective August 1, 2013, and the provisions concerning franchise agreements are applicable to agreements executed on or after that date.

Except as otherwise provided, this Part became effective August 23, 2013. (JLM)

Water Quality/Quantity/Groundwater

Environmental Permitting Reform

S.L. 2013-82 ([HB 480](#)) directs the Department of Environment and Natural Resources to develop Minimum Design Criteria for stormwater permits and directs the Environmental Management Commission to adopt rules to establish a fast-track permitting process for stormwater permits that comply with the Minimum Design Criteria.

This act became effective June 12, 2013. (JH)

Enact Private Well Water Education Act

S.L. 2013-122 ([HB 396](#)) directs the Commission for Public Health to adopt rules requiring local health departments to educate citizens for whom new private drinking water wells are constructed and citizens who contact local health departments regarding testing on an existing well on all of the following: (1) the well water testing required under the North Carolina Well Construction Act; (2) optional well water testing available under the Act; (3) the limitations of both the required and optional testing under the Act; and (4) a description of minimum drinking water standards. Local health departments are required to include information on the required and optional testing with any test results that are provided to an owner of a drinking water well.

This act became effective June 19, 2013. (JM)

Extend Division of Soil and Water Conservation Animal Waste Inspections

S.L. 2013-131 ([HB 505](#)) codifies and makes permanent the program for the inspection of certain animal waste management systems by the Division of Soil and Water Conservation of the Department of Agriculture and Consumer Services.

This act became effective June 30, 2013. (MM)

Eliminate Unnecessary Testing/Animal Waste

S.L. 2013-228 ([SB 205](#)) reduces the periodic soil testing requirements at animal operations from at least annually to at least once every three years.

This act became effective August 1, 2013, and applies to any animal waste management plan submitted to or approved by the Department of Environment and Natural Resources after that date. (JM)

Clean Water Management Trust Fund Under the Department of Environment and Natural Resources; Repeal Natural Heritage Trust Fund

S.L. 2013-360, Sec. 14.3 ([SB 402](#), Sec. 14.3) does the following:

- Transfers staff of the Clean Water Management Trust Fund (Fund) and the administration of the Fund to the Department of Environment and Natural Resources.
- Repeals the Natural Heritage Trust Fund and makes conforming statutory changes.

- Adds the Fund to those accounts that receive revenues from fees for special registration license plates.
- Amends the purposes for which monies in the Fund may be appropriated to finance projects to include those previously addressed by the Natural Heritage Trust Fund.
- Reduces the membership of the Board of Trustees (Board) of the Fund from 21 to 9 members.
- Adds new criteria to be developed by the Board for awarding grants under the Fund.
- Closes the Natural Heritage Trust Fund and credits the remaining fund balance to the Fund.

This section became effective August 1, 2013. (JM)

Bernard Allen Memorial Emergency Drinking Water Fund

S.L. 2013-360, Sec. 14.14 ([SB 402](#), Sec. 14.14) makes several changes to the Bernard Allen Emergency Drinking Water Fund, including:

- Increasing the frequency at which drinking water wells may be tested for contamination.
- Modifying two limitations on the maximum amount of monies that may be disbursed from the Fund to extend waterlines.
- Prioritizing funding for wells contaminated by artificial sources over those with naturally occurring contamination.
- Clarifying a provision concerning an allowance for administrative expenses.

This section became effective July 1, 2013. (JLM)

Create New Division of Water Infrastructure in the Department of Environment and Natural Resources; New State Water Infrastructure Authority; Transfer Water Infrastructure Fund to New Division

S.L. 2013-360, Sec. 14.21, as amended by S.L. 2013-363, Sec. 5.12 ([SB 402](#), Sec. 14.21, as amended by HB 112, Sec. 5.12) does the following:

- Creates a new Division of Water Infrastructure within the Department of Environment and Natural Resources (DENR) responsible for the implementation and administration of water infrastructure programming and funding in the State.
- Establishes the State Water Infrastructure Authority within DENR.
- Repeals the State Water Infrastructure Commission.
- Makes conforming statutory changes.

This section became effective July 1, 2013. (JM)

Amend Interbasin Transfer Law

S.L. 2013-388, Secs. 1, 2, and 3 ([SB 341](#), Secs. 1, 2, and 3) amends interbasin transfer law as follows:

- Modifies the threshold for when an interbasin transfer certificate must be obtained from a transfer of two million gallons of water or more per day from one river basin to another to a transfer of two million gallons of water or more per day, calculated as a daily average of a calendar month and not to exceed three million gallons per day in any one day, from one river basin to another.
- Provides an expedited process for modifying existing interbasin transfer certificates by reducing notice requirements and providing that a full environmental impact statement (EIS) is not necessarily required.

- Prohibits the Environmental Management Commission from granting a request for a modification that would be inconsistent with the North Carolina/South Carolina settlement agreement for the Catawba River Basin.
 - Provides an expedited process for obtaining new interbasin transfer certificates in coastal counties by reducing notice requirements and providing that a full EIS is not necessarily required.
 - Makes other clarifying, conforming, and technical changes to interbasin transfer law.
- These sections became effective August 23, 2013. (JH)

Jordan Lake Water Quality/Demonstration Project

S.L. 2013-395 ([SB 515](#)) provides that the implementation dates of the Jordan Lake Rules and Jordan Lake Session Laws that begin July 1, 2013, or later are delayed for a period of three years. The act also modifies the implementation of the Jordan Water Supply Nutrient Strategy/Protection of Existing Riparian Buffers rule.

This act became effective August 23, 2013.

S.L. 2013-360, Sec. 14.3A ([SB 402](#), Sec. 14.3A) directs the Department of Environment and Natural Resources to:

- Establish a 24-month demonstration project for the management of nutrients in Jordan Lake. The demonstration project will focus on preventing and reducing harmful algal blooms and excessive chlorophyll, as well as providing other nutrient mitigation measures in the Haw River arm and the Morgan Creek arm of Jordan Lake.
- Enter into a contract with a third party that can deploy floating arrays of in-lake, long-distance circulators to reduce or prevent the adverse impacts of excessive nutrient loads, such as algal blooms, taste and odor problems in drinking water, and low levels of dissolved oxygen.
- Submit an interim report on implementation of the demonstration project to the Environmental Review Commission (ERC) and the Fiscal Research Division (FRD) no later than October 1, 2015, and submit a final report on implementation of the demonstration project to the ERC and the FRD no later than April 1, 2016.

This section became effective July 1, 2013. (JH)

Reclaimed Water Irrigation Setback Rule

S.L. 2013-413, Sec. 22 ([HB 74](#), Sec. 22) provides for alternative implementation of a rule that requires various setbacks when reclaimed water is used for purposes of irrigation.

This section became effective August 23, 2013. (JH)

Provide Low-Flow Design Alternatives for Wastewater Systems

S.L. 2013-413, Sec. 34 ([HB 74](#), Sec. 34) amends the Administrative Code to provide for reduced flow alternatives to the Daily Flow Rate for Design for wastewater systems. This section exempts proposed wastewater systems from complying with the Daily Flow Rate for Design and any design flow standard established by the Commission for Public Health or the Department of Health and Human Services provided: (1) the daily flow rate for design of the system is less than the rate listed by rule; (2) the daily flow rate for design can be achieved through engineering design that utilizes low-flow fixtures and low-flow technologies; and (3) the design is prepared, sealed, and signed by a professional engineer licensed in North Carolina. This section further provides that proposed wastewater systems with a daily flow for design of less than 3,000 gallons per day are not required to undergo State-level review.

This section became effective August 23, 2013. (JM)

Provide Notice of Known Contamination and Direct Local Health Departments to Act on a Permit Application for Private Wells within 30 Days

S.L. 2013-413, Sec. 35 ([HB 74](#), Sec. 35) directs the Commission for Public Health to adopt rules governing permits issued for private drinking water wells for circumstances in which the local health department has determined that the proposed site for the well is located within 1,000 feet of a known source of contamination. This section also directs local health departments either to issue a permit or deny an application for a permit for the construction, repair, or operation of a private drinking water well within 30 days of receipt of an application, and provides that a permit must be issued automatically if not acted upon within the 30-day period.

This section became effective August 23, 2013, and the provisions that pertain to permit issuance apply to applications to construct or repair a private drinking water well that are received by a local health department on or after that date. (JM)

Clarify Requirements for Compliance Boundaries with Respect to Groundwater Quality Standards

S.L. 2013-413, Sec. 46 ([HB 74](#), Sec. 46) amends the statute that regulates sources of water pollution from disposal systems and the activities for which a permit is required by requiring any source that must obtain a permit must also have a compliance boundary established, either by the permit or by a rule adopted by the Environmental Management Commission (EMC), beyond which groundwater quality standards may not be exceeded. Unless otherwise established by the EMC, the compliance boundary must be established at the property boundary. Multiple contiguous properties under common ownership and permitted for use as a disposal site must be treated as a single property. This section includes provisions for cleanup, recovery, containment, or other response within the compliance boundary when groundwater quality standards are exceeded.

This section became effective August 23, 2013. (JM)

Amend the Definition of "Built-Up Area" for Purposes of Implementing Stormwater Programs

S.L. 2013-413, Sec. 51 ([HB 74](#), Sec. 51) amends the definition of "built-up area" for purposes of stormwater management to include impervious surface and partially impervious surface to the extent that the partially impervious surface does not allow water to infiltrate through the surface into the subsoil. "Built-up area" does not include a wooden slatted deck, the water area of a swimming pool, or gravel. This section also directs the Environmental Review Commission to study State stormwater programs, including how partially impervious surfaces are treated in the calculation of built-up area under those programs, and to report its findings and recommendations to the 2014 Regular Session of the 2013 General Assembly.

This section became effective August 23, 2013, and applies to projects for which permit applications are received on or after that date. (JH)

Exempt Ponds Constructed and Used for Agricultural Purposes from Riparian Buffer Rules

S.L. 2013-413, Sec. 52 ([HB 74](#), Sec. 52) exempts freshwater ponds that are constructed and used for agriculture, provided the pond is not a component of an animal waste management system, from State riparian buffer rules. This section provides that the riparian buffer rules must apply if the use of the property adjacent to the pond changes such that it no longer is used for agriculture.

This section became effective August 23, 2013, and applies to ponds used for agriculture that were either in existence on or constructed after July 22, 1997. (JM)

Clarify Third Party Filings

S.L. 2013-413, Sec. 53 ([HB 74](#), Sec. 53) provides that in addition to a permit applicant and a permittee, a third party who is dissatisfied with a decision of the Environmental Management Commission (EMC) regarding a water quality permit may commence a contested case within 30 days of the EMC notifying the applicant of its decision.

This section became effective August 23, 2013. (JM)

Certain Water Treatment Systems with Expired Authorizations May Withdraw Surface Water at the Same Rate as Approved in the Expired Authorization

S.L. 2013-413, Sec. 56 ([HB 74](#), Sec. 56) provides that water treatment systems with expired authorizations may obtain new authorizations that allow the systems to withdraw surface water from the same water body and at the same rate as was approved in the expired authorization, and such new authorizations do not require the preparation of an environmental document pursuant to the State Environmental Policy Act.

This section became effective August 23, 2013, and applies only to those systems whose authorization for the water treatment plant expired within the last 10 calendar years of that date. (JM)

Combine the Division of Water Quality and the Division of Water Resources to Create a New Division of Water Resources in the Department of Environment and Natural Resources

S.L. 2013-413, Sec. 57 ([HB 74](#), Sec. 57) directs the Department of Environment and Natural Resources to combine the Division of Water Quality and the Division of Water Resources to create a new Division of Water Resources. This section also makes conforming statutory and Session Law changes related to combining the Division of Water Quality with the Division of Water Resources.

This section became effective August 23, 2013. (JM)

Studies

Petition for Greater Flexibility and Opportunity to Perform Stream and Wetlands Mitigation

S.L. 2013-265, Part 22 ([SB 638](#), Part 22) directs the Department of Environment and Natural Resources and the Department of Transportation jointly to petition the Wilmington District of the United States Army Corps of Engineers to allow for greater flexibility and opportunity to perform wetlands mitigation outside of the watershed where development occurs. The Departments must jointly report on their progress to the Environmental Review Commission no later than January 1, 2014.

This Part became effective July 17, 2013. (CS)

Study the Costs and Benefits of the Noncommercial Underground Storage Tank Program

S.L. 2013-360, Secs. 14.15(b) and (c) ([SB 402](#), Secs. 14.15(b) and (c)) direct the Department of Environment and Natural Resources to study the costs and benefits of the noncommercial underground storage tank program and explore options for continued use of the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund and ways to improve its solvency, and report its findings to the Environmental Review Commission and the General Assembly no later than April 1, 2014.

This section became effective July 1, 2013. (JLM)

Environmental Review Commission Water and Sewer Study

S.L. 2013-413, Sec. 24 ([HB 74](#), Sec. 24) directs the Environmental Review Commission to study the statutory models for establishing, operating, and financing certain entities that provide water and sewer services in the State and to report its findings and recommendations to the 2014 Session of the 2013 General Assembly.

This section became effective August 23, 2013. (JH)

Department of Environment and Natural Resources to Study the Continued Need to Conduct Vehicle Emissions Inspections

S.L. 2013-413, Sec. 26 ([HB 74](#), Sec. 26) directs the Department of Environment and Natural Resources (DENR) to study whether all of the counties covered under the emissions testing and maintenance program are needed to meet and maintain the current and proposed federal ozone standards in the State. The DENR must report interim findings to the Environmental Review Commission (ERC) on or before April 1, 2015, and submit its final report, including any findings and legislative recommendations, to the ERC on or before April 1, 2016.

This section became effective August 23, 2013. (JM)

Study Review of Engineering Work

S.L. 2013-413, Sec. 58 ([HB 74](#), Sec. 58) directs the Departments of Environment and Natural Resources, Transportation, Health and Human Services, and certain local governments to study their processes for review of applications and plans submitted for approval, with a focus on

the review of the engineering aspects of applications and plans. These entities are required to report their findings and recommendations to the ERC no later than January 1, 2014. The ERC will then study this matter, with the assistance of the State agencies, the local governments, the North Carolina State Board of Examiners for Engineers and Surveyors, and the Professional Engineers of North Carolina, and report its findings and recommendations to the 2014 General Assembly.

This section became effective August 23, 2013. (JH)

Chapter 11

Finance

Cindy Avrette (CA), Judy Collier (JC), Dan Ettefagh (DE), Heather Fennell (HF),
Trina Griffin (TG), Greg Roney (GR)

For a more detailed explanation, see the **2013 Finance Law Changes** publication.

Enacted Legislation

Unemployment Insurance Fund Solvency and Program Changes

S.L. 2013-2 ([HB 4](#)), as amended by S.L. 2013-224 ([HB 743](#)) and S.L. 2013-391 ([SB 420](#)), makes fundamental changes to the State unemployment insurance (UI) program to accelerate the repayment of the \$2.5 billion advance the State borrowed from the federal government to pay UI benefits.

- Effective January 1, 2014, the act increases the minimum State unemployment tax (SUTA) rate from 0% to .06%, increases the maximum SUTA tax rate from 5.7% to 5.76%, and computes SUTA tax rates based on a formula rather than a series of stepped tax schedules.
- Effective July 1, 2013, the act establishes a trigger for the collection and suspension of the surtax, which is equal to 20% of an employer's SUTA liability. The surtax will be suspended whenever the balance in the Unemployment Insurance Fund, funded by SUTA revenues, equals or exceeds \$1 billion. Under prior law, the suspension of the surtax depended upon the balance in the Unemployment Insurance Reserve Fund, which is funded by the surtax revenue.
- Effective July 1, 2013, the act requires a 1% reserve from all governmental entity and nonprofit employers that elect to finance benefits through direct reimbursement.
- Effective July 1, 2013, the act restricts the use of revenues in the Employment Security Administration Fund and the Supplemental Employment Security Administration Fund to the administration of the UI program. Under prior law, revenues could be used to fund local offices, building improvements, and acquisitions of real and personal property.
- Effective July 1, 2013, the act reduces the maximum duration of regular benefits from 26 weeks to 20 weeks and ties the duration of benefits to the seasonal adjusted unemployment rate. It reduces the maximum weekly benefit amount (WBA) from \$535 to \$350 and changes the calculation of the WBA from a formula based on the high quarter wage in the claimant's base period to the average of the last two quarters of that period.
- Effective July 1, 2013, the act requires a waiting week for each new benefit claim; this change effectively eliminates most temporary employment. It repeals substantial fault, eliminates most good cause provisions for leaving work, and redefines suitable work as any work paying 120% of weekly benefit amount after 10 weeks of benefits.
- The act establishes the Joint Legislative Oversight Committee on Unemployment Insurance.

Except as otherwise provided, this act became effective July 1, 2013; changes to unemployment benefits apply to claims for benefits filed after July 1, 2013, changes to account balances for certain employers apply to advance payments for calendar quarters beginning on or after July 1, 2013, and changes to contribution rates apply to contributions payable for calendar quarters beginning on or after January 1, 2014. (CA)

Internal Revenue Code Update

S.L. 2013-10 ([HB 82](#)), as amended by S.L. 2013-414 ([HB 14](#)), updates from January 1, 2012, to January 2, 2013, the reference to the Internal Revenue Code used in determining certain State tax provisions, thereby incorporating and conforming many of the provisions contained in the federal American Taxpayer Relief Act of 2012 (ATRA) to the extent North Carolina law tracks those provisions, including:

- 15-year depreciation schedule for leasehold, restaurant, and retail property.
- Modified limitations on itemized deductions.
- Student loan interest deduction.
- Income exclusion for employer-provided educational assistance programs.

The act decouples from ATRA enhancements or extensions to the following provisions for the 2013 tax year:

- Bonus depreciation.
- Section 179 expensing (for both 2012 and 2013).
- Qualified tuition and expenses deduction.
- Mortgage insurance premium as interest deduction.
- Income exclusion for discharge of residence indebtedness.
- Income exclusion for IRA distributions to charity by a person who has attained age 70.5.

The act adjusts the following three tax credits that were enhanced by ATRA to achieve revenue neutrality:

- Work Opportunity credit.
- Earned Income credit.
- Adoption credit.

Except as otherwise provided, this act became effective March 13, 2013, and applies to the estates of decedents dying on or after January 1, 2012. (TG)

Property Tax/Deannexation

S.L. 2013-19 ([SB 97](#)) authorizes the governing body of a municipality to release property tax if the property was within the corporate limits for less than six months and if the municipality has not sent notice of the property tax.

This act became effective April 3, 2013, and expires July 1, 2016. (DE)

North Carolina Captive Insurance Act

S.L. 2013-116 ([HB 473](#)). See **Insurance**.

Economic Development Jobsites Program

S.L. 2013-130 ([HB 439](#)) creates a property tax deferral program for sites with potential to be developed for office or industrial applications in order to encourage horizontal improvement so as to make the sites more readily adapted to those uses in a shorter timeframe. In order to qualify, the site must be zoned for office use, industrial use, or both, must consist of at least 100 acres, may not have a building permit for a primary building or structure issued for it, and must be currently enrolled in or have been enrolled within the previous six months in the Present Use Value program. The amount of property tax liability that can be deferred is the portion of tax that represents the increase in the property value resulting from any existing horizontal improvement plus the difference between the property valued at its true value and the property valued as agricultural land in the present use value system. The deferred taxes are carried forward in the records of the county and, if applicable, the city in which the property is located until the

occurrence of a disqualifying event. A disqualifying event causes the current year's tax liability (without benefit of the program) and some previous years' deferred tax liability to be due and payable as follows:

- If, within five years of classification, an amount equal to the deferred taxes is not invested in improvements to make the land suitable for office use, industrial use, or both, (minimum investment), the deferred taxes for the preceding five years are due and payable.
- If the minimum investment is made but the property is classified for 10 years in the program, the deferred taxes for the preceding five 5 are due and payable.
- If some or all of the land is rezoned for a use other than office use, industrial use, or both, all deferred taxes are due and payable.
- If land is transferred or a building permit issued for the land, the deferred taxes (for only that portion transferred or to which the permit applies) for the preceding year are due and payable. The remaining parcel continues to receive treatment under this classification, even if it no longer meets the size requirement.

This act became effective for taxes imposed for taxable years beginning on or after July 1, 2013, and the remainder of the act became effective June 19, 2013. (DE)

Amend Definition of Special Purpose District

S.L. 2013-135 ([HB 629](#)). See **Local Government**.

Taxpayer Debt Information Act

S.L. 2013-200 ([HB 248](#)). See **Local Government**.

Unemployment Insurance Laws Administrative Changes

S.L. 2013-224 ([HB 743](#)). See summary earlier in **this Chapter** for S.L. 2013-2 ([HB 4](#)).

Exclude Custom Software from Property Tax

S.L. 2013-259 ([SB 490](#)) narrows the definition of computer software subject to local property tax. Capitalized, third-party software subject to local property tax is limited to software that is not customized through development or modification to meet the customer's specified needs. The act also excludes customized software from local property tax regardless of who customizes the software, the taxpayer or a third party. Effective July 10, 2013, the act also prohibits State courts from using the law change to interpret any statute in pending litigation.

Except as otherwise provided, this act became effective for taxes imposed for taxable years beginning on or after July 1, 2014. (GR)

Tax Simplification and Reduction Act

S.L. 2013-316 ([HB 998](#)), as amended by S.L. 2013-360, Sec. 6.18(b) ([SB 402](#), Sec. 6.18(b)), S.L. 2013-363, Secs. 11.2 and 11.4 ([SB 112](#), Secs. 11.2 and 11.4), and S.L. 2013-414, Sec. 58 ([HB 14](#), Sec. 58), reduces individual and business tax rates. To help offset the revenue loss from rate reductions applicable to all taxpayers, the act eliminates some tax expenditures and expands the sales tax base. The act makes the following changes to the State's tax structure:

- Effective for taxable years beginning on or after January 1, 2014, the act replaces the individual income tax structure with a simple, flat rate structure. The rate is

5.85% for the 2014 taxable year and 5.75% for taxable years thereafter. The act increases the standard deduction, eliminates the personal exemption, and limits itemized deductions to charitable contributions allowed to be deducted under the federal Code and to mortgage interest expenses and property taxes paid on real estate allowed to be deducted under the federal Code, but this deduction is capped at \$20,000. The act either eliminates or allows to sunset all tax credits applicable to the individual income tax except for the child credit. The act enhances the child credit from \$100 per child to \$125 per child for taxpayers whose adjusted gross income is less than \$40,000.

- Effective for taxable years beginning on or after January 1, 2014, the act reduces the corporate income tax rate from 6.9% to 6%. The rate is further reduced in taxable year 2015 to 5%. The act provides a trigger for possible rate reduction in 2016 to 4% and in 2017 to 3%. The act either eliminates or allows to sunset all tax credits applicable to the corporate income tax. The act does extend the current sunset on the tax credit for expenses related to research and development from 2014 to 2016.
- The act eliminates over time the following sales tax exemptions: nutritional supplements sold by chiropractors; meals served in higher educational institution facilities; newspapers; certain bakery items sold in a bakery thrift store; and the sales tax holidays for school items and energy star products.
- Effective January 1, 2014, the act eliminates the preferential tax rates for modular homes and manufactured homes by including them in the State sales tax base at the general rate; they continue to be exempt from local sales tax.
- Effective January 1, 2014, the act eliminates the gross receipts privilege tax on live entertainment and movies and taxes these amusements at the State and local sales tax rate. It also expands the sales tax base to include entertainment for which an admission is charged. The act exempts from sales tax the following amusements for which an admission is charged: elementary and secondary school events; agricultural fairs; youth athletic contests; State attractions; and a limited number of nonprofit events.
- Effective January 1, 2014, the act expands the State and local sales tax base to include the price of a service contract. A service contract is an agreement by which the provider agrees to maintain or repair tangible personal property. It exempts from sales tax an item used to fulfill a service contract, and it exempts a service contract for an item exempt from sales tax (except motor vehicles) for transmission, distribution, or other network asset contained on utility-owned land, right-of-way, or easement, and for an item sold to a motorsports team if the motorsports team is allowed a sales tax refund for that item.
- Effective July 1, 2014, the act eliminates the franchise tax on electricity and the excise tax on piped natural gas and taxes the two utilities at the State combined general rate of 7%. The act continues a distribution to cities of a portion of the revenue generated from electricity and piped natural gas.
- Effective July 1, 2014, the act requires farmers to meet an annual gross income tax requirement of \$10,000 from farming operations to qualify for the sales tax exemptions for farmers.
- Effective January 1, 2013, the act eliminates the estate tax.
- Effective for the period October 1, 2013, through June 30, 2015, the act caps motor fuel excise tax at 37.5¢ per gallon.
- The act directs the Revenue Laws Study Committee to study various tax policy issues.

Except as otherwise provided, this act became July 23, 2013. (CA)

Charter School/Property Tax Exemption

S.L. 2013-355, Sec. 3 ([SB 337](#), Sec. 3) exempts real property occupied by a charter school and wholly and exclusively used for educational purposes by the charter school from property tax, regardless of whether the charter school is the owner of the building.

This section is effective for taxes imposed for taxable years beginning on or after July 1, 2013. (HF)

Provision of Anonymous Tax Return Data to State Budget Director

S.L. 2013-360, Sec. 6.9 ([SB 402](#), Sec. 6.9) provides an exception to the tax secrecy statutes to allow the Department of Revenue to share data with the Office of State Budget and Management for the purpose of statistical analysis. The information provided must redact taxpayer names and identification numbers.

This section became effective July 1, 2013. (CA)

Aviation Fuel Tax

S.L. 2013-360, Sec. 6.16 ([SB 402](#), Sec. 6.16) authorizes payment of a sales tax refund for an interstate passenger air carrier for the period January 1, 2011, through June 30, 2011.

This section became effective July 1, 2013. (TG)

Restore Local Government Hold Harmless for Repealed Reimbursements

S.L. 2013-360, Sec. 6.17 ([SB 402](#), Sec. 6.17) restores for one year the transitional hold harmless payments to local governments for repealed reimbursements. The transitional hold harmless payments were to be made through August 2012. This section extends those payments for one additional year, through August 2013.

This section became effective July 1, 2013. (TG)

Government Data Analytics/Data Sharing

S.L. 2013-360, Sec. 7.10 ([SB 402](#), Sec. 7.10). See **State Government**.

Government Data Analysis Center/Local Governments/Optional Collection Agreements

S.L. 2013-360, Sec. 7.21 ([SB 402](#), Sec. 7.21). See **Local Government**.

Deed Stamp Tax Proceeds Credited to General Fund

S.L. 2013-360, Sec. 14.4 ([SB 402](#), Sec. 14.4) directs the State's portion of the deed stamp proceeds to the General Fund. Prior to this change, 75% of the proceeds were directed to the Parks and Recreation Trust Fund, and the remaining 25% were directed to the Natural Heritage Trust Fund, which is repealed by this act.

This section became effective July 1, 2013. (CA)

Portion of Scrap Tire Disposal Tax Credited to General Fund; Repeal Scrap Tire Disposal Account

S.L. 2013-360, Sec. 14.16 ([SB 402](#), Sec. 14.16) directs 30% of the tax proceeds from the scrap tire disposal tax to the General Fund. This section ends the current earmarking of these proceeds to the Solid Waste Management Trust Fund, the Scrap Tire Disposal Account, the Inactive Hazardous Sites Cleanup Fund, and the Bernard Allen Memorial Emergency Drinking Water Fund.

This section became effective July 1, 2013. (CA)

Portion of White Goods Disposal Tax Credited to General Fund

S.L. 2013-360, Sec. 14.17 ([SB 402](#), Sec. 14.17) directs 28% of the tax proceeds from the white goods disposal tax to the General Fund. This section ends the current earmarking of these proceeds to the Solid Waste Management Trust Fund and the White Goods Management Account.

This section became effective August 1, 2013. (CA)

Portion of Solid Waste Disposal Tax Credited to General Fund; Repeal Solid Waste Management Trust Fund

S.L. 2013-360, Sec. 14.18 ([SB 402](#), Sec. 14.18) directs 12.5% of the tax proceeds from the solid waste disposal tax to the General Fund. This section ends the current earmarking of these proceeds to the Solid Waste Management Trust Fund.

This section became effective July 1, 2013. (CA)

Workers' Compensation Fund/Allocation for Worker Safety Workers

S.L. 2013-360, Sec. 20.2 ([SB 402](#), Sec. 20.2). See **Insurance**.

Eliminate North Carolina Public Campaign Fund

S.L. 2013-360, Sec. 21.1 ([SB 402](#), Sec. 21.1). See **Constitution and Elections**.

Highway Use Tax Base

S.L. 2013-360, Sec. 34.29 ([SB 402](#), Sec. 34.29), as amended by S.L. 2013-363, Sec. 8.1 ([HB 112](#), Sec. 8.1), expands the retail value of a motor vehicle upon which the 3% highway use tax is imposed to include documentation fees and other administrative charges.

This section becomes effective January 1, 2014. (CA)

Require Certain General Reappraisals

S.L. 2013-362 ([SB 159](#)). See **Local Government**.

Tax Credit Extension for Renewable Fuel Facilities

S.L. 2013-363, Sec. 11.3 ([HB 112](#), Sec. 11.3) extends the sunset of the tax credit for constructing a renewable fuel facility from January 1, 2014, until January 1, 2017, if both of the following requirements are met:

- The taxpayer signs a letter of commitment with the Department of Commerce on or before September 1, 2013, stating the taxpayer's intent to construct and place into service in this State a commercial facility for processing renewable fuel.
 - The taxpayer begins construction of the facility on or before December 31, 2013.
- This section became effective July 24, 2013. (CA)

Children with Disabilities Scholarship Grants

S.L. 2013-364 ([HB 269](#)). See **Education**.

Domestic Energy Jobs Act

S.L. 2013-365 ([SB 76](#)). See **Environment and Natural Resources and Energy**.

Amend Assessments for Infrastructure Needs

S.L. 2013-371 ([SB 103](#)). See **Local Government**.

University of North Carolina/Report/E-Commerce/Improvements

S.L. 2013-375 ([SB 485](#)). See **Education**.

Hospital Debt Collection

S.L. 2013-382, Part XII ([HB 834](#), Part XII) prohibits The University of North Carolina (UNC) Health Care System and its affiliates, and other schools of medicine, clinical programs, facilities, and medical practices affiliated with one of the constituent institutions of UNC that provides medical care to the general public, from utilizing setoff debt collection procedures to collect outstanding debts from tax refunds and lottery winnings of debtors.

This Part becomes effective January 1, 2014, and applies to tax refunds determined by the Department of Revenue on or after that date. (CA)

Unemployment Insurance Laws Administrative Changes

S.L. 2013-391 ([SB 420](#)). See summary earlier in **this Chapter** for S.L. 2013-2 ([HB 4](#))

Revenue Laws Technical, Clarifying, and Administrative Changes

S.L. 2013-414 ([HB 14](#)) makes a number of technical, administrative, and clarifying changes to the revenue laws and related statutes.

Except as otherwise provided, this act became effective August 23, 2013. (TG)

Studies

Referrals to Existing Commissions/Committees

Establish Joint Legislative Oversight Committee on Unemployment Insurance

S.L. 2013-2, Sec. 10 ([HB 4](#), Sec. 10) establishes the Joint Legislative Oversight Committee on Unemployment Insurance (Committee) and directs the Committee to study and review all unemployment insurance matters, workforce development programs, and reemployment assistance efforts of the State. The Committee is directed to report its findings and recommendations to any regular session of the General Assembly. The Committee expires July 1, 2023.

This section became effective July 1, 2013. (JC)

Study Tax Issues

S.L. 2013-316, Sec. 9(c) ([HB 998](#), Sec. 9(c)) directs the Revenue Laws Study Committee (Committee) to study the following tax issues:

- The scope and application of the privilege tax at the rate of 1% with a cap of \$80 that applies to mill machinery and on other machinery and equipment purchased by certain industries and companies.
- The feasibility of a preferential tax rate on diesel fuel sold to railroads, fuel sold to passenger air carriers, and fuel sold to motorsports.
- The authority of cities and counties to impose a privilege tax on businesses and the various State privilege license taxes.
- The impact of the elimination of the State and local sales and use tax refund on nonprofit entities and their ability to fulfill their stated mission.
- The benefits and fiscal impact of allowing corporations to deduct net operating losses as opposed to net economic losses.
- The simplification of the franchise tax base calculation and the elimination of the franchise tax.
- The feasibility of expanding the sales tax base to include additional services.
- The application of the corporate income tax rate reduction trigger formula.
- The low-income housing tax credit.
- The distribution of the sales tax collected on electricity and piped natural gas to cities.

The Committee must report its findings, together with any recommended legislation, to the 2014 Regular Session of the 2013 General Assembly upon its convening.

This section became effective July 23, 2013. (JC)

Study Per Transaction Compensation

S.L. 2013-372, Sec. 3.1 ([SB 305](#), Sec. 3.1) directs the Revenue Laws Study Committee to study the per transaction compensation amounts provided in Commission contracts entered into by the Division of Motor Vehicles, Department of Transportation, for the issuance of registration plates, registration certificates, and certificates of title and to report its findings and recommendations to the 2014 Regular Session of the 2013 General Assembly.

This section became effective July 29, 2013. (JC)

Chapter 12

Health and Human Services

Susan Barham (SB), Jennifer Hillman (JLH), Amy Jo Johnson (AJJ), Sara Kamprath (SK),
Theresa Matula (TM), Jan Paul (JPP), Patsy Pierce (PLP), Barbara Riley (BR)

Enacted Legislation

Temporary Funding/Group Homes and Special Care Units

S.L. 2013-4 ([HB 5](#)) authorizes the Department of Health and Human Services to provide temporary financial assistance in the form of monthly payments on behalf of residents meeting certain qualifications and residing in group homes, special care units, and adult care homes until June 30, 2013.

The provision of the act authorizing temporary financial assistance became effective March 6, 2013, and expired June 30, 2013. The remainder of the act became effective March 6, 2013. (TM)

No North Carolina Exchange/No Medicaid Expansion

S.L. 2013-5 ([SB 4](#)). See **Insurance**.

Incapacity to Proceed Amendments

S.L. 2013-18 ([SB 45](#)). See **Courts, Justice, and Corrections**.

Good Samaritan Law/Naloxone Access

S.L. 2013-23 ([SB 20](#)). See **Courts, Justice, and Corrections**.

Develop Rules for Release of Pathological Materials

S.L. 2013-43 ([SB 240](#)) requires the Department of Health and Human Services and the North Carolina Medical Board to collaborate to adopt rules governing requests for and release of pathological materials made to clinical laboratories within their respective jurisdictions.

This act became effective May 8, 2013. (JPP)

Designate Primary Stroke Centers

S.L. 2013-44 ([SB 456](#)) directs the Department of Health and Human Services (DHHS) to designate a hospital as a primary stroke center if that hospital is certified as a primary stroke center by the Joint Commission or other nationally recognized accrediting body. Each designated hospital is required to make efforts to coordinate the provision of stroke care with other hospitals licensed in this State through a formal written agreement addressing the transportation of acute stroke patients to primary stroke centers and acceptance by primary stroke centers of acute stroke patients initially treated at hospitals not capable of providing appropriate stroke care. A hospital is prohibited from advertising or holding the hospital out to the public as a primary stroke center if the hospital is not certified as such.

The DHHS is required to maintain a list of hospitals designated as primary stroke centers and post this list on its Web site. The DHHS is required to send the list to the medical director of each licensed emergency medical services provider in the State annually.

This act became effective October 1, 2013. (AJJ)

Require Pulse Oximetry Newborn Screening

S.L. 2013-45 ([SB 98](#)) includes, as a requirement of the Newborn Screening Program, pulse oximetry screening for each baby born in North Carolina. Rules adopted by the Commission for Public Health for oximetry screening must include follow-up protocols to ensure early treatment for identified infants, including the use of telemedicine technologies, as well as a system to track the process and outcomes of newborn screening using pulse oximetry linked to the Birth Defects Monitoring Program.

This act became effective May 8, 2013. (AJJ)

Encourage Volunteer Care in Free Clinics

S.L. 2013-49 ([SB 83](#)) amends the definition of "free clinic" in the statute limiting liability for volunteer health care professionals by removing the qualification that a free clinic maintain liability insurance. The act provides that in order for a volunteer medical or health service provider to receive the protection from liability, a free clinic must provide, prior to the delivery of health services, a written notice to the patient to keep regarding the limited liability of volunteer medical or health care providers. The act also amends the statute regarding referrals of low-income patients to physicians for free services by changing the term "physician" to "medical or health care provider" to make the terminology consistent throughout the statute.

This act became effective October 1, 2013, and applies to claims that arise on or after that date. (BR)

Effective Operation of 1915(b)/(c) Waiver

S.L. 2013-85 ([SB 208](#)), as amended by S.L. 2013-410, Sec. 23 ([HB 92](#), Sec. 23), outlines actions required of the Secretary of Health and Human Services (Secretary) with regard to Local Management Entities/Managed Care Organizations (LME/MCOs) under contract to operate under the Section 1915(b)/(c) Medicaid Waiver. It provides that for all LME/MCOs, the Secretary must certify every six months whether or not the LME/MCO is in compliance with the following three major statutory requirements:

- The LME/MCO has made adequate provision against the risk of insolvency with respect to capitation payments for Medicaid enrollees.
- The LME/MCO is making timely provider payments.
- The LME/MCO is exchanging billing, payment, and transaction information with the Department of Health and Human Services and providers in a manner that complies with applicable federal standards.

The act prescribes the actions the Secretary must take when a LME/MCO does not receive a compliance certification, including transferring management responsibilities, operations and contracts of a noncompliant LME/MCO to a compliant LME/MCO, and also specifies what must occur if a LME/MCO is not in compliance with other contractual provisions.

The act also eliminates the authority of a county to provide mental health, developmental disabilities, and substance abuse services through operation of a county program, establishes a county commissioner advisory board, and makes certain provisions relating to the structure of area boards.

The section of the act eliminating operation of county programs becomes effective January 1, 2014. The remainder of the act became effective June 12, 2013. (JPP)

Increase Penalty/Controlled Substance Crimes

S.L. 2013-90 ([SB 252](#)). See **Criminal Law and Procedure**.

Enact Private Well Water Education Act

S.L. 2013-122 ([HB 396](#)). See **Environment and Natural Resources and Energy**.

Prohibit Co-pay Waiver/Medicaid Providers

S.L. 2013-145 ([SB 137](#)) prohibits waiver of the collection of co-payments owed by a recipient of medical assistance, as required by the Medicaid or Health Choice program, with the intent to induce recipients to purchase, lease, or order items or services from the provider, if a provider has obtained a pharmacy permit. The act of waiving a co-payment by these certain providers is prohibited regardless of the amount waived. A provider is not in violation if any of the following apply:

- The waiver is authorized under Medicaid or Health Choice.
- The provider determines that collection of the co-payment would create a substantial financial hardship for the recipient, provided that the waiver of co-payments is not a regular business practice of the provider.
- The provider has made a good-faith effort to collect the co-payment.
- The provider is a healthcare facility regulated pursuant to the statutes governing hospitals and health care facilities, such as long-term care facilities, or the statutes governing facilities for the treatment of mental illness, developmental disabilities, and substance abuse.

If a provider is found to be in violation of the prohibited waiver of co-payments, the Department of Health and Human Services must suspend or terminate the provider's participation in the Medicaid and Health Choice programs.

The act became effective October 1, 2013, and applies to acts committed on or after that date. (AJJ)

Revise Controlled Substances Reporting

S.L. 2013-152 ([SB 222](#)), as amended by S.L. 2013-410, Sec. 18.5 ([HB 92](#), Sec. 18.5), makes various changes to the North Carolina Controlled Substances Reporting Act, including the following:

- Removes the current exemption given to physicians registered as dispensers of controlled substances, and exempts licensed veterinarians from reporting information into the Controlled Substances Reporting System.
- Requires dispensers to report information about prescriptions no later than three business days after the day when the prescription was delivered.
- Makes changes to the access and confidentiality requirements.
- Increases the civil penalty for improperly releasing, obtaining, or attempting to obtain information from the system or for violating a rule.

Changes to exemptions and reporting requirements become effective January 1, 2014, and apply to prescriptions delivered on or after that date. The remainder of the act became effective June 19, 2013. (JPP)

Capital Punishment/Amendments

S.L. 2013-154 ([SB 306](#)). See **Courts, Justice, and Corrections**.

Pertussis Education and Awareness

S.L. 2013-161 ([SB 486](#)) amends the Hospital Licensure Act to require each hospital to provide information to parents of newborns delivered at the hospital regarding pertussis disease and the availability of the tetanus-diphtheria and pertussis (Tdap) vaccine.

This act became effective October 1, 2013. (JPP)

Drug Testing For Long-Term Care Applicants and Employees

S.L. 2013-167 ([SB 542](#)) requires drug testing for employees of adult care homes and nursing homes. An offer of employment in an adult care home or nursing home must be conditioned on the applicant's consent to an examination and screening for controlled substances. An adult care home and a nursing home may require random testing for controlled substances for continued employment. The results of the examination and screening are confidential and are not public records. The adult care homes and nursing homes are required to pay the cost of the examination and screening, except in the case of examinee-requested retests. The reasonable expenses associated with the retests of confirmed positive results are to be paid by the examinee.

This act became effective October 1, 2013. (AJJ)

Collaboration Among State Diabetes Programs

S.L. 2013-192 ([SB 336](#)) requires the Division of Medical Assistance, Department of Health and Human Services (DHHS); the Diabetes Prevention and Control Branch, Division of Public Health, DHHS; and the State Health Plan Division within the Department of the State Treasurer to collectively report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on each entity's plans to reduce the incidence of diabetes, to improve diabetes care, and to control complications from diabetes, for the populations each entity it serves.

This act became effective June 26, 2013. (TM)

Driving While Impaired Cases/No International Laboratory Accreditation Cooperation Required

S.L. 2013-194 ([SB 285](#)). See **Courts, Justice, and Corrections**.

Chronic Care Coordination Act

S.L. 2013-207 ([HB 459](#)) requires the Divisions of Public Health and Medical Assistance, Department of Health and Human Services, and the State Health Plan for Teachers and State Employees Division, Department of State Treasurer, to collaborate to reduce the incidence of chronic disease and improve chronic care coordination. Specific requirements include: identifying goals and benchmarks for the reduction of chronic disease; developing wellness and prevention plans; and submitting annual reports to the General Assembly, including the Joint Legislative Oversight Committee on Health and Human Services.

This act became effective June 26, 2013. (TM)

Expand Pharmacists' Immunizing Authority

S.L. 2013-246 ([HB 832](#)) creates a new section of the Pharmacy Practice Act authorizing a pharmacist to administer adult vaccines or immunizations enumerated in the statute. An immunizing pharmacist also may administer a flu vaccine to persons at least 14 years old. The act requires that the administration of drugs by an immunizing pharmacist must be in accordance with rules adopted by both the Boards of Pharmacy and Nursing, and the North Carolina Medical Board. Representatives of the North Carolina Academy of Family Physicians, the North Carolina Medical Society, the North Carolina Pediatric Society, the North Carolina Association of Community Pharmacists, the North Carolina Association of Pharmacists, and the North Carolina Retail Merchants Association must collaborate to recommend a minimum standard screening questionnaire and safety procedures for vaccines and immunizations administered by immunizing pharmacists. If the parties cannot reach agreement by October 1, 2013, the Immunization Branch of the Department of Health and Human Services must develop the questionnaire and standards.

Changes regarding administration of immunizations by pharmacists became effective October 1, 2013. The remainder of the act became effective July 3, 2013. (BR)

Guardianship Roles of Mental Health and Developmental Disability and Substance Abuse Providers

S.L. 2013-258 ([HB 543](#)) amends the qualifications for corporations and individuals appointed as guardians. The act prohibits a corporation from being appointed as a guardian for any individual to whom it provides mental health, developmental disabilities, or substance abuse services for compensation as part of a contract or other arrangement with a local management entity (LME). The act also clarifies that the following individuals are exempt from the requirement that individuals who contract with or are employed by an entity that contracts with a LME for the delivery of mental health, developmental disabilities, and substance abuse (MH/DD/SA) services may not serve as a guardian for a ward for whom the individual or entity is providing these services:

- A licensed family foster care provider or a licensed therapeutic foster care provider under contract with a LME for the delivery of MH/DD/SA services who was serving as a guardian as of January 1, 2013.
- A biologically unrelated individual who was serving on March 1, 2013, as a guardian without compensation for guardianship services.

Also see **Studies** in **this chapter**.

This act became effective July 10, 2013. (TM)

Modify Medicaid Subrogation Statute

S.L. 2013-274 ([HB 982](#)) allows a Medicaid beneficiary to challenge the amount of reimbursement that the beneficiary is statutorily presumed to owe to the State out of any recovery against a third party responsible for causing injury or death to the beneficiary. To rebut the presumption, the beneficiary is required to prove in superior court by clear and convincing evidence that the amount owed is less than the amount presumed under the statute. The act permits the beneficiary and the Department of Health and Human Services (DHHS) to reach agreement on the amount owed at any time.

This act became effective July 18, 2013, and applies to Medicaid claims that arise on or after that date and to Medicaid claims arising prior to that date for which DHHS has not been paid in full. For Medicaid claims that arose prior to the effective date of the act for which DHHS has not been paid in full, the medical assistance beneficiary has 90 days from the effective date within which to apply to the court. (BR)

Choice of Hearing Aid Specialist

S.L. 2013-296 ([SB 248](#)). See **Insurance**.

Safeguard Qualified Individuals - Medicaid Personal Care Services

S.L. 2013-306 ([HB 492](#)) creates an opportunity for a Medicaid recipient to obtain up to 130 hours per month of Medicaid Personal Care Services (PCS) in accordance with an assessment and care plan and provided that the individual meets certain criteria. The maximum number of hours allowed under current law is 80 hours. To qualify for up to 50 additional hours of PCS, the recipient must meet all of the following criteria:

- Qualify for Medicaid PCS as specified in the current law.
- Require an increased level of supervision.
- Require caregivers with training or experience in caring for individuals who have a degenerative disease with certain characteristics.
- Require a physical environment, regardless of setting, that includes modifications and safety measures to safeguard the recipient because of certain symptoms.
- Has a history of safety concerns related to inappropriate wandering, ingestion, aggressive behavior, and an increased incidence of falls.
- Has a physician's attestation that the individual meets the above criteria.

To determine the number of hours of PCS that are needed based on the physician attestation, the individual must receive an independent assessment conducted by a trained professional meeting certain criteria. In response to the assessment, a plan of care must be developed by the service provider and approved by the Division of Medical Assistance, Department of Health and Human Services (DHHS).

On or before August 15, 2013, DHHS is required to submit a Medicaid State Plan Amendment (SPA) to the Centers for Medicare and Medicaid Services (CMS) to implement this act. The SPA must include an effective date of July 1, 2013, or as soon after that date as allowed by CMS.

On or before August 1, 2013, DHHS must make an interim report to the Joint Legislative Oversight Committee on Health and Human Services (Oversight Committee) and the Fiscal Research Division including: (1) an estimate of the number of Medicaid recipients that would be eligible for PCS under this act; (2) an estimate of the number of PCS hours potential recipients would need, broken out in increments of 10 hours between 80 and 130 hours; (3) a copy of the draft SPA; (4) an estimated timeline for approval of the SPA and a projected implementation date; and (5) the rate reductions necessary to implement the act. On or before November 1, 2013, DHHS must report to the Oversight Committee on the implementation of the act.

The provision of the act containing PCS changes becomes effective upon approval of the SPA by CMS. DHHS must provide notice of SPA approval by posting the effective date of the change on its Web site. The remainder of the act became effective July 18, 2013. (TM)

Health Curriculum/Preterm Birth

S.L. 2013-307 ([SB 132](#)). See **Education**.

Involuntary Commitment Custody Orders

S.L. 2013-308 ([HB 635](#)). See **Courts, Justice, and Corrections**.

Breast Density Notification and Awareness

S.L. 2013-321 ([HB 467](#)) requires all health care facilities performing mammography examinations to include information in the mammography report that identifies the patient's individual breast density classification. If the facility determines that a patient has heterogeneously or extremely dense breasts, they also must include a notice containing language prescribed in the act. Patients also may be directed to informative material about breast density.

This act becomes effective January 1, 2014. (TM)

Severance and Relocation for Area Directors

S.L. 2013-339 ([SB 223](#)) allows an area mental health, developmental disabilities, and substance abuse board to offer severance benefits, relocation expenses, or both, when making an offer of employment to a candidate for the area director position.

This act became effective July 23, 2013. (AJJ)

Small Group Health Insurance Technical Changes

S.L. 2013-357 ([HB 649](#)). See **Insurance**.

Department Flexibility to Achieve Departmental Priorities and Enhance Fiscal Oversight and Accountability

S.L. 2013-360, Sec. 12A.1 ([SB 402](#), Sec. 12A.1) authorizes the Secretary of Health and Human Services (Secretary) to reorganize positions and related operational costs (1) upon a demonstration by the Department of Health and Human Services (DHHS) of cost-effectiveness and (2) after approval by the Office of State Budget and Management (OSBM). DHHS must identify the positions and the strategies to be implemented to achieve efficiencies.

The Secretary, with prior approval of OSBM, also may realign up to 32 existing positions to expand the ability of DHHS's Office of Internal Audit to conduct independent reviews and analyses of various functions and services within DHHS.

No later than June 30, 2014, DHHS must identify the positions involved and the strategies implemented to achieve efficiencies, to expand internal audit capacity, or both in a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

This section became effective July 1, 2013. (SK)

Funding for Nonprofit Organizations/Establish Competitive Grants Process

S.L. 2013-360, Sec. 12A.2 ([SB 402](#), Sec. 12A.2) provides the intent of the General Assembly for the Department of Health and Human Services (DHHS) to implement a competitive grants process for nonprofit funding (competitive grants process) beginning with fiscal year 2014-2015. The provision sets forth the required elements of the competitive grants process to be administered by the Division of Central Management and Support. No later than February 1, 2014, the Secretary of Health and Human Services (Secretary) must develop and report on a plan for the implementation of the competitive grants process to the Joint Legislative Oversight Committee on Health and Human Services (Oversight Committee). No later than March 1, 2014, the Secretary must implement the competitive grants process. No later than July 1, 2014, the Secretary must announce the recipients of the competitive grants process awards and allocate

funds to the grant recipients for the 2014-2015 fiscal year. After the awards have been granted, the Secretary must submit a report to the Oversight Committee that includes:

- The identity and a brief description of each grantee and each program or initiative offered by the grantee.
- The amount of funding awarded to each grantee.
- The number of persons served by each grantee, broken down by program or initiative.

This section became effective July 1, 2013. (SK)

Supplemental Short-Term Assistance for Group Homes

S.L. 2013-360, Sec. 12A.2A ([SB 402](#), Sec. 12A.2A) allows the Department of Health and Human Services (DHHS) to use up to \$4.6 million in nonrecurring funds to provide temporary, short-term financial assistance on a monthly basis to group homes on behalf of each resident that was (1) eligible for Medicaid personal care services (PCS) prior to January 1, 2013, but was determined ineligible for PCS on or after January 1, 2013, due to changes in eligibility criteria, and (2) has continuously resided in a group home since December 31, 2012.

DHHS must use an existing mechanism to administer the funds in the least restrictive manner that ensures compliance with the requirements and timely and accurate payments to group homes. The monthly payments are subject to certain limitations and requirements, and end on June 30, 2014, or upon depletion of funding, whichever is earlier.

By April 1, 2014, DHHS must submit the following to the Joint Legislative Oversight Committee on Health and Human Services:

- A plan for a long-term solution for individuals who reside, and would like to continue to reside, in group homes and as a result of an independent assessment have been determined to need only supervision, medication management, or both.
- A list of funding sources for each group home that receives assistance pursuant to this provision.

This section became effective January 1, 2013, and expires June 30, 2014. (TM)

Establish Statewide Telepsychiatry Program

S.L. 2013-360, Sec. 12A.2B ([SB 402](#), Sec. 12A.2B) directs various agencies, by August 15, 2013, to submit to the General Assembly a plan to implement a statewide telepsychiatry program to be administered by the East Carolina University Center for Telepsychiatry and e-Behavioral Health (ECU) under a contract between the Department of Health and Human Services and ECU. The administration and oversight of the program will be overseen by the North Carolina Office of Rural Health and Community Care.

This section became effective July 1, 2013. (JPP)

Health Information Technology

S.L. 2013-360, Sec. 12A.3 ([SB 402](#), Sec. 12A.3) directs the Department of Health and Human Services (DHHS) to coordinate health information technology (HIT) policies and programs within the State to ensure the coordination of all public and private HIT efforts. DHHS also must establish a HIT management structure that is efficient, transparent, and compatible with the Office of the National Health Coordinator for Information Technology governance mechanism. DHHS must report by January 15, 2015, on the status of federal and State HIT efforts to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

This section became effective July 1, 2013. (SK)

Funds for Replacement Medicaid Management Information System (MMIS)/Implementation of Replacement MMIS

S.L. 2013-360, Sec. 12A.4 ([SB 402](#), Sec. 12A.4), as amended by S.L. 2013-363, Sec. 4.11 ([HB 112](#), Sec. 411), authorizes the Department of Health and Human Services (DHHS) to utilize prior year earned revenue received for the replacement Medicaid Management Information System (MMIS), and if insufficient to use certain other funds with prior approval from the Office of State Budget and Management (OSBM).

DHHS must develop plans to ensure the timely and effective implementation of enhancements to MMIS. The replacement MMIS must have the capability to fully implement the administration of NC Health Choice, Ticket to Work, CAP Children's Program, all relevant Medicaid waivers, and the Medicare 646 waiver as it applies to Medicaid eligibles.

Any changes in the implementation schedule must be reported immediately to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Information Technology, OSBM, and the Fiscal Research Division. DHHS also is required to submit a number of reports to these entities, including progress reports on the full implementation of the replacement MMIS, a plan for the elimination of the Office of Medicaid Management Information Systems Services, including the transfer of its remaining operations to other divisions within the Department, and a preliminary report of DHHS's plan to achieve system certification.

DHHS must complete the Reporting and Analytics Project solution simultaneously with the implementation of the replacement MMIS.

Effective July 1, 2015, DHHS must plan and implement system modifications necessary to enable entities under contract with it to perform Medicaid claim adjudication in the replacement MMIS.

Except as otherwise provided, this section became effective July 1, 2013. (BR)

Fraud Detection through North Carolina Accountability and Compliance Technology System

S.L. 2013-360, Sec. 12A.5 ([SB 402](#), Sec. 12A.5) directs the Department of Health and Human Services (DHHS) to work with the Governmental Data Analytics Center to develop an integration plan to leverage the North Carolina Financial Accountability and Compliance Technology System (NC FACTS), the State's enterprise-level fraud detection system. The plan must include the integration of the following systems: NC Tracks, the North Carolina Treatment Program, and the North Carolina Families Accessing Services through Technology.

No later than April 1, 2014, DHHS must report on a plan to integrate the systems listed above to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Information Technology.

This section became effective July 1, 2013. (SB)

Funding for North Carolina Families Accessing Services through Technology (NC FAST); Report on Eligibility Determinations for the Exchange

S.L. 2013-360, Sec. 12A.6 ([SB 402](#), Sec. 12A.6) requires that the funds appropriated for the North Carolina Families Accessing Services through Technology (NC FAST) must be used to match federal funds in fiscal years 2013-2014 and 2014-2015 to accelerate the development and the implementation of the Eligibility Information System, Child Care, Low Income Energy Assistance, Crisis Intervention Programs, and Child Service components of the NC FAST project.

This provision also directs the Department of Health and Human Services (DHHS) to report on the performance of the NC FAST project in providing eligibility determinations for Medicaid Applicants on the federally facilitated Health Benefit Exchange (HBE). DHHS must submit a report three months after open enrollment begins for the HBE to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Oversight Committee on Health and Human Services, and the Joint Legislative Oversight Committee on Information Technology.

This section became effective July 1, 2013. (SB)

Liability Insurance

S.L. 2013-360, Sec. 12A.7 ([SB 402](#), Sec. 12A.7) permits the Secretary of Health and Human Services and the Secretary of the Department of Public Safety to provide medical liability insurance that does not exceed \$1 million per incident on behalf of the following employees:

- Employees of either department who are licensed to practice medicine or dentistry.
- Licensed physicians who are faculty members of The University of North Carolina who perform work on a contractual basis for the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.
- Physicians in all residency training programs from The University of North Carolina who are in training at institutions operated by the Department of Health and Human Services.

The section contains specifications for acts which the liability insurance must not coverage. Coverage may apply only when the covered individuals are providing medical or dental services pursuant to that individual's State employment or training.

This section became effective July 1, 2013. (AJJ)

Cancer Coordination Reporting

S.L. 2013-360, Sec. 12A.9 ([SB 402](#), Sec. 12A.9) amends the requirements for reporting on the implementation of a cancer control program to require the Advisory Committee on Cancer Coordination and Control to submit a written report annually to the Secretary of Health and Human Services.

This section became effective July 1, 2013. (SB)

Modifications to Commission for the Blind

S.L. 2013-360, Sec. 12A.14 ([SB 402](#), Sec. 12A.14) repeals the Professional Advisory Committee established in the General Statutes to advise the Commission for the Blind. In addition, effective August 1, 2013, this provision increases the membership of the Commission for the Blind from 13 to 19 members to include: (1) two licensed physicians nominated by the North Carolina Medical Society whose practice is limited to ophthalmology, (2) two optometrists nominated by the North Carolina State Optometric Society, and (3) two opticians nominated by the North Carolina Opticians Association.

Except as otherwise provided, this section became effective July 1, 2013. (SB)

NC Pre-K

S.L. 2013-360, Sec. 12B.1 ([SB 402](#), Sec. 12B.1), as amended by S.L. 2013-363, Secs. 4.2 and 4.3 ([HB 112](#), Secs. 4.2 and 4.3), directs the Division of Child Development and Early Education (DCDEE) in the Department of Health and Human Services to continue to implement the NC Pre-K program for four-year old children whose parent's income does not exceed 75% of the State Median Income (SMI). Up to 20% of the children in the program may come from families whose income is above 75% SMI, if the children have a designated risk factor.

Developmental disabilities or chronic health issues are the only designated health risk factors to be considered for program eligibility. Four-year old children whose parent is on active military duty, or who was injured or killed while on active duty, are also eligible for NC Pre-K.

In addition, DCDEE is directed to (1) issue multi-year contracts to licensed private child care centers to provide NC Pre-K classrooms, and (2) establish a standard decision-making process for awarding NC Pre-K slots. All NC Pre-K classrooms in public schools must be licensed by July 1, 2014. All NC Pre-K programs must adhere to DCDEE standards and participate in the Subsidized Early Education for Kids accounting system.

DCDEE is directed to implement a pilot program looking at a per classroom funding model for the NC Pre-K program, and report to several committees of the General Assembly and to the Fiscal Research Division, on the outcomes of the pilot program. DCDEE also is required to report annually on the implementation statistics and outcomes of the NC Pre-K program.

The provision terminates the terms of all current members of the Child Care Commission on July 1, 2013, and requires new members be appointed by October 1, 2013.

This section became effective July 1, 2013. (PLP)

Administrative Allowance for County Departments of Social Services/Use of Subsidy Funds for Fraud Detection

S.L. 2013-360, Sec. 12B.7 ([SB 402](#), Sec. 12B.7), as amended by S.L. 2013-363, Sec. 4.7 ([HB 112](#), Sec. 4.7), directs the Division of Child Development and Early Education (DCDEE) in the Department of Health and Human Services to fund the allowance that county departments of social services can use for administrative costs at 4% of the county's total subsidy funds allocated in the Child Care and Development Fund Block Grant (Block Grant) plan or \$80,000, whichever is greater. Each county department of social services may use up to 2% of child care subsidy funds for fraud detection and investigation initiatives. DCDEE will submit a progress report on the amount allocated and the use of child care subsidy funds to the Joint Legislative Oversight Committee on Health and Human Services (Oversight Committee) and to the Fiscal Research Division (FRD) by May 1, 2014, and a follow-up report must be submitted by January 1, 2015. DCDEE may adjust the allocations stipulated in the budget under the Block Grant and submit a report on these adjustments to the Oversight Committee and to the FRD by September 30, 2013.

This act became effective July 1, 2013. (PLP)

Codify Work First Family Assistance Eligibility and Payment Levels

S.L. 2013-360, Sec. 12C.8 ([SB 402](#), Sec. 12C.8) provides that the maximum net family income eligibility standards for Work First Family Assistance are the same as for the categorically needy under the Medicaid Program.

This section becomes effective July 1, 2013. (JPP)

Tiered State-County Special Assistance Pilot

S.L. 2013-360, Sec. 12D.2 ([SB 402](#), Sec. 12D.2) requires the Department of Health and Human Services (DHHS) to establish a pilot program to implement a tiered rate structure within the State-County Special Assistance (SA) program for individuals residing in group homes, in-home living arrangements, and assisted living residences to determine the best way to implement a statewide block grant for the program and to test the feasibility and effectiveness of implementing a tiered rate structure to address program participants' intensity of need, including medication management. The pilot program must (1) be implemented during the 2013-2014

fiscal year, in collaboration with the local departments of social services in selected counties, (2) operate for at least 12 months, and (3) comply with any agreements in effect between the State and the United States government. The selected counties will receive a State General Fund allocation as a block grant to be equally matched with county general funds. The funds may be used to pay for room, board, personal care services, and medication management for individuals eligible to receive SA, subject to certain limitations.

By February 1, 2014, DHHS must submit to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division a progress report on the implementation and operation of the pilot program, including any obstacles to implementation. By February 1, 2015, DHHS must submit a final report on the results of the pilot program and any recommendations based on the results, including the amount of the tiered rates, the cost methodology, number of individuals participating in the pilot program by type of living arrangement, and other relevant information.

This section became effective July 1, 2013. (TM)

Increase Permit Fees for Certain Food and Lodging Establishments

S.L. 2013-360, Sec. 12E.1 ([SB 402](#), Sec. 12E.1) adds a definition of "temporary food establishment" to the statutes regulating food and lodging facilities. The provision establishes fees for temporary food establishments and limited food establishments of \$75 per permit issued. All fees collected from the issuance of these permits must be used by local health departments for local food, lodging, and institution sanitation programs and activities. The provision also increases permit fees for food and lodging facilities, except for temporary food establishments, limited food establishments, and other facilities exempt by statute from these permit fees, from \$75 to \$120. Temporary food establishments and limited food establishments are added to the facilities that are exempt from late payment fees. Effective July 1, 2013, the provision repeals the amendments to permit fee requirements, providing for a larger share of the receipts from food and lodging facility permit fees to go to local health departments; 33¹/₃% of the permit fees collected may be used to support State health programs and activities.

Except as otherwise provided, this section became effective August 1, 2013, and applies to food and lodging permits effective or reassessed on or after that date. (BR)

Modifications to Oral Health Strategy

S.L. 2013-360, Sec. 12E.2 ([SB 402](#), Sec. 12E.2) encourages local health departments to increase access to direct clinical care and preventive oral health services in the dental clinics they sponsor. The section directs the Secretary of Health and Human Services to eliminate at least 15 full-time equivalent positions within the Oral Health Section of the Division of Public Health to achieve a savings of at least \$637,500 for fiscal year 2013-2014 and at least \$850,000 for fiscal year 2014-2015. By February 1, 2014, the Department of Health and Human Services must submit a revised statewide oral health strategic plan to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

This section became effective July 1, 2013. (BR)

Children's Developmental Services Agencies

S.L. 2013-360, Sec. 12E.4 ([SB 402](#), Sec. 12E.4) allows the Department of Health and Human Services (DHHS) to close up to four Children's Developmental Services Agencies (CDSAs), effective July 1, 2014. DHHS may not close the CDSA in Morganton or any of the CDSAs with high rural or underserved caseloads. If DHHS chooses to close a CDSA, that information must be

submitted to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by March 1, 2014.

This section became effective July 1, 2013. (PLP)

AIDS Drug Assistance Program

S.L. 2013-360, Sec. 12E.5 ([SB 402](#), Sec. 12E.5) directs the Department of Health and Human Services (DHHS) to work with the Department of Public Safety (DPS) to use DPS funds to purchase pharmaceuticals for the treatment of individuals in the custody of DPS who have been diagnosed with HIV or AIDS and to do so in a manner that allows the funds to be accounted for as State matching funds in the drawdown of federal Ryan White funds. By no later than April 1, 2014, and by no later than April 1, 2015, DHHS and DPS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on alternative options for individuals who are eligible to receive services under the AIDS Drug Assistance Program.

This section became effective July 1, 2013. (AJJ)

Community-Focused Eliminating Health Disparities Initiative

S.L. 2013-360, Sec. 12E.6 ([SB 402](#), Sec. 12E.6) provides that funds appropriated to the Department of Health and Human Services (DHHS), Division of Public Health for the Community-Focused Eliminating Health Disparities Initiative (Initiative) must be used to provide a maximum of 12 grants-in-aid to close the gap in the health status of African-Americans, Hispanics/Latinos, and American Indians as compared to the health status of white persons. Grants-in-aid are limited to no more than \$300,000 and must have a maximum duration of 3 years. DHHS must submit a report on the funds appropriated to the Initiative to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by October 1, 2013.

This section became effective July 1, 2013. (BR)

Strategies for Improving Men's Health

S.L. 2013-360, Sec. 12E.7 ([SB 402](#), Sec. 12E.7) directs the Department of Health and Human Services, Division of Public Health, to work to expand the State's attention and focus on the prevention of disease and improvement in the quality of life for men over their entire lifespan and to develop strategies to achieve these goals.

This section became effective July 1, 2013. (BR)

Increase North Carolina Medical Examiner Autopsy Fees

S.L. 2013-360, Sec. 12E.8 ([SB 402](#), Sec. 12E.8) increases autopsy fees paid by the State or county for autopsies requested by a medical examiner or the Chief Medical Examiner from \$1,000 to \$1,250.

This section became effective August 1, 2013, and applies to autopsies performed on or after that date. (BR)

Funds for Local Inpatient Psychiatric Beds or Bed Days

S.L. 2013-360, Sec. 12F.2 ([SB 402](#), Sec. 12F.2) allocates funds to purchase additional local inpatient psychiatric beds or bed days not currently funded by or through Local Management Entities/Managed Care Organizations (LME/MCOs). The Department of Health and Human Services (DHHS) must develop and implement a two-tiered system of payment for

purchasing these local inpatient psychiatric beds or bed days based on acuity level, with an enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels, as defined by DHHS. This section addresses distribution and management of beds or bed days and reporting requirements for LME/MCOs and DHHS.

This section became effective July 1, 2013. (JPP)

Behavioral Health Clinical Integration and Performance Monitoring

S.L. 2013-360, Sec. 12F.4A ([SB 402](#), Sec. 12F.4A) directs the Department of Health and Human Services to require local management entities and Local Management Entities/Managed Care Organizations to implement clinical integration activities with Community Care of North Carolina through Total Care, and to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on progress, outcomes, and savings associated with the implementation of the activities.

This section became effective July 1, 2013. (JPP)

Mental Health/Developmental Disabilities/Substance Abuse Services Health Care Information System Project

S.L. 2013-360, Sec. 12F.5 ([SB 402](#), Sec. 12F.5) prohibits the Department of Health and Human Services from taking further action or expending any funds appropriated or available to it to develop and implement the health care information system for State facilities operated by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services until specified conditions are met.

This section became effective July 1, 2013. (JPP)

Three-Year Moratorium on Special Care Unit Licenses

S.L. 2013-360, Sec. 12G.1(a) ([SB 402](#), Sec. 12G.1(a)) prohibits the Division of Health Service Regulation (Division), Department of Health and Human Services (DHHS), from issuing licenses for special care units (SCU) between July 31, 2013, and July 1, 2016. However, DHHS may issue a license to: (1) a facility that is acquiring an existing SCU; (2) a SCU in an area of the State where the Secretary of Health and Human Services has determined that increased access to this type of care is necessary; and (3) a SCU for which the Division received a completed application and license fee prior to June 1, 2013.

Also see **Studies** in **this Chapter**.

This section became effective July 1, 2013. (TM)

Certificate of Need Exemption for Replacement of Previously Approved Equipment and Facilities Located on the Main Campus of a Licensed Health Service Facility

S.L. 2013-360, Sec. 12G.3 ([SB 402](#), Sec. 12G.3), as amended by S.L. 2013-363, Sec. 4.6 ([HB 112](#), Sec. 4.6) exempts from certificate of need review any replacement equipment that meets specific conditions. The provision also exempts from certificate of need review any capital expenditure exceeding \$2 million that meets specific conditions.

This section became effective July 1, 2013, and applies to replacement equipment purchased, and capital expenditures incurred, on or after that date. (AJJ)

Detailed Medicaid Reform Proposal to be Prepared by the Department of Health and Human Services; Medicaid Reform Advisory Group Established

S.L. 2013-360, Sec. 12H.1 ([SB 402](#), Sec. 12H.1) establishes the five-member North Carolina Medicaid Reform Advisory Group (Advisory Group) to advise the Department of Health and Human Services (DHHS) in the development of a plan to reform Medicaid. DHHS is directed to work with the Advisory Group to create a detailed Medicaid reform plan, but is not authorized to implement the plan. DHHS must submit the plan to the General Assembly no later than March 17, 2014, and the report must contain the following:

- The details of the reform plan, and methodology for selecting the reform plan over alternatives.
- Forecasts of the reform plan's potential to slow the growth of the costs of the Medicaid Program.
- The reform plan's impact, as compared to the existing Medicaid Program, on both providers and recipients in specified areas.
- If regional demonstration projects, pilot projects, or similar projects will be used to test a proposal, how DHHS will ensure that the test methodology is scientifically valid and consistent with social science research methods.
- How financial risks will be allocated under the reform plan.
- The mechanisms through which DHHS and any contractors would be held accountable for the implementation and performance of the plan.
- Short-term costs to implement the plan and expected long-term savings in future years.
- A realistic timeline for implementation.
- Draft Medicaid State Plan Amendments, Medicaid waivers, amendments to State law, or other changes necessary to legally allow DHHS to implement its reform plan.

Any legislation based upon DHHS's reform proposal will be eligible for consideration when the 2013 General Assembly reconvenes in 2014, and the requirement pertaining to the order of appropriations bills does not apply to such legislation.

This section became effective July 1, 2013. (AJJ)

Clarify State Plan Amendment Procedures

S.L. 2013-360, Sec. 12H.2 ([SB 402](#), Sec. 12H.2), as amended by S.L. 2013-363, Sec. 4.14 ([HB 112](#), Sec. 4.14), specifies procedures for when and how the Department of Health and Human Services may submit Medicaid State Plan Amendments. The provision specifies that supplemental payments up to the average commercial rate may be paid only to eligible medical professional providers who were receiving these supplemental payments as of May 22, 2013.

This section became effective July 1, 2013. (JLH)

Codify Medicaid as a Secondary Payor

S.L. 2013-360, Sec. 12H.4 ([SB 402](#), Sec. 12H.4) amends the statute providing for previously uncodified Medicaid payments to add language providing that Medicaid pays for services only after other liable third parties have paid for services. This provision further clarifies that for certain recipients the Department of Health and Human Services pays the lesser of the Medicaid Allowable Amount or an amount up to the actual coinsurance or deductible or both of the primary payor.

This section became effective July 1, 2013. (JLH)

Codify Changes to Medical Policy

S.L. 2013-360, Sec. 12H.6 ([SB 402](#), Sec. 12H.6) combines the two statutes governing the adoption of medical coverage policies for the Medicaid and Health Choice programs and makes the law that is applicable to Health Choice consistent with the law that has been applicable to Medicaid.

This provision also codifies a previously uncodified requirement that before the Department of Health and Human Services may implement medical policy changes that exceed certain thresholds, the Office of State Budget and Management must prepare a fiscal analysis of the proposed changes. This provision reduces the thresholds from \$3 million to \$500,000 in total annual requirements for Medicaid or from \$1 million to \$50,000 in total annual requirements for NC Health Choice, as compared to the last fiscal year.

This provision also shortens the time periods for notice and comment to 30 days for an initial posting and 10 days for a subsequent posting when the change to medical coverage policy is required by an act of the General Assembly.

This section became effective July 1, 2013. (JLH)

Clarify Rule Making

S.L. 2013-360, Sec. 12H.9 ([SB 402](#), Sec. 12H.9) gives the Medicaid State Plan and Waivers the force of administrative rules and codifies the Department of Health and Human Services' rule making authority.

This section became effective July 1, 2013. (JLH)

Medicaid Eligibility; Adjustment to Health Choice Eligibility

S.L. 2013-360, Sec. 12H.10 ([SB 402](#), Sec. 12H.10) expands Medicaid eligibility to include coverage of children aged 6 through 18 with incomes from 101% to 133% of the federal poverty level beginning on January 1, 2014, as required by the federal Affordable Care Act. This section also eliminates NC Health Choice eligibility for those children effective January 1, 2014.

This section became effective July 1, 2013. (JLH)

Modifications to Existing Covered Services and Payment for Services

S.L. 2013-360, Sec. 12H.13 ([SB 402](#), Sec. 12H.13), as amended by S.L. 2013-363, Secs. 4.4, 4.13, and 4.17 ([HB 112](#), Secs. 4.4, 4.13, and 4.17), adjusts the covered services and payments for covered services under Medicaid and NC Health Choice, including the following:

- Eliminates inflationary rate increases with the exception of Federally Qualified Health Centers, Rural Health Centers, critical access hospitals, State Operated Services, Hospice, Part B and D Premiums, third party and Health Management Organization premiums, drugs, Managed Care Organization capitation payments, and nursing home direct care services case mix index, effective July 1, 2013.
- Increases copays to the maximum allowed by the Centers for Medicare and Medicaid Services as of June 30, 2013, effective November 1, 2013.
- Requires prior authorization for visits in excess of 10, rather than 22, per recipient per fiscal year for professional services provided by physicians, nurse practitioners, nurse midwives, physician assistants, clinics, and health departments. This requirement does not apply to chronic conditions and is effective January 1, 2014.
- Limits adult rehabilitation home visits for set up and training to 3 within a 12-month period, effective January 1, 2014.

- Reduces the percentage of allowable costs for hospital outpatients from 80% to 70%, effective January 1, 2014.
- Changes reimbursement for drugs so that specialty drug prices based on Wholesale Acquisition Cost (WAC) will be paid at 101% of WAC, nonspecialty drugs based on WAC pricing will be paid at 102.7% of WAC, and drug prices based on the State Medicaid Average Cost (SMAC) will be paid at 150% of SMAC, effective January 1, 2014.
- Changes dispensing fees based upon a tiered chart, effective January 1, 2014.
- Allows the Department of Health and Human Services (DHHS) to require prior authorization and other restrictions on mental health drugs, but prohibits DHHS from requiring prior authorization for mental health drugs on the Preferred Drug List, effective July 1, 2013.

This section became effective July 1, 2013. (JLH)

Administrative Hearings Funding; Contingency Fees to Audit Contractors

S.L. 2013-360, Sec. 12H.16.(b) ([SB 402](#), Sec. 12H.16.(b)) prohibits the Department of Health and Human Services from paying contingency fees to program integrity recovery contractors in excess of the State share of amounts actually recovered.

This section became effective July 1, 2013, and applies to contracts entered into or amended on or after that date. (JLH)

Codify Provider Performance Bonds

S.L. 2013-360, Sec. 12H.17 ([SB 402](#), Sec. 12H.17) codifies previously uncodified language allowing the Department of Health and Human Services to require performance bonds of up to \$100,000 from Medicaid providers based on certain risk conditions.

This section became effective July 1, 2013. (JLH)

Shared Savings Plan with Providers

S.L. 2013-360, Sec. 12H.18 ([SB 402](#), Sec. 12H.18) directs the Department of Health and Human Services (DHHS) to withhold 3% of payments for specified services rendered to Medicaid and Health Choice recipients on or after January 1, 2014, for the 2013-2015 fiscal biennium. DHHS must consult with affected providers to develop a shared savings plan to provide incentives for effective and efficient care to be implemented by July 1, 2014. Payments made to a particular provider group will come from funds withheld from that group, and funds withheld for drugs will be used to develop, with Community Care of North Carolina, a program for Medicaid and Health Choice recipients based on the CheckMeds NC Program. DHHS must report to the Joint Legislative Oversight Committee on Health and Human Services on the development of the program no later than March 1, 2014.

This section became effective July 1, 2013. (AJJ)

Modify Hospital Provider Assessments by Changing Amount Retained by State to a Percentage

S.L. 2013-360, Sec. 12H.19 ([SB 402](#), Sec. 12H.19) changes the amount of money that the State collects and keeps from hospital provider assessments from a flat \$43 million to a variable 25.9% of total collections. This section maintains the collection of assessment amounts

from providers acquired by The University of North Carolina (UNC), although UNC remains exempt from assessments.

This section became effective July 1, 2013. (JLH)

Modify Medicaid Rate Methodologies for Recently Acquired Providers; Create Regional Base Rates for Hospitals

S.L. 2013-360, Sec. 12H.20 ([SB 402](#), Sec. 12H.20) reduces hospital base rates for hospitals that were acquired after December 31, 2011, to ensure that the base rates do not exceed rates that would have been paid if the provider had not been acquired. This section also replaces existing individual base rates for all hospitals with regional base rates.

This section became effective July 1, 2013. (JLH)

Community Care of North Carolina to Set and Pay Per Member Per Month Payments on Performance Basis to Encourage Better Care Management

S.L. 2013-360, Sec. 12H.22 ([SB 402](#), Sec. 12H.22) requires the Department of Health and Human Services (DHHS) to contract with Community Care Networks, Inc., to administer and distribute the funds currently allocated to per member per month payments for Community Care of North Carolina primary care providers, if specific criteria are met. Funds will be allocated to primary care providers on a care management performance basis using specified criteria developed by Community Care Networks. Performance-based payments will begin July 1, 2014. DHHS must consult with the Joint Legislative Oversight Committee on Health and Human Services on the performance-based payment proposal.

This section became effective July 1, 2013. (AJJ)

Continue A+KIDS Registry and Adult Safety with Antipsychotic Prescribing Initiative

S.L. 2013-360, Sec. 12H.28 ([SB 402](#), Sec. 12H.28) directs Community Care of North Carolina (CCNC) and the Division of Medical Assistance, Department of Health and Human Services (DHHS), to continue to monitor the prescription and administration of atypical or off-label antipsychotic medications to Medicaid recipients under the age of 18 through the A+KIDS Registry and the Adult Safety with Antipsychotic Prescribing initiative. CCNC and DHHS must report to the Joint Legislative Oversight Committee on Health and Human Services by April 1, 2014, on the effectiveness of these programs.

This section became effective July 1, 2013. (PLP)

Specify Board Selection for the North Carolina Institute of Medicine

S.L. 2013-360, Sec. 12I.1 ([SB 402](#), Sec. 12I.1), as amended by S.L. 2013-363, Sec. 4.1 ([HB 112](#), Sec. 4.1), amends the law pertaining to the North Carolina Institute of Medicine (NC IOM) to clarify that the NC IOM is governed by a board of directors, consisting of 21 members: 7 appointed each by the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the Governor. The Board members must be distinguished and influential leaders from the major health professions, the hospital industry, the health insurance industry, State and county government and other political units, education, business and industry, the universities, and the university medical centers. A term on the board is for four years, and no individual may

serve more than two consecutive terms. These provisions amending the law for the NC IOM become effective January 1, 2014.

Except as otherwise noted, this section became effective July 1, 2013; the appointments enacted by this section begin on January 1, 2014; and the members serving on July 1, 2013, continue to serve until January 1, 2014. (TM)

Inmate Medical Costs

S.L. 2013-360, Sec. 16C.4 ([SB 402](#), Sec. 16C.4). See **Courts, Justice, and Corrections**.

Domestic Energy Jobs Act

S.L. 2013-365 ([SB 76](#)). See **Environment and Natural Resources and Energy**.

Health Care Conscience Protection; Clarify Law/Prohibit Sex-Selective Abortion; Amend Women's Right to Know Act

S.L. 2013-366, Parts I, III, and IV ([SB 353](#), Parts I, III, and IV) make changes to the laws on health and safety as outlined below.

Health Care Conscience Protection. – Part I of the act clarifies that any health care provider who objects on moral, ethical, or religious grounds to abortion is not required to participate in abortion-related procedures and is not liable for damages or subject to disciplinary action for refusing to do so. This provision also adds health care providers to the list that includes hospitals and other health care institutions which are not required to perform an abortion or provide abortion services. Part I became effective August 28, 2013.

Clarifying Law/Prohibit Sex-Selection Abortion. – Part III of the act makes it a crime for a person to knowingly or recklessly perform, or attempt to perform, an abortion upon a woman with knowledge, or an objective reason to know, that a significant factor in the woman's seeking the abortion is related to the sex of the unborn child. A person committing such an act is liable for damages, including punitive damages and injunctive relief. A claim for damages or injunctive relief barring future acts may be brought by specified parties.

If a person knowingly or recklessly violates the terms of court ordered injunctive relief, that person is subject to civil contempt and fined \$10,000 for the first violation, \$50,000 for the second violation, and \$100,000 for the third and any subsequent violation. A fine is not assessed against the woman upon whom an abortion is performed or attempted. In any proceeding or civil action brought under the act, the court may preserve the woman's anonymity if the court makes specific findings.

Part III became effective October 1, 2013, and applies to violations occurring on or after that date.

Amend Women's Right to Know Act. – Part IV of the act amends the Women's Right to Know Act and requires that the physician performing a surgical abortion be physically present during the entire abortion procedure. When a drug or chemical is given for the purposes of inducing an abortion, the physician prescribing, dispensing, or otherwise providing the drug or chemical must be present when the first drug or chemical is administered. The Department of Health and Human Services (DHHS) must make resources available on its Web site to a woman who has received information that an unborn child may have a disability or serious abnormality.

Part IV also requires DHHS to amend its rules pertaining to clinics certified to be suitable facilities for the performance of abortions. DHHS is authorized to apply any requirement for ambulatory surgery centers to the standards applicable to clinics. In amending the rules, the rules are required to address the following: on site recovery phase of patient care at the clinic; protection of patient privacy; quality assurance; and receipt of necessary medical attention for

patients with complications. DHHS must report to the Joint Legislative Oversight Committee on Health and Human Services (Oversight Committee) no later than January 1, 2014, on its progress amending the rules. DHHS must conduct a study regarding the resources to adequately enforce regulations for certified abortion clinics. DHHS must report its findings and recommendations by April 1, 2014, to the Oversight Committee and the Fiscal Research Division. Part IV became effective October 1, 2013.

Each Part of the act becomes effective as noted above. (AJJ)

Amend Laws Pertaining to the Department of Health and Human Services

S.L. 2013-378 ([HB 399](#)), as amended by S.L. 2013-363, Sec. 4.12(a) ([HB 112](#), Sec. 4.12(a)), makes changes to statutes pertaining to child abuse, neglect and dependency, Medicaid, and public health.

Laws Pertaining to Child Abuse, Neglect, and Dependency. – The act requires court orders placing a juvenile in the custody or responsibility of a county department of social services to include case specific findings as to the reasonable efforts made by the department either to prevent or eliminate the need for placement of the juvenile.

Laws Pertaining to Medicaid. –

- The Department of Health and Human Services (DHHS) is granted all rights available to estate creditors, including the right to qualify as personal representative or collector of an estate. Every personal representative and collector is required to give notice to the Division of Medical Assistance of DHHS as a known creditor when an estate is opened, if the decedent was receiving medical assistance at the time of death. DHHS is a sixth-class creditor for purposes of determining the order of claims against the decedent's estate, and is paid after judgments in favor of other sixth-class creditors docketed and in force before DHHS seeks recovery. The act requires that trustees of revocable trusts who know the person who established the trust was receiving medical assistance give notice to the Division of Medicaid Assistance within 90 days of the death of the decedent.
- Pursuant to federal regulation, all Medicaid and Health Choice providers must be screened according to one of three risk levels: limited, moderate, and high. The act adds additional providers to the already established categories.

Laws Pertaining to Public Health. –

- The potential maximum penalty for violations of DHHS's Lead-Based Paint Program is increased to \$5,000 per day for each day a violation continues.
- The act creates one standard time limit of ten days for filing a certificate of live birth with the local county registrar.
- All health care providers and facilities are required to report each diagnosis of cancer or benign brain or central nervous system tumors. Cancer registry reporting is required be done electronically by October 1, 2014, in a format prescribed by the National Program of Cancer Registries.

Laws Pertaining to Mental Health, Developmental Disabilities, and Substance Abuse. – Effective July 29, 2013, the act extends the deadline by which a surviving mental health, developmental disabilities, and substance abuse area authority must meet the area board governance requirements if the Secretary of Health and Human Services approves a merger or realignment of two area authorities and either approves or directs the dissolution of one of them. Effective April 1, 2014, the act clarifies that the area authority requirement supersedes the authority of a county to operate a consolidated human services agency.

Except as otherwise provided, this act became effective October 1, 2013. (AJJ)

Amend Pharmacy Laws

S.L. 2013-379 ([HB 675](#)) amends the North Carolina Pharmacy Practice Act to provide for the registration of two categories of pharmacy technicians, certified pharmacy technicians and non-certified pharmacy technicians, and makes changes to the laws regarding registration, training, and grounds for disciplinary action of pharmacy technicians. The act expands the audit rights of pharmacies whose records are being audited by a managed care company, insurance company, third party payer, or other entity representing a responsible party. Under the provisions of the act, a pharmacy must be subject to recoupment of the reimbursement for the dispensed product of a prescription in those cases where there was fraud, dispensing in excess of the benefit design, prescriptions not filled in accordance with the prescriber's order, or actual overpayment to the pharmacy. Recoupment of funds must not occur until after the latter of the deadline for appeals or the final internal disposition of the audit. The act also amends the Controlled Substances Act to provide that a written prescription for a Schedule II drug must not be good for more than six months.

This act became effective October 1, 2013. Changes to laws related to pharmacy technicians and length of prescriptions apply to acts occurring on or after that date. Changes regarding pharmacy audits apply to audits commencing on or after that date. (BR)

Transparency in Health Care Costs

S.L. 2013-382, Part X ([HB 834](#), Part X) creates the Health Care Cost Reduction and Transparency Act of 2013. The act creates new reporting requirements for hospitals on pricing for the 100 most common inpatient diagnostic related groups (DRGs) in each hospital. The act also creates similar reporting requirements for hospital outpatient departments and ambulatory surgical centers (ASCs). These centers must report on the 20 most common surgical procedures and the 20 most common imaging procedures, along with the appropriate Current Procedure Terminology and Health Care Common Procedure Coding System codes, performed in each setting. The Department of Health and Human Services must publish this information reported by the hospitals and ASCs on its internet Web site available to the public. The Medical Care Commission is charged with adopting rules identifying the DRGs, surgical procedures and imaging procedures on which the facilities will report. In addition, non-profit hospitals and ASCs must provide public access to their financial assistance policies and annual financial assistance costs. Disclosure by hospitals of their pricing for the 100 most common DRGs begins with the quarter ending June 30, 2014. Reporting by hospitals and ASCs on the 20 most common surgical procedures and 20 most common imaging procedures begins with the quarter ending September 30, 2014.

Provisions related to confidentiality of health care information in this Part become effective January 1, 2014. The remainder of this Part became effective August 21, 2013. (BR)

Certain Changes/Payments Prohibited

S.L. 2013-382, Part XI ([HB 834](#), Part XI), as amended by S.L. 2013-393, Sec. 1 ([SB 473](#), Sec. 1), makes it unlawful for any provider of health care services to charge or accept payment for any health care procedure or component of a health care procedure that was not performed or supplied. If a procedure requires the informed consent of a patient, the charge for any component of the procedure performed prior to consent being given must not exceed the actual cost to the provider if the patient elects not to consent to the procedure.

This Part becomes effective December 1, 2013, and applies to health care procedures and services rendered on or after that date. (BR)

Hospital Debt Collection

S.L. 2013-382, Part XII ([HB 834](#), Part XII) prohibits the UNC Health Care System and its affiliates, and other schools of medicine, clinical programs, facilities, and medical practices affiliated with one of the constituent institutions of The University of North Carolina that provide medical care to the general public, from utilizing setoff debt collection procedures to collect outstanding debts from tax refunds and lottery winnings of debtors.

This Part becomes effective January 1, 2014, and applies to tax refunds determined by the Department of Revenue on or after that date. (BR)

Fair Health Care Facility Billing and Collections Practices

S.L. 2013-382, Part XIII ([HB 834](#), Part XIII), as amended by S.L. 2013-393, Sec. 2 ([SB 473](#), Sec. 2), establishes fair billing and collections practices for hospitals and ambulatory surgical centers (ASCs). Fair practices include requirements that bills are written so as to be comprehensible to the ordinary lay person, notice is provided before a bill is sent to collections, and prompt refunds are provided by facilities in the event of overpayment. These practices also prohibit a lien for a debt owed a hospital or ASC from attaching to a debtor's principal residence held by spouses as tenants by the entireties or that was held as tenants by the entireties prior to the death of either spouse where the tenancy terminated as a result of the death of either spouse. Execution on, or forced sale of, the primary residence of a custodial parent or parents to collect an unpaid bill for a debt owed for care provided to a minor is prohibited until the minor leaves the home or reaches the age of majority, whichever comes first. Statutes providing for garnishment for debts owed public hospitals are repealed.

This Part became effective October 1, 2013, and applies to billings and collections practices occurring on or after that date. (BR)

Participation in North Carolina Health Information Exchange

S.L. 2013-382, Part XIV ([HB 834](#), Part XIV), as amended by S.L. 2013-363, Sec. 4.18 ([HB 112](#), Sec. 4.18), requires hospitals that have electronic health records systems to connect to the North Carolina Health Information Exchange (NC HIE) network and submit data on services paid for with Medicaid funds. The NC HIE must provide the Department of Health and Human Services (DHHS) real-time access to data and information contained in the NC HIE.

The changes enacted to require participation in NC HIE by some providers by Section 4.18(a) of S.L. 2013-363, become effective upon the satisfaction of both of the following conditions: (1) DHHS and the NC HIE must execute an agreement regarding the utilization and sharing of data and information contained in the HIE Network, in a manner that complies with the Health Information Portability and Accountability Act of 1996 (HIPAA), the rules adopted under HIPAA, and other applicable federal laws; and (2) DHHS and the NC HIE must jointly submit a report to the Joint Legislative Oversight Committees on Information Technology and Health and Human Services on the agreement.

Inmate Costs

S.L. 2013-387, Secs. 1 and 2 ([SB 321](#), Secs. 1 and 2). See **Local Government**.

Department of Health and Human Services and Counties/ Medicaid for Prisoners

S.L. 2013-387, Sec. 3 ([SB 321](#), Sec. 3) directs the Department of Health and Human Services to work with the counties to prepare for the ability to utilize Medicaid coverage for inpatient hospital care of prisoners. The Department of Justice is to provide technical assistance.

This section became effective September 1, 2013. (JPP)

Local Management Entity/Managed Care Organization Enrollee Grievances and Appeals

S.L. 2013-397 ([SB 553](#)) creates a new chapter in the General Statutes establishing grievance and appeal procedures for local management entity/managed care organization (LME/MCO) Medicaid behavioral health enrollees.

This act also requires the Department of Health and Human Services (DHHS) to:

- Establish a supportive housing program for individuals transitioning from institutional settings to integrated community-based settings.
- Clarify how funds appropriated to DHHS for the establishment and operation of this program are to be used.
- Create the Community Living Housing Fund within the Housing Finance Agency to integrate individuals with disabilities into community-based supported housing.

The act also modifies the State's share in the hospital provider assessment tax.

The provision of the act relating to Medicaid managed care grievances and appeals became effective August 23, 2013, and applies to grievances and managed care actions filed on or after that date. The provision pertaining to the use of funds appropriated to DHHS for the 2013-2015 fiscal biennium to develop and implement housing, support, and other services for people with mental illness under the Department of Justice settlement agreement became effective October 1, 2013. The provision regarding the hospital provider assessment tax became effective July 1, 2013. The remainder of the act became effective August 23, 2013. (JPP)

Wind Up High Risk Health Insurance Pool

S.L. 2013-410, Sec. 28.5 ([HB 92](#), Sec. 28.5). See **Insurance**.

Warrant Status/Drug Screen Public Assist

S.L. 2013-417 ([HB 392](#)) requires the sharing of arrest warrant status of applicants for public assistance and drug screening and testing for Work First Program assistance.

Share Arrest Warrant Status of Applicants for Public Assistance. – The act requires a county department of social services (DSS) to notify an applicant for, or recipient of, Temporary Assistance for Needy Families (TANF) or Food and Nutrition Services (FNS) benefits that confidential information from the individual's record may be released if there exists an outstanding warrant for arrest against the individual. DSS is required to verify whether an applicant is fleeing to avoid prosecution, custody, or confinement after conviction for a felony or violating a condition of probation or parole, by ensuring that the criminal history of an applicant, or of a recipient at the time of benefits renewal, is checked in a manner and to the extent permitted by allocated county and State resources and federal law. The Social Services Commission (Commission) must adopt rules relating to the sharing of information between DSS and local law enforcement agencies. The Department of Health and Human Services (DHHS) is required to promote cooperation among State and local agencies to perform these functions.

Each DSS is required to report to DHHS, and DHHS is required to report to the General Assembly on the number of individuals denied services under these provisions.

DSSs will not grant TANF and FNS benefits if the DSS receives information that the applicant/recipient is subject to arrest on an outstanding warrant for a parole or probation violation or for a felony charge. The benefits eligibility of members of the individual's household will not be affected.

Drug Screening and Testing for Work First Program Assistance. – DHHS is required to administer a drug test to screen each applicant for or recipient of Work First benefits whom DHHS reasonably suspects is engaged in the illegal use of controlled substances. Dependent children under age 18 and child-only cases are exempt. DHHS must provide notice of drug testing to each applicant or recipient advising that test results are confidential and will not be released to law enforcement. An individual who tests positive for controlled substances must be provided with information regarding substance abuse treatment.

A person who tests positive is ineligible to receive Work First Program assistance for a period of one year from the date of the positive drug test and may reapply after one year; a person who has a subsequent positive drug test is ineligible for a period of three years from the date of the subsequent drug test. A person may reapply sooner if certain conditions are met.

Reasonable suspicion that an individual is engaged in the illegal use of controlled substances may be established only by utilizing the following methods:

- Criminal record check that discloses a conviction, arrest, or outstanding warrant relating to illegal controlled substances within three years prior to the date the record check is conducted.
- A determination by a qualified professional in substance abuse or a physician certified by the American Society of Addiction Medicine that an individual is addicted to illegal substances.
- A screening tool relating to the abuse of illegal controlled substances that yields a result indicating that the individual may be engaged in the illegal use of controlled substances.
- Other screening methods as determined by the Commission.

The Commission must adopt rules implementing the act. Rules for the implementation of drug testing must be adopted no later than February 1, 2014. DHHS is required to report to the General Assembly no later than April 1, 2014, on the implementation of drug testing for Work First benefits.

The provision requiring drug testing for Work First Program assistance becomes effective August 1, 2014. The remainder of the act became effective October 1, 2013. (AJJ)

Regulatory Reform

Amend Private Club Definition

S.L. 2013-413, Sec. 7 ([HB 74](#), Sec. 7) expands the definition of "private club" as it applies to the regulation of food and lodging facilities by the Commission for Public Health to include an establishment that is organized and operated solely for a social, recreational, patriotic, or fraternal purpose and that is not open to the general public, but is open only to the members of the organization and their bona fide guests.

This section became effective August 23, 2013. (AJJ)

Disposition of Division of Mental Health/Developmental Disabilities/Substance Abuse Service Records

S.L. 2013-413, Sec. 9 ([HB 74](#), Sec. 9) directs the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, Department of Health and Human Services, to amend its procedures to provide that if a Medicaid service has been eliminated by the State, the provider must retain records for three years after the last date of service, unless a longer period is required under federal law. After the expiration of that time period, records may be destroyed or transferred to a State agency or designated contractor.

This section became effective August 23, 2013. (AJJ)

Let Bed and Breakfasts Offer Three Meals a Day

S.L. 2013-413, Sec. 11 ([HB 74](#), Sec. 11) creates a new definition of "bed and breakfast home" under the statutes regulating food and lodging facilities. The Commission for Public Health must adopt rules governing the sanitation of the bed and breakfast homes in a manner that is least restrictive so as to protect the public and not unreasonably interfere with the operation of the bed and breakfast homes.

This section became effective October 1, 2013. (AJJ)

Carbon Monoxide Detectors

S.L. 2013-413, Sec. 19 ([HB 74](#), Sec. 19). See **Insurance**.

Smoking Ban Rules

S.L. 2013-413, Sec. 23 ([HB 74](#), Sec. 23) directs the Commission for Public Health (Commission) to amend and clarify its rules regarding the prohibition on smoking in restaurants and bars, specifically as the rules pertain to the definition of "enclosed area," no later than January 1, 2014. The Commission must report on its progress to the Joint Legislative Oversight Committee on Health and Human Services no later than November 1, 2013.

This section became effective August 23, 2013. (AJJ)

Provide for Low-Flow Design Alternatives for Wastewater Systems

S.L. 2013-413, Sec. 34 ([HB 74](#), Sec. 34). See **Environment and Natural Resources and Energy**.

Provide Notice of Known Contamination and Direct Local Health Departments to Act on a Permit Application for Private Wells within 30 Days

S.L. 2013-413, Sec. 35 ([HB 74](#), Sec. 35). See **Environment and Natural Resources and Energy**.

Department of Environment and Natural Resources, Environmental Review Commission, and Others to Study Review of Engineering Work

S.L. 2013-413, Sec. 58 ([HB 74](#), Sec. 58). See **Environment and Natural Resources and Energy**.

Studies

New/Independent Studies/Commissions

A Family for Every Child/Provision of Foster Care

S.L. 2013-360, Sec. 12C.10 ([SB 402](#), Sec. 12C.10) establishes the 11-member Permanency Innovation Initiative Oversight Committee (Committee), charged to:

- Design and implement a data tracking methodology to collect and analyze information to gauge the success of the initiative.
- Develop a methodology to identify short- and long-term cost-savings in the provision of foster care and any potential reinvestment strategies.
- Oversee program implementation to ensure fidelity to program models.
- Study, review, and recommend other policies and services that may positively impact permanency and well-being outcomes.

Reporting requirements include an annual report to the General Assembly by September 15, including any findings and recommendations.

The Permanency Innovation Initiative Fund is created to support a demonstration project by the Children's Home Society of North Carolina. The purpose of the demonstration project is to: (1) improve permanency outcomes for children living in foster care through reunification with parents, providing placement or guardianship with other relatives, or adoption; (2) improve engagement with biological relatives of children in or at risk of entering foster care; and (3) reduce the costs associated with maintaining children in foster care.

The program is subject to the availability of funds and does not constitute an entitlement. The Social Services Commission must adopt rules to implement this section.

This section became effective July 1, 2013. (SK)

Medicaid Reform Advisory Group Established

S.L. 2013-360, Sec. 12H.1 ([SB 402](#), Sec. 12H.1) establishes the five-member North Carolina Medicaid Reform Advisory Group (Advisory Group) to advise the Department of Health and Human Services (DHHS) in the development of a plan to reform Medicaid. DHHS is directed to work with the Advisory Group to create a detailed plan but is not authorized to implement the plan, regarding Medicaid reform. Legislation based on DHHS's reform proposal and recommended by the Advisory Group is eligible for consideration when the 2013 General Assembly reconvenes in 2014. The Advisory Group terminates on July 1, 2014.

Also see **Enacted Legislation** in **this Chapter**.

This section became effective July 1, 2013. (TM)

Referrals to Existing Commissions/Committees

Guardianship Roles of Mental Health and Developmental Disability and Substance Abuse Providers

S.L. 2013-258 ([HB 543](#)) requires the Joint Legislative Oversight Committee on Health and Human Services (Committee) to appoint a subcommittee to examine the impact of the 1915(b)/(c) Medicaid Waiver and other mental health system reforms on public guardianship services, including guardianship roles, responsibilities and procedures, and the effect on existing relationships between guardians and wards. The subcommittee must report its findings and recommendations to the Committee on or before May 9, 2014, at which time it will terminate.

Also see **Enacted Legislation** in **this Chapter**.

This act became effective July 10, 2013. (TM)

Study Ways to Improve Outcomes and Efficiencies in Alcohol and Drug Abuse Treatment Programs

S.L. 2013-360, Secs. 12F.7(a) and (b) ([SB 402](#), Secs. 12F.7(a) and (b)) requires the Department of Health and Human Services to study ways to improve outcomes and reduce costs in State operated alcohol and drug abuse treatment centers, and report on this study to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by April 1, 2014. The provision also requires the Joint Legislative Program Evaluation Oversight Committee to consider including a study of the most effective /and efficient ways to operate inpatient treatment at alcohol and drug abuse treatment centers in the 2014 Work Plan for the Program Evaluation Division of the General Assembly.

This section became effective July 1, 2013. (SB)

Study/Allow Certified Nurse-Midwives Greater Flexibility in Practice of Midwifery

S.L. 2013-360, Sec. 12I.2 ([SB 402](#), Sec. 12I.2) directs the Joint Legislative Oversight Committee on Health and Human Services (Committee) to appoint a subcommittee to study whether certified nurse-midwives should be given more flexibility in the practice of midwifery. The subcommittee must consider whether a certified nurse-midwife should be allowed to practice midwifery in collaboration with, rather than under the supervision of, a licensed physician. The subcommittee must report its findings and recommendations to the Committee on or before April 1, 2014, at which time the subcommittee will terminate.

This section became effective July 1, 2013. (BR)

Referrals to Departments, Agencies, Etc.

Study Use of Unique Student Identifier/Child Care Subsidy

S.L. 2013-360, Sec. 12B.8 ([SB 402](#), Sec. 12B.8), directs the Division of Child Development and Early Education, Department of Health and Human Services, and the Department of Public Instruction to study assigning a unique identifier to monitor the educational performance of children who have received child care subsidies. The report on the results of the study is due no later than April 1, 2014, to the Joint Legislative Oversight Committees on

Education, Health and Human Services, and Information Technology, and to the Fiscal Research Division.

This act became effective July 1, 2013. (PLP)

Division of Social Services Study/Procedures for Reporting Child Abuse

S.L. 2013-360, Sec. 12C.7 ([SB 402](#), Sec. 12C.7) directs the Division of Social Services, Department of Health and Human Services, to study the policies and procedures in place for reporting child abuse and to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than April 1, 2014.

This section became effective July 1, 2013. (JPP)

Review of Current Special Care Unit Staffing

S.L. 2013-360, Sec. 12G.1(b) ([SB 402](#), Sec. 12G.1(b)) requires the Department of Health and Human Services (DHHS) to review laws pertaining to special care unit (SCU) staff ratios and other staffing requirements. A report of the review to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division must be made by April 1, 2014, and include: a comparison of staff ratios and staffing requirements for SCUs in North Carolina and bordering states; the rationale and justification for establishing the existing SCU staff ratios and requirements; and recommendations for changes to existing staff ratios and requirements based on DHHS's findings.

Also see **Enacted Legislation** in **this Chapter**.

This section became effective July 1, 2013. (TM)

Study Potential Savings through the Purchase of Insurance

S.L. 2013-360, Sec. 12H.12 ([SB 402](#), Sec. 12H.12) directs the Department of Health and Human Services (DHHS) to study opportunities for savings in overall State funding by purchasing health insurance for persons served by departmental programs, including Medicaid. DHHS must report its findings to the Joint Legislative Oversight Committee on Health and Human Services no later than April 1, 2014.

This section became effective July 1, 2013. (AJJ)

Chapter 13

Insurance

Tim Hovis (TH), Amy Jo Johnson (AJJ), Peter Ledford (PL)

Enacted Legislation

No North Carolina Exchange/No Medicaid Expansion

S.L. 2013-5 ([SB 4](#)) reserves for the General Assembly the authority to determine any State interaction with the federally facilitated Health Benefit Exchange under the Affordable Care Act. Any department, agency, or institution of the State is prohibited from taking actions towards the formation of a State-based exchange, or entering into any contracts, or committing any resources to a partnership exchange model unless authorized to do so. Statutes to the contrary are repealed. The Department of Insurance is required to cease expenditures funded by exchange-related federal grants. The Department of Health and Human Services is directed to expand the North Carolina Families Accessing Services Through Technology system to provide Medicaid eligibility determinations for the federally facilitated exchange.

North Carolina will not participate in the Medicaid expansion. No department, agency, or institution may attempt to expand the Medicaid eligibility criteria unless directed to do so by the General Assembly.

This act became effective March 6, 2013. (AJJ)

Freedom to Negotiate Health Care Rates

S.L. 2013-46 ([HB 247](#)) prohibits the following provisions that create specified rate negotiations from inclusion in contracts between health benefit plans and health care providers:

- Prohibition on the provider contracting with another health carrier to provide services at a rate equal to or lower than the payment specified in the contract.
- Requirement that the provider accept a lower payment rate in the event that the provider agrees to provide services to any other carrier at a rate equal to or lower than that specified in the contract.
- Requirement for termination or renegotiation of the contract if the provider agrees to provide services to any other carrier at a rate equal to or lower than that specified in the contract.
- Requirement for disclosure of the provider's contractual rates with another carrier.
- Requirement for nonnegotiated adjustment by the issuer of the provider's contractual rate to equal the lowest rate the provider has agreed to charge another carrier.
- Requirement that the provider charge another carrier a rate that is equal to or greater than the rates specified in the contract.

This act became effective October 1, 2013, and applies to contracts entered into, renewed, or amended on or after that date. (AJJ)

Building Code Exclusion/Primitive Structures

S.L. 2013-75 ([HB 774](#)) exempts primitive camps and primitive farm buildings from the requirements of the State Building Code. Primitive camps include structures used for outdoor camping activities, for recreational purposes, or for training, which are not greater than 4,000 square feet in size and are not intended to be occupied for more than 24 consecutive hours.

Primitive farm buildings include structures used for activities, instruction, training, or reenactment of traditional or heritage farming practices.

This act became effective June 12, 2013. (PL)

Homeless Shelters/Remove Age Limits

S.L. 2013-77 ([HB 687](#)) directs the Building Code Council to amend the provisions of the State Building Code applying to homeless shelters to allow temporary overflow emergency shelters for the homeless to house occupants under the age of 18. Overflow housing for occupants under 18 is permissible when: (1) the shelter is intended to serve homeless families that include children and their parents or guardians; (2) the temporary shelter consists of churches or nonprofit religious entities that have agreed to house the occupants on their premises; and (3) the shelter is equipped with smoke detectors in all sleeping areas.

This act became effective June 12, 2013. (PL)

North Carolina Captive Insurance Act

S.L. 2013-116 ([HB 473](#)) authorizes captive insurance companies in the State and establishes procedures for the organization and regulation of captive insurance company operations by the Commissioner of Insurance. Captive insurance companies are insurance companies that are established solely to insure the risks of a specific company or industry association, and are wholly owned subsidiaries of the parent.

The act includes general provisions applicable to all types of captive insurance companies. Provisions applicable exclusively to protected cell captive insurance companies, requirements for branch captive insurance companies that operate in the State, and provisions applicable exclusively to special purpose financial captives also are established. The act sets out a taxation structure for captive insurance companies, based on reinsurance premiums and direct premiums. The taxation structure includes minimum aggregate taxes and maximum aggregate taxes for protected cell captive insurance companies and for all other captive insurance companies.

This act became effective July 1, 2013. (PL)

Building Codes: Local Consistency/Exempt Cable

S.L. 2013-118 ([HB 120](#)) prohibits counties and cities from adopting local ordinances or resolutions that require regular, routine inspections of one- and two-family residential buildings in addition to those inspections required by the Residential Building Code without first obtaining approval from the Code Council (Council). The act also amends the statute governing amendments to the State Building Code to require the Council to revise the residential building code only every six years, with the first revision effective January 1, 2019. The act also requires the Council both to publish all appeal decisions and formal opinions in the North Carolina Register and to post decisions and appeals on its Web site. All written commentaries and written interpretations made by the Council and the Department of Insurance must be posted online. Finally, the act exempts equipment and facilities, other than buildings, of cable television companies from regulation by the State Building Code.

This act became effective July 1, 2013. (PL)

Guaranty Association Act Amendments

S.L. 2013-136 ([HB 650](#)) amends statutes governing the Life and Health Insurance Guaranty Association (Association). The Association provides protection to eligible persons against defaults by issuers of life and health insurance policies and annuity contracts by creating

an association of insurers responsible for fulfilling the obligations of the defaulting insurer, subject to certain limitations.

The act makes the following changes:

- Clarifies the law governing Association coverage for policies with interest rates determined by an index or other external reference.
- Excludes coverage for Medicare Parts C and D policies.
- Excludes coverage for that portion of a policy that provides for indexed interest that has not been credited as of the insurer's insolvency.
- Establishes aggregate coverage limits for health insurance benefits.
- Deletes obsolete language related to foreign, domestic, and alien insurers.
- Authorizes the use of substitute fixed rate policies when providing coverage for a policy with indexed interest rates.
- Increases the maximum Class A assessment per member company.

This act became effective July 1, 2013. (TH)

Insurance Technical/Clarifying Changes

S.L. 2013-199 ([HB 240](#)), as amended by S.L. 2013-410, Sec. 44 ([HB 92](#), Sec. 44), makes various changes to the General Statutes related to insurance. These changes include the following:

- Remove the requirement that an accident and health insurer limit its exposure to loss from any one risk to 10% of the company's surplus to policyholders.
- Remove the requirement that each key person at a new domestic insurance company furnish the Commissioner of Insurance (Commissioner) with a photograph for the purpose of a criminal history record check conducted by the State Bureau of Investigation.
- Clarify the requirements of risk-based capital plans that insurers and health organizations are required to submit to the Commissioner when a company action level event occurs, to comply with National Association of Insurance Commissioners (NAIC) requirements.
- Adopt an NAIC model regulation to expand the standards available to the Commissioner when determining if an insurer is in a financially hazardous condition.
- Clarify that residential property insurance coverage without coverage for wind or hail will be available only in coastal counties.
- Effective January 1, 2016, shorten the time for the handling of certain expedited external review requests.
- Amend the types of organizations that can purchase blanket accident and health insurance in the State.
- Effective January 1, 2014, for policies with an effective date on or after that date, change the weight restriction for private passenger motor vehicles from 10,000 pounds to 14,000 pounds.
- Remove the restriction that, once an insured has privately retained a public adjuster, a company adjuster or other representative may not communicate directly with the insured without the consent of the public adjuster or the insured's attorney.
- Effective June 26, 2013, change the triggering event for certain requirements for insurance companies during a natural disaster from the declaration of a state of emergency to the declaration of a state of disaster.
- Effective October 1, 2013, amend the process by which an umpire is selected by a judge in a property insurance dispute.
- Effective June 26, 2013, authorize the Commissioner to enforce certain federal requirements for health benefit plans in the individual and group markets.

Except as otherwise provided, this act became effective July 1, 2013. (TH)

North Carolina Farm Act of 2013

S.L. 2013-265 ([SB 638](#)). See **Agriculture and Wildlife**.

Pyrotechnics Technical and Conforming Changes

S.L. 2013-275 ([HB 783](#)) makes the following changes to the laws governing pyrotechnics and reduces the regulation of pyrotechnics when used by the University of North Carolina School of the Arts (School of the Arts), motion picture productions, and pyrotechnic trainers to:

- Allow the display operator for the School of the Arts to appoint an on-site representative to supervise any performances that include a proximate audience display subsequent to the opening performance if the representative is a minimum of 21 years of age and is properly trained in the safe discharge of proximate audience displays.
- Allow pyrotechnics to be exhibited as a special effect for a motion picture production under certain conditions.
- Allow pyrotechnics to be exhibited, used, handled, manufactured, or discharged for pyrotechnic or proximate audience display instruction consisting of classroom and practical skills training approved by the Office of State Fire Marshal.
- Provide that local government permitting authority does not apply to an exhibition authorized by the School of the Arts and conducted on lands or in buildings owned by the State and used by the School of the Arts.
- Amend the requirements for obtaining a display operator's license and to obtain certification as a pyrotechnic display event employee.

This act became effective July 18, 2013. (TH)

Limited Lines Travel Insurance

S.L. 2013-285 ([HB 340](#)) authorizes the Department of Insurance (Department) to regulate travel insurance producers. The act requires that travel insurance producers be licensed by the Department and allows licensed producers to offer travel insurance through travel retailers, such as travel agents. Travel producers and their retailers are required to disclose certain information to purchasers, including a description of material terms, the process for filing a claim, cancellation procedures, and contact information, and must provide prospective customers written materials that include a disclaimer that retailers are not qualified to answer technical questions. Retailers are prohibited from evaluating technical terms, benefits, and conditions of coverage. Producers are responsible for the acts of the retailer and must maintain a registry of each retailer and provide instruction to retailers on the types of insurance offered and required disclosures. Producers and retailers are subject to the Department's enforcement powers, including license revocation and possible civil and criminal penalties.

This act becomes effective January 1, 2014. (TH)

Choice of Hearing Aid Specialist

S.L. 2013-296 ([SB 248](#)) adds hearing aid specialists to the list of providers from which an individual has the right to choose the provider of services under a health benefit plan. The fee for licensure that the North Carolina State Hearing Aid Dealers and Fitters Board may assess is increased from \$250 to a maximum of \$500.

This act became effective October 1, 2013. (AJJ)

State Health Plan/Statutory Changes

S.L. 2013-324 ([HB 232](#)). See **State Government**.

Small Group Health Insurance Technical Changes

S.L. 2013-357 ([HB 649](#)) makes changes to the Small Employer Group Health Coverage Reform Act as a response to various changes to the insurance market that will take effect due to changes in federal regulations and the federal Affordable Care Act (ACA). No small employer carrier will be required to issue the current basic or standard health benefit plans and any plans that are not grandfathered plans, as defined by the ACA, will be terminated on the next anniversary date on or after January 1, 2014, following specified procedures. Changes taking effect January 1, 2014, and January 1, 2016, conform the definition of small employer to the definition found in the ACA. The rating factors for nongrandfathered small group health benefit plans are limited to the following factors:

- Age, except that the rate may not vary by more than 3:1 for adults.
- Whether the plan covers an individual or a family.
- Geographic rating areas.
- Tobacco use, except that the rate may not vary by more than 1.2:1.

The act also prohibits an insurer from offering stop loss health insurance policies to small employers if the policy contains any specified provisions, effective October 1, 2013. The Department of Insurance (Department) is directed to adopt rules pertaining to insurers and third party administrators who administer health benefit plans with stop loss coverage. Additionally, the Department is directed to adopt rules to implement the changes to small employer group health coverage.

Except as otherwise provided, this act became effective July 25, 2013. (AJJ)

Liability Insurance

S.L. 2013-360, Sec. 12A.7 ([SB 402](#), Sec. 12A.7). See **Health and Human Services**.

Study Potential Savings through the Purchase of Insurance

S.L. 2013-360, Sec. 12H.12 ([SB 402](#), Sec. 12H.12). See **Health and Human Services**.

Consumer Protection Fund Retained Amount

S.L. 2013-360, Sec. 20.1 ([SB 402](#), Sec. 20.1) reduces the retained amount for the Consumer Protection Fund held by the Department of Insurance, which does not annually revert, from \$500,000 to \$250,000.

This section became effective July 1, 2013. (TH)

Workers' Compensation Fund/Allocation for Volunteer Safety Workers

S.L. 2013-360, Sec. 20.2 ([SB 402](#), Sec. 20.2) amends the disposition of an additional tax applied to gross premiums on property insurance to credit 25% to the Volunteer Fire Department Fund, 20% to the Department of Insurance for disbursement, up to 20% to the Workers' Compensation Fund, and the remainder credited to the General Fund. The amount allocated to the Workers' Compensation Fund was at 20%, but effective April 1, 2016, will be based on a

periodic actuarial study to calculate the amount required to meet the needs of that Fund. The section also reduces the amount of the Volunteer Fire Department Fund that the Commissioner of Insurance (Commissioner) may use for staff and resources to administer that Fund from 2% to 1% each fiscal year. The section reduces the amount that the Commissioner may deduct from tax proceeds for the purpose of administering the disbursement of funds from the fire insurance fund from 2% to 1%.

Except as otherwise provided, this section became effective July 1, 2013. (PL)

Program Evaluation Division/Study Licensure Fees

S.L. 2013-360, Sec. 22.6 ([SB 402](#), Sec. 22.6). See **State Government**.

Separate Insurance Benefits Plan Assets/Payment of Health Insurance Premiums for Law Enforcement Officers

S.L. 2013-360, Sec. 35.17 ([SB 402](#), Sec. 35.17). See **State Government**.

Limits on Abortion Funding Under Health Insurance Plans/Exchange/Local Government

S.L. 2013-366, Part II ([SB 353](#), Part II), effective July 29, 2013, prohibits any health plan offered in North Carolina through a health benefit exchange created pursuant to the federal Affordable Care Act from including coverage for abortion services, other than for an abortion when the mother's life is threatened by a physical disorder, illness, or injury, or to terminate a pregnancy resulting from rape or incest.

This Part also prohibits counties and cities from including in their employee health plans any coverage for abortion greater than that provided by the State Health Plan. The use of State funds to perform abortions or support any governmental health plan offering abortion is prohibited, except to save the mother's life or when the pregnancy resulted from rape or incest. These provisions became effective October 1, 2013, and apply to insurance contracts or policies issued, renewed, or amended on or after that date.

Except as otherwise provided, this Part became effective July 29, 2013. (AJJ)

Fair Health Care Facility Billing and Collections Practices

S.L. 2013-382, Part XIII ([HB 834](#), Part XIII). See **Health and Human Services**.

Wind Up High Risk Health Insurance Pool

S.L. 2013-410, Sec. 28.5 ([HB 92](#), Sec. 28.5) adds a new section to the General Statutes governing the North Carolina Health Insurance Risk Pool (Pool), to sunset the Pool's insurance operations effective January 1, 2014, and require all invoices for medical, pharmacy, and other services and all appeals and grievances to be submitted no later than 90 days after this date to be handled in the regular course of business by the Pool. On or before September 1, 2013, the Pool is required to submit a plan for dissolution for approval by the Commissioner of Insurance to address specific issues. All actions by or against the Pool must be filed on or before one year following the sunset of insurance operations. After dissolution, the Pool's liability for insurance benefits, invoices, and all other matters must be limited to funding held in reserve. Statutory provisions governing the Pool are repealed effective January 1, 2017.

Except as otherwise provided, this section became effective August 23, 2013. (TH)

Regulatory Reform

Professional Employer Organization Act Amendments

S.L. 2013-413, Sec. 11.1 ([HB 74](#), Sec. 11.1). See **Occupational Boards and Licensing**.

Workers' Compensation Insurance Cancellation/Electronic Communications

S.L. 2013-413, Sec. 13 ([HB 74](#), Sec. 13) allows an insurer to cancel a workers' compensation insurance policy using any method of service provided in Rule 4 of the Rules of Civil Procedure. The section also allows electronic communications and records that comply with the Uniform Electronic Communications Act to satisfy requirements that communications be provided in writing when an insured consents. The electronic communications provision would not apply to workers' compensation insurance policies. Finally, the section includes a provision that prohibits a principal contractor, intermediate contractor, or subcontractor who sublets any contract from being liable to an employee of the subcontractor if either the subcontractor has an active workers' compensation policy or the contractor received a certificate from the subcontractor prior to subcontracting and the contractor was unaware of the expiration of the policy.

This section became effective August 23, 2013, and applies to insurance policies and certificates of insurance in effect on or after that date. (PL)

Carbon Monoxide Detectors

S.L. 2013-413, Sec. 19 ([HB 74](#), Sec. 19), requires all hotels, motels, and other lodging establishments to have carbon monoxide detectors in every enclosed space having a fossil fuel burning heater, appliance, or fireplace, and in any enclosed space that shares a common wall, floor, or ceiling with an enclosed space having a fossil fuel burning heater, appliance, or fireplace.

Existing hotels must have battery powered or hard-wired carbon monoxide detectors installed by October 1, 2013 in order to obtain or renew a permit to operate as a lodging establishment. After October 1, 2014, existing hotels must install hard-wired carbon monoxide detectors to obtain or renew a permit.

This section amends the law governing the North Carolina State Building Code to require new and renovated lodging establishments to have hard-wired carbon monoxide detectors. New and renovated lodging establishments will be subject to the same provisions as existing lodging establishments in order to obtain or renew a permit to operate as a lodging establishment.

This section became effective August 23, 2013, except that the requirements for existing hotels to install battery powered or hard-wired carbon monoxide detectors became effective October 1, 2013 and expire October 1, 2014, and the requirements for existing hotels to install hard-wired carbon monoxide detectors become effective October 1, 2014. (PL)

Clarify That No Building Permit Required for Routine Maintenance on Fuel Dispensers

S.L. 2013-413, Sec. 41 ([HB 74](#), Sec. 41) amends laws governing the State Building Code to clarify that a building permit is not required for routine maintenance on fuel dispensing pumps and other dispensing devices.

This section became effective August 23, 2013. (PL)

Chapter 14

Labor and Employment

Karen Cochrane-Brown (KCB), Brad Krehely (BK), Theresa Matula (TM), Bill Patterson (BP)

Enacted Legislation

General Labor and Employment

Prohibit Expunction Inquiry

S.L. 2013-53 ([SB 91](#)). See **Courts, Justice, and Corrections**.

Drug Testing for Long-Term Care Applicants and Employees

S.L. 2013-167 ([SB 542](#)). See **Health and Human Services**.

Local Workforce Development Boards/Dislocated Workers

S.L. 2013-330 ([SB 73](#)) requires Local Workforce Development Boards to utilize a competitive selection process to select providers of adult and dislocated workers services as authorized by the Workforce Investment Act of 1998. The Boards must designate the providers by July 1, 2014.

Effective January 1, 2014, the act also shifts responsibility for the apprenticeship program and the Apprenticeship Council from the Department of Labor to the Department of Commerce.

Except as otherwise provided, this act became effective July 23, 2013. (TM)

Department of Labor Create and Conduct Safety Program for Historical Boiler Operations

S.L. 2013-360, Sec. 13.10 ([SB 402](#), Sec. 13.10) requires the Department of Labor to create and conduct a safety program for steam boilers of riveted construction preserved, restored, or maintained for hobby or demonstration, also referred to as a historical boiler. The program must provide instruction for an operator, and instruction on how to train an apprentice to properly care, maintain, operate, and exhibit a historical boiler.

This section became effective July 1, 2013. (TM)

Modern State Human Resources Management/ Reorganization through Reduction

S.L. 2013-382, Parts I through IX ([HB 834](#), Parts I through IX). See **State Government**.

RECLAIM North Carolina Act

S.L. 2013-418, Sec. 2 ([HB 786](#), Sec. 2) requires contractors and subcontractors to comply with E-Verify when providing goods or services under contracts with State or local government entities. The requirements apply under the following circumstances:

- Any contract with a city or county.
- Public contracts awarded under bid for construction or repair work requiring the estimated expenditure of public money in an amount of \$500,000 or more, or for the purchase of apparatus, supplies, materials, or equipment in an amount in excess of \$90,000.
- Contracts for goods and services under programs administered by the Department of Administration.
- Contracts for information technology under programs administered by the Office of Information Technology Services.

The act also repeals the existing exemption that makes the E-Verify requirement inapplicable to certain seasonal temporary employees, and amends the definition of "employee" for purposes of the State's E-Verify law to specify that the term does not include an individual whose term of employment is less than nine months in a calendar year.

This section became effective September 4, 2013. (TM)

Regulatory Reform

Prohibit Delayed Enforcement of Local Ordinances and Prohibit Certain Contract Requirements by Local Governments

S.L. 2013-413, Sec. 5 ([HB 74](#), Sec. 5). See **Local Government**.

Workers' Compensation Insurance Cancellation/Electronic Communications

S.L. 2013-413, Sec. 13 ([HB 74](#), Sec. 13). See **Insurance**.

Veterans Preference for Private Employers

S.L. 2013-413, Sec. 14 ([HB 74](#), Sec. 14) allows private, nonpublic employers in the State to provide an employment preference to veterans and to spouses of honorably discharged veterans who have a service-connected permanent and total disability. This provision specifically provides that granting of the preference is not a violation of any State or local equal employment opportunity law.

This section became effective August 23, 2013. (KCB)

Agricultural Right to Work

S.L. 2013-413, Sec. 15 ([HB 74](#), Sec. 15) amends the Right to Work statute to prohibit agreements that condition the purchase of agricultural products on the agricultural producer's status as a union or non-union employer by making such agreements invalid and unenforceable as against public policy in restraint of trade or commerce.

This section became effective August 23, 2013. (KCB)

Workers' Compensation/Taxi Driver/Independent Contractor

S.L. 2013-413, Sec. 17 ([HB 74](#), Sec. 17) creates a rebuttable presumption that taxi operators who own or lease their vehicles are independent contractors not covered under the

Workers' Compensation Act. The section also provides that the presumption is not rebutted solely because of local regulation of taxicabs or because a taxicab accepts a trip request to be at a specific place at a specific time, and provides that the presumption may be rebutted by application of the common law test for determining independent contractor status.

This section became effective August 23, 2013, and applies to causes of action arising on or after that date. (KCB)

Industrial Commission

S.L. 2013-413, Sec. 60 ([HB 74](#), Sec. 60) amends the law governing the Industrial Commission to exempt the administrator and the deputy commissioners from the protections of the State Personnel Act.

This section becomes effective July 1, 2015. (KCB)

Unemployment

Unemployment Insurance Fund Solvency and Program Changes

S.L. 2013-2 ([HB 4](#)). See **Finance**.

Unemployment Insurance Laws Administrative Changes

S.L. 2013-224 ([HB 743](#)). See **Finance**.

Unemployment Insurance Laws Administrative Changes

S.L. 2013-391 ([SB 420](#)). See **Finance**.

Workers' Compensation and the Industrial Commission

Workers' Compensation Coverage/Public Records

S.L. 2013-20 ([SB 44](#)) authorizes the Industrial Commission to release as public records the following information received from the Rate Bureau relating to coverage carried by North Carolina employers under workers' compensation insurance policies, regardless of the policy's effective date: policy number; effective dates; cancellation dates; reinstatement dates; employer name and address; and carrier name, address, and telephone number.

This act became effective April 3, 2013. (BP)

Workers' Compensation/Record Full Industrial Commission Hearings

S.L. 2013-163 ([SB 520](#)) requires the recordation of all hearings of the full Industrial Commission unless waived by consent of the parties.

This act became effective August 1, 2013. (BP)

Workers' Compensation/Division of Attorneys' Fees

S.L. 2013-278 ([HB 168](#)) authorizes the Industrial Commission to hear and determine disputes between the current and past attorneys representing a workers' compensation claimant over the division of an attorneys' fee approved by the Commission.

This act became effective July 18, 2013, and applies to fee disputes for which no action to adjudicate has been filed in superior court prior to that date. (BP)

Disapprove Industrial Commission Rules

S.L. 2013-294 ([SB 174](#)) disapproves a number of rules adopted by the Industrial Commission as required by S.L. 2011-287. Prior to 2011, the Industrial Commission was exempt from rulemaking under the Administrative Procedure Act (APA). S.L. 2011-287 removed the exemption and directed the Industrial Commission to readopt its rules by December 31, 2012. This act disapproves a number of the readopted rules and directs the Industrial Commission to adopt new rules to replace the disapproved rules subject to specific instructions contained in the act. In order to expedite the process, the Commission is authorized to use the temporary rulemaking procedure and timeline. The rules also will be exempted from the certification and fiscal note requirements of the APA. The current rules will remain in effect until rules adopted to replace them become effective.

The act also amends a number of statutes to give guidance to the Industrial Commission for adopting rules in connection with specific issues. Finally, the act directs the Industrial Commission to study the burdens on all parties of mandating that costs and fees be submitted electronically. The Commission must submit a report of its findings and recommendations to the 2014 Session of the General Assembly.

This act became effective July 18, 2013. (KCB)

Workers' Compensation Fund/Allocation for Volunteer Safety Workers

S.L. 2013-360, Sec. 20.2 ([SB 402](#), Sec. 20.2). See **Insurance**.

Workers' Compensation Claims Reimbursement

S.L. 2013-410, Sec. 33 ([HB 92](#), Sec. 33) provides that reimbursement for hospitals and physicians for treating patients covered by workers' compensation will be based on the Medicare payment methodology, subject to necessary and appropriate adjustments and exceptions. The section directs the Industrial Commission to provide for direct claims submission and reimbursement for medical and hospital fees. The section also expedites the rulemaking process for fee schedules.

This section became effective August 23, 2013. (TM)

Studies

Referrals to Departments, Agencies, Etc.

Study Savings for Administration of Claims

S.L. 2013-336 ([SB 43](#)) requires the Office of State Human Resources, formerly the Office of State Personnel, to work with the Department of Public Instruction and the Office of State

Budget and Management to study expenses related to the management of workers' compensation claims submitted by State and local government employees and to make recommendations on how to improve efficiency and reduce expenses. The Office of State Human Resources must report findings and recommendations to the General Assembly by October 1, 2013.

This act became effective July 23, 2013. (TM)

Chapter 15

Local Government

Erika Churchill (EC), Shelly DeAdder (SD), Brad Krehely (BK), Harrison Moore (HM),
Giles Perry (GSP), Kelly Quick (KQ)

Enacted Legislation

Property Tax/Deannexation

S.L. 2013-19 ([SB 97](#)). See **Finance**.

Regionalization of Public Utilities

S.L. 2013-50 ([HB 488](#)), as amended by S.L. 2013-388, Secs. 4 and 5 ([SB 341](#), Secs. 4 and 5), establishes a statutory framework for the creation, maintenance, and operation of a metropolitan water and sewerage district, similar to the statutory authority for metropolitan water districts and metropolitan sewerage districts. The act also requires regionalization of certain large water systems and interconnected sewer systems.

This act became effective May 15, 2013. (EC)

Clarify Electric Load Control Process

S.L. 2013-58 ([SB 430](#)). See **Occupational Boards and Licensing**.

Zoning Changes/Notice to Military Bases

S.L. 2013-59 ([HB 254](#)) amends the statutes that require counties and cities to provide notice of land use planning and zoning changes to military bases. Under current law, counties and municipalities must notify nearby military installations of proposed zoning ordinances or other changes that would change or affect the permitted uses of land located five miles or less from the perimeter boundary of the installation. Before adopting such an ordinance, the local government must consider any comments from the military regarding compatibility with operations at the base.

The act provides that the following other matters require notification to nearby military installations: (1) changes relating to telecommunications towers or windmills; (2) changes to proposed new major subdivision preliminary plats; and (3) any increase in the size of an approved subdivision by more than 50% of the subdivision's total land area, including developed and undeveloped land. The act permits the commander of the installation to appoint a designee to receive the notice. It also provides that if the local government does not receive a response from the military within 30 days of the notice, then the military is deemed to have waived the comment period.

This act became effective May 30, 2013, and applies to planning and zoning changes initiated on or after that date. (BK)

Water/Sewer Authority/Rate Flexibility

S.L. 2013-107 ([HB 788](#)) amends the statute allowing county water and sewer authorities to set rates, fees, and other charges by authorizing them to set rates for programs to store and

protect water resources. This act allows the county water and sewer authority to set differential rates for these programs, which include aquifer or surficial storage.

This act became effective June 12, 2013. (KQ)

Building Codes: Local Consistency/Exempt Cable

S.L. 2013-118 ([HB 120](#)). See **Insurance**.

Zoning/Board of Adjustment Changes

S.L. 2013-126 ([HB 276](#)), as amended by S.L. 2013-410, Sec. 25 ([HB 92](#), Sec. 25), updates the laws pertaining to boards of adjustment for cities and counties as follows:

- Allows a zoning or unified development ordinance to provide that the board of adjustment may hear and decide special and conditional use permits, variances, and appeals of decisions of administrative officials.
- Specifies who must receive notice and provides that the notice must be mailed not less than 10 days or more than 25 days prior to the date of the hearing.
- Provides that the city or any person with standing may appeal a decision to the board of adjustment.
- Specifies the criteria for receiving a variance.
- Provides that decisions are subject to judicial review.
- Establishes that it is a criminal offense to willfully swear falsely while under oath during a proceeding before the board of adjustment.

This act became effective October 1, 2013, and applies to actions taken on or after that date by any board of adjustment. (BK)

State Computer Equipment/Buy Refurbished

S.L. 2013-128 ([HB 289](#)). See **State Government**.

Amend Definition of Special Purpose District

S.L. 2013-135 ([HB 629](#)) amends the definition of a "special purpose project" for purposes of the Industrial and Pollution Control Facilities Financing Act to include agricultural and forestry waste disposal facilities, in order to authorize issuance of tax exempt industrial development and pollution control bonds for those facilities.

This act became effective June 19, 2013. (GSP)

Maintaining Water and Sewer Fiscal Health

S.L. 2013-150 ([SB 207](#)). See **State Government**.

Cities/Public Nuisance Notice

S.L. 2013-151 ([SB 211](#)) authorizes municipalities to serve notice of remedial action against chronic violators of public nuisance ordinances by regular mail in addition to registered or certified mail. The act provides that when a chronic violator of a municipal public nuisance ordinance is notified the municipality is taking action against the property, the initial annual notice must be sent by registered or certified mail. The city also may send the notice by regular mail at that time. When notice is served by regular mail, a copy of the notice must be posted in a conspicuous place on the affected property.

This act became effective June 19, 2013. (EC)

Ethics Requirements for Metropolitan Planning Organizations/Rural Transportation Planning Organizations

S.L. 2013-156 ([SB 411](#)) establishes specific ethics requirements for members serving on transportation advisory committees of both Metropolitan Planning Organizations (MPOs) and Rural Transportation Planning Organizations (RPOs). All members with voting authority of each MPO and RPO must:

- Not participate in any action if the member knows that the member, the member's extended family, or business with which the member is associated may incur a reasonably foreseeable financial benefit that would impair the member's independence of judgment or from which it could reasonably be inferred that the financial benefit would influence the member's action.
- Promptly disclose, in writing, any conflict of interest or potential conflict of interest.
- File a Statement of Economic Interest with the State Ethics Commission (SEC).
- File with the SEC a list of all real estate owned wholly or in part by the member, the member's extended family, and any business with which the member is associated located in the jurisdiction of the MPO/RPO on which the member is serving.
- Not use or disclose nonpublic information gained through the MPO/RPO service in a way that would affect a personal financial interest of the member, the member's extended family, or a business with which the member is associated.

Any Board of Transportation member serving on an MPO or RPO is required to adhere to the ethics provisions applicable to the Board of Transportation while serving on the MPO or RPO.

This act became effective June 19, 2013. (EC)

Align Inspections with Installer Licensing

S.L. 2013-160 ([SB 468](#)) prohibits cities and counties from requiring more than one permit for the installation or replacement of a natural gas, propane gas, or electrical appliance when the work is done by a licensed plumbing and heating contractor or a licensed electrical contractor. Additionally, the act provides that cities and counties may not charge more for a permit for such work than for any other individual trade permit, and may not increase other fees to offset the loss of revenue caused by this provision.

This act became effective July 1, 2013. (SD)

Cell Tower Deployment Act

S.L. 2013-185 ([HB 664](#)). See **Utilities**.

Taxpayer Debt Information Act

S.L. 2013-200 ([HB 248](#)) makes the following changes to the statutes that govern the ability of units of local government to borrow money secured by a pledge of the taxing power:

- *Statement of Estimated Interest*. – Requires that, after the bond order has been introduced but before the public hearing, the finance officer of the local government unit file a statement with the clerk and the Local Government Commission indicating the estimated total amount of interest that will be paid on the bonds over the expected term of the bonds and a summary of the assumptions upon which the estimate is based. It also must include a statement to the effect that the estimate is preliminary, that there is no assurance that the assumptions upon which the estimate

is based will occur, and that the actual circumstances at the time the bonds are issued could result in significant differences between the estimated interest and the actual interest. The act also provides that the validity of the bonds is not subject to challenge on the grounds that the actual interest when issued is different from the amount set forth in the statement.

- *Publication of Bond Order.* – Amends the statutes concerning publication of the bond order by requiring inclusion of a statement in the order that the finance officer has filed a statement of estimated interest and indicating the amount of the estimated interest. The act also permits a summary of the assumptions to be included in the publication and allows disclaimer language to the effect that the estimated amount of interest is preliminary, is for general informational purposes only, and that the validity of the bonds may not be challenged on the basis of the actual interest being different from the estimated interest once the bonds are issued.
- *Ballot Question.* – Amends the law requiring a bond referendum to further require that the ballot question indicates that the approval includes the application of interest to the principal debt amount authorized and includes a statement that additional taxes can be levied in an amount necessary to pay the principal and interest on the bonds.

This act became effective September 1, 2013, and applies to bonds proposed on or after that date. (KQ)

Land Use Surrounding Military Installations

S.L. 2013-206 ([HB 433](#)). See **Military, Veterans, and Indian Affairs**.

Allow Right-of-Way Usage in Central Business Districts

S.L. 2013-266 ([HB 192](#)) authorizes the Department of Transportation to allow sidewalk dining on State highway rights-of-way through agreements with local governments, if the local government has an ordinance permitting sidewalk dining and the ordinance meets the minimum requirements of this act, including placement of the dining facilities and insurance.

This act became effective July 17, 2013, but does not preempt or override local ordinances currently in place. (GSP)

Fire and Rescue Pension Revisions of 2013

S.L. 2013-284 ([HB 327](#)). See **Retirement**.

Redeposit Government Funds into Insured Deposit Accounts

S.L. 2013-305 ([HB 474](#)). See **State Government**.

Commonsense Consumption Act

S.L. 2013-309, Secs. 2 and 3 ([HB 683](#), Secs. 2 and 3) prohibits enactment of any city or county ordinance limiting the size of soft drinks offered for sale.

These sections became effective July 18, 2013. (SD)

Airports Exempt from Local Tree Ordinances

S.L. 2013-331 ([HB 646](#)) prohibits counties and cities from enforcing ordinances regulating trees on property owned or operated by a public airport authority.

This act became effective July 23, 2013. (KQ)

County Comment on Permits for Land Application of Bulk Residuals

S.L. 2013-340, Sec. 1 ([SB 372](#), Sec. 1) amends the law requiring the Environmental Management Commission (EMC) to act on new and renewal permit applications for the land application of bulk residuals. The act requires the EMC to provide notice and an opportunity for comment to the governing board of the county in which the proposed land application site is located before acting on a permit application resulting from the operation of a wastewater treatment facility.

This section became effective August 1, 2013, and applies to land application permit applications received on or after that date. (KQ)

Clarify Agricultural Zoning

S.L. 2013-347 ([SB 505](#)) provides, for purposes of the bona fide farm county zoning agriculture exemption, that the phrase "when performed on the farm" in the definition of agriculture includes the farm within the jurisdiction of the county and any other farm owned or leased to or from others by the bona fide farm operator, no matter where located. In addition, the act explicitly provides that a grain storage facility is a bona fide farm purpose that qualifies for the agricultural exemption from county zoning ordinances.

This act became effective July 23, 2013. (GSP)

Government Data Analysis Center/Local Governments/ Optional Collection Agreements

S.L. 2013-360, Sec. 7.21 ([SB 402](#), Sec. 7.21) authorizes cities and counties to enter into an interagency agreement with the Department of Revenue and the Government Data Analysis Center (GDAC) to manage collection of unpaid parking fines and penalties. The Department of Transportation, Division of Motor Vehicles, must provide GDAC with access to historical and current information required to identify owners associated with vehicles with unpaid parking fines and penalties. GDAC will provide information to the Department of Revenue as to persons associated with unpaid parking fines and penalties. The Department of Revenue must withhold tax refunds to pay those unpaid fines and penalties, and remit those monies to the city or county. The city or county is responsible for paying the fees to cover the administrative costs of withholding and other fees negotiated in the interagency agreement.

This section became effective July 1, 2013. (EC)

Panic Alarm Systems

S.L. 2013-360, Sec. 8.37 ([SB 402](#), Sec. 8.37). See **Education**.

School Safety Exercises

S.L. 2013-360, Sec. 8.38 ([SB 402](#), Sec. 8.38). See **Education**.

Schematic Diagrams of School Facilities

S.L. 2013-360, Sec. 8.39 ([SB 402](#), Sec. 8.39). See **Education**.

Anonymous Tip Line

S.L. 2013-360, Sec. 8.40 ([SB 402](#), Sec. 8.40). See **Education**.

School Safety for Charter Schools and Regional Schools

S.L. 2013-360, Sec. 8.43 ([SB 402](#), Sec. 8.43). See **Education**.

Volunteer School Safety Resource Officer Program

S.L. 2013-360, Sec. 8.45 ([SB 402](#), Sec. 8.45). See **Education**.

Require Certain General Reappraisals

S.L. 2013-362 ([SB 159](#)) requires counties to retroactively change property tax appraisals valued during the county's last general reappraisal if: (1) the county has evidence that the majority of commercial neighborhoods reviewed possess significant issues of inequity; (2) the county has evidence that instances of inequity or erroneous data had an impact on the valuation of residential neighborhoods in the county; (3) the county's last general reappraisal was performed in one of the years when the economic downturn most severely affected home prices (2008 to 2012); and (4) the county's evidence resulted from a review performed by an appraisal service retained and selected by the county and registered with the Department of Revenue and resulted from a sample size of not less than 375 properties that were examined on site.

If all of the above conditions are met, the county must undertake one of the two following options: (1) a general reappraisal within 18 months; or (2) a review of all the values in the county by neighborhoods with recommendations as to the true value of the properties as of January 1 of the year of the last general reappraisal. Once one of the two options has been completed, the county must change the abstracts and tax records so that the assessed value reflects the true value for each tax year until the next general reappraisal required by law. For overvalued parcels, the county is required to repay the overpayment with 5% interest. For undervalued parcels, the additional taxes are treated as taxes on discovered properties, without discovery penalties.

This act became effective July 26, 2013. (GSP)

Amend Assessments for Infrastructure Needs

S.L. 2013-371 ([SB 103](#)) does all of the following with respect to the authority of counties and cities to use special assessments on benefitted property as a financing tool for long-term capital projects when a petition is signed by a majority of the property owners assessed and those signers represent ownership of at least 66% of the assessed value of the property to be assessed:

- Extends the sunset date from July 1, 2013, to July 1, 2015.
- Provides that the benefits conferred on an assessed property may be measured by how the property is used and that the assessment on that property may be adjusted over time if the use of the property changes. However, the assessment may not be changed unless the total amount of all the assessments is sufficient to pay the cost of the project after the adjustment is made.

- Clarifies how to determine if the criteria for authority to use this special assessment financing have been met when parcels of property are owned by more than one person.

This act became effective June 30, 2013, and applies retroactively to special assessments imposed on or after that date. (EC)

Voter Information Verification Act/Election Reform

S.L. 2013-381 ([HB 589](#)). See **Constitution and Elections**.

Coastal Policy Reform Act of 2013

S.L. 2013-384 ([SB 151](#)). See **Environment and Natural Resources and Energy**.

Municipal Services

S.L. 2013-386 ([SB 315](#)), as amended by S.L. 2013-410, Sec. 39.5 ([HB 92](#), Sec. 39.5), amends the general law to:

- Provide that no note or deed of trust granted to a county for the purpose of securing or reserving wastewater treatment capacity is valid or enforceable if that capacity is not utilized by the maker or grantor.
- Require all cities to provide water or sewer services to property when the city's governing board votes against the annexation ordinance of the property if all of the following apply:
 - The property owner submits a notice requesting services within 60 days of the act becoming law.
 - The property owner agrees to the provisions of the utility extension agreement presented at the same meeting when the annexation ordinance was considered.

This act became effective August 23, 2013. (EC)

Inmate Costs

S.L. 2013-387, Secs. 1 and 2 ([SB 321](#), Secs. 1 and 2) directs counties to reimburse providers and facilities which provide requested or emergency medical services outside of the local confinement the lesser of 70% of the provider's prevailing charge or two times the Medicaid rate for any given service. Counties are to make reasonable efforts to equitably distribute prisoners among all hospitals and other appropriate facilities within the same county based on bed capacity.

Effective July 1, 2014, the act also adds the utilization of Medicaid coverage for inpatient hospitalization of prisoners to the lists of items that the units operating a local confinement facility may include in the facility's plan for providing medical care to prisoners.

Except as otherwise provided, these sections became effective September 1, 2013. (EC)

Amend Interbasin Transfer Law

S.L. 2013-388, Secs. 1 through 3 ([SB 341](#), Secs. 1 through 3). See **Environment and Natural Resources and Energy**.

County/Sheriff Fee Changes

S.L. 2013-389, Secs. 1 and 2 ([SB 368](#), Secs. 1 and 2) authorize local confinement facilities to establish a fee of not more than \$10 for a 30-day or less supply of prescription drugs. The county also must establish a procedure that waives this fee for indigent prisoners.

The act also requires the sheriff to charge a fee of \$5 for each pistol permit requested upon receipt of the application, rather than upon issuance of the permit.

These sections became effective August 1, 2013, and apply to fees assessed or collected on or after that date. (EC)

Public Contracts/Construction Methods/Design-Build/ Public-Private Partnerships

S.L. 2013-401 ([HB 857](#)). See **State Government**.

Remove Area from County Service District

S.L. 2013-402 ([HB 552](#)) authorizes counties to remove territory from a county service district created to provide water or sewer service, or both, if all of the following requirements are met:

- 100% of the property owners petition for removal.
- The territory no longer requires the service.
- The service district has no obligation or expense related to issuance of bonds.
- A public report was prepared showing the current and proposed boundaries on a map.
- Notice of a public hearing was published and mailed.
- A public hearing was conducted.

This act became effective August 23, 2013. (GSP)

Amend Local Solid Waste Planning

S.L. 2013-409 ([HB 321](#)). See **Environment and Natural Resources and Energy**.

RECLAIM North Carolina Act

S.L. 2013-418 ([HB 786](#)). See **Labor and Employment**.

Regulatory Reform

Prohibit Delayed Enforcement of Local Ordinances and Prohibit Certain Contract Requirements by Local Governments

S.L. 2013-413, Sec. 5 ([HB 74](#), Sec. 5) prohibits cities and counties from enforcing a zoning or unified development ordinance against a grandfathered use more than 10 years after the termination of the grandfathered status, unless the violation poses an imminent hazard to health or public safety. Additionally, the section prohibits cities and counties from requiring a private contractor to abide by any restriction the locality could not impose on all employers as a condition of bidding on a contract.

This section became effective August 23, 2013, and applies to contracts entered into on or after that date. (SD)

Equal Treatment for Fraternities and Sororities by Local Governments

S.L. 2013-413, Secs. 6(a) and 6(b) ([HB 74](#), Secs. 6(a) and 6(b)) prohibit a local zoning or unified development ordinance from differentiating between fraternities and sororities that are approved or recognized by a college or university and those that are not.

These sections became effective August 23, 2013. (SD)

Prohibit Transportation Impact Mitigation Ordinances

S.L. 2013-413, Sec. 10.1 ([HB 74](#), Sec. 10.1) prohibits cities and counties from enacting or enforcing an ordinance, rule, or regulation that requires an employer to assume responsibility for the mitigation of its employees' commute or transportation to or from the workplace, which may result in the employer being subject to fines, fees, or other monetary, legal, or negative consequences.

This section became effective August 23, 2013. (SD)

Temporary Limitation on Enactment of Environmental Ordinances by Cities and Counties; Study

S.L. 2013-413, Sec. 10.2 ([HB 74](#), Sec. 10.2) prohibits a local government from enacting an environmental ordinance that regulates a field that is also regulated by a State or federal statute unless the ordinance is approved by a unanimous vote of the governing members of the local government present and voting. This prohibition is effective August 23, 2013, applies to ordinances enacted on or after that date, and expires October 1, 2014.

This section also directs the Environmental Review Commission (ERC) to study the circumstances under which local governments should be authorized to enact environmental ordinances that are more stringent than State or federal environmental laws. The ERC must report its findings and recommendations to the 2014 Short Session.

Except as otherwise provided, this section became effective August 23, 2013. (BK)

Regulation of Digital Dispatching Services

S.L. 2013-413, Sec. 12.1 ([HB 74](#), Sec. 12.1) prohibits local governments from regulating or licensing digital dispatching services for prearranged transportation services for hire.

This section became effective August 23, 2013. (BK)

Clarify Local Government Authority under the Sedimentation and Pollution Control Act

S.L. 2013-413, Sec. 33 ([HB 74](#), Sec. 33). See **Environment and Natural Resources and Energy**.

Development Agreements/Brownfields

S.L. 2013-413, Sec. 44 ([HB 74](#), Sec. 44) provides an exemption from the requirement that property subject to a municipal or county development agreement be 25 acres or more in size, if the property is subject to an executed brownfields agreement.

This section became effective August 23, 2013. (GSP)

Limit Local Government Regulation of Storage, Retention, or Use of Nonhazardous Recycled Materials

S.L. 2013-413, Sec. 50 ([HB 74](#), Sec. 50). See **Environment and Natural Resources and Energy**.

Department of Environment and Natural Resources, Environmental Review Commission, and Others to Study Review of Engineering Work

S.L. 2013-413, Sec. 58 ([HB 74](#), Sec. 58). See **Environment and Natural Resources and Energy**.

City/County Solid Waste Surcharges/Applicability of Funds

S.L. 2013-413, Sec. 59.4 ([HB 74](#), Sec. 59.4). See **Environment and Natural Resources and Energy**.

Chapter 16
Military, Veterans, and Indian Affairs

Jennifer Mundt (JM), Howard Alan Pell (HAP)

Enacted Legislation

Respect our Fallen Heroes

S.L. 2013-6 ([HB 19](#)). See **Criminal Law and Procedure**.

Discharged Veterans/Identity Theft Protection

S.L. 2013-15 ([SB 50](#)) extends the period of nondisclosure of military discharge documents filed with the registers of deeds after January 1, 2004, from 50 years to 80 years.

This act became effective March 28, 2013. (HP)

Adopt Uniform Deployed Parent Custody and Visitation Act

S.L. 2013-27 ([HB 139](#)). See **Children and Families**.

Permitting of Wind Energy Facilities

S.L. 2013-51 ([HB 484](#)). See **Environment and Natural Resources and Energy**.

Zoning Changes/Notice to Military Bases

S.L. 2013-59 ([HB 254](#)). See **Local Government**.

Estates/Trusts/Guardianship Amendments

S.L. 2013-91 ([SB 279](#)). See **Property, Trusts, and Estates**.

Consumer Finance Act Amendments

S.L. 2013-162 ([SB 489](#)). See **Commercial Law and Consumer Protection**.

Hunting and Fishing/Active Duty Military

S.L. 2013-191 ([SB 25](#)). See **Agriculture and Wildlife**.

Commercial Drivers License Requirements/Military Experience

S.L. 2013-201 ([HB 322](#)). See **Transportation**.

Land Use Surrounding Military Installations

S.L. 2013-206, Secs. 1 and 2 ([HB 433](#), Secs. 1 and 2), as amended by S.L. 2013-413, Sec. 47 ([HB 74](#), Sec. 47), prohibits the construction of tall buildings or structures with a vertical height of more than 200 feet within a 5-mile area surrounding a military installation without first receiving an endorsement from the Building Code Council (Council).

A person who seeks to construct a tall building or structure within five miles of a military installation must provide the Council with the identification of the military installation and the base commander of the installation, a copy of the person's written notice of their intent to seek endorsement from the Council to the base commander of the installation, and a written "No Hazard to Air Navigation" for the proposed tall building or structure issued by the Federal Aviation Administration.

Upon receipt of the information provided by the applicant, the Council must, in writing, request a written statement concerning the proposed tall building or structure from the base commander of the identified military installation that includes a determination whether:

- The location of the proposed tall building or structure is within a protected area surrounding the installation.
- Any activities of the installation may be adversely affected by the proposed tall building or structure.

The act provides that the Council must not endorse a tall building or structure if: (1) the Council finds that it would interfere with the mission, training, or operations of any military installation in the State and result in a detriment to the continued military presence in North Carolina; (2) the Council is not in receipt of the written "No Hazard to Air Navigation"; or (3) the Council determines that the request for a tall building or structure fails to meet the requirements set forth in the act. The Council must make a final decision on a request for endorsement of a tall building or structure within 90 days from the date on which the Council requested the written statement from the base commander of the military installation. The act provides a civil penalty up to \$5,000 for violations of the Article.

These sections became effective October 1, 2013, and apply to tall buildings and structures for which construction is initiated on or after that date. (JM)

Create Military Affairs Commission

S.L. 2013-227 ([SB 613](#)) abolishes the North Carolina Advisory Commission on Military Affairs and establishes the North Carolina Military Affairs Commission (Commission). The purpose of the Commission is to provide advice to the Governor, the General Assembly, the Secretary of Commerce, and other State agencies on initiatives, programs, and legislation that would continue and increase the role of the State's military installations, National Guard, and Reserves in America's defense strategy and promote the economic health and vitality of the State. The Commission consists of:

- 21 voting members, 11 appointed by the Governor, and 5 appointed respectively by the President Pro Tempore of the Senate and the Speaker of the House of Representatives for 2-year terms; 30 nonvoting members, 2 members of the General Assembly who have a military installation in their district, 16 public officials or their designees, and 12 military officers or their designees.
- The Commission meets upon the call of the chair or the Governor's Military Advisor, who serves as the administrative head of the Commission and is responsible for the Commission's operations and normal business activities.

This act became effective August 1, 2013. (HAP)

Corporal Pruitt Rainey Brass to Class Act

S.L. 2013-268 ([HB 767](#)). See **Education**.

TRICARE Supplement for Flex Accounts

S.L. 2013-292 ([HB 402](#)). See **State Government**.

Regulatory Reform

Veterans Preference For Private Employers

S.L. 2013-413, Sec. 14 ([HB 74](#), Sec. 14). See **Labor and Employment**.

Studies

Study Creation of North Carolina Military Clearinghouse

S.L. 2013-206, Sec. 3 ([HB 433](#), Sec. 3), directs the North Carolina Advisory Commission on Military Affairs (Commission), or its successor, to study the feasibility and desirability of creating a North Carolina Military Clearinghouse to protect the mission capabilities of the military installations in the State from incompatible development. The Commission must report its findings and recommendations, including legislative proposals, to the Governor and the General Assembly on or before the convening of the 2014 Session of the 2013 General Assembly. [*Note: The North Carolina Advisory Commission on Military Affairs was abolished and the North Carolina Military Affairs Commission was created by S.L. 2013-227 (see **Enacted Legislation** in **this Chapter**)*].

This section became effective June 26, 2013. (JM)

Chapter 17

Occupational Boards and Licensing

Karen Cochrane-Brown (KCB), Jeff Hudson (JH), Amy Jo Johnson (AJJ), Harrison Moore (HM),
Wendy Graf Ray (WGR), Barbara Riley (BR), Chris Saunders (CS)

Enacted Legislation

Board of Law Examiners/Update Expense Law

S.L. 2013-9 ([HB 77](#)) clarifies that each member of the Board of Law Examiners will receive the member's actual expenses of travel and subsistence while engaged in duties assigned to the member. With regard to transportation by the use of private automobile, the expense of that transportation must be the same as is paid to other boards and commissions.

This act became effective March 13, 2013. (AJJ)

Use of Criminal History Records by Licensing Boards

S.L. 2013-24 ([SB 33](#)) provides that, unless a law states that an applicant is disqualified from an occupation due to a criminal conviction, a licensing board may not automatically disqualify the applicant based on a criminal conviction. The board must consider specific factors before denying the license, if it is authorized to disqualify applicants due to a criminal conviction. The board may deny licensure to an applicant who refuses to consent to a criminal history record check or use of fingerprints or other identifying information required by the State or National Repositories of Criminal Histories. This act does not apply to the North Carolina Criminal Justice Education and Training Standards Commission and the North Carolina Sheriffs' Education and Training Standards Commission.

This act became effective July 1, 2013, and applies to applications for licensure submitted on or after that date. (AJJ)

Exempt Certain Steel Tubing/Electrical Contractors

S.L. 2013-36 ([SB 148](#)) provides that a licensed electrician is not required to perform the work of bonding of corrugated stainless steel tubing used for natural gas distribution. The North Carolina Fuel Gas Code requires that corrugated stainless steel tubing be grounded where the natural gas service enters a building to prevent leaks from developing when lightning strikes nearby. This requirement continues in effect, but the grounding is not required to be performed by a licensed electrician.

This act became effective April 24, 2013. (HM)

Prohibit Expunction Inquiry

S.L. 2013-53 ([SB 91](#)). See **Courts, Justice, and Corrections**.

Clarify Electric Load Control Process

S.L. 2013-58 ([SB 430](#)) exempts the installation, maintenance, and replacement of load control devices by an electric power supplier or a contractor hired by an electric power supplier from requiring an electrical contractor's license, so long as the work is subject to supervision by a licensed electrical contractor and the work is in accordance with an activity approved by the

Utilities Commission. The act also exempts the aforementioned activities from city and county building permit requirements.

This act became effective May 30, 2013. (HM)

Clarifying Changes/Engineers/Surveyors Laws

S.L. 2013-98 ([HB 301](#)) makes technical changes to the laws regulating engineers and land surveyors by reorganizing the statutes and deleting references to written examinations to allow for electronic examinations. The act also waives the examination requirement for land surveyors who are geographic information system (GIS) practitioners with certain education and experience until July 1, 2014. After July 1, 2014, GIS practitioners will be required to meet the same licensure requirements that apply to all land surveying applicants. The act further changes the number of references with personal knowledge of an applicant's professional experience that an applicant must submit from two to three.

This act became effective June 12, 2013. (KCB)

Amend Grain Dealer Licensing Laws

S.L. 2013-102 ([HB 383](#)) increases the bonding amount accompanying a grain dealer license application from \$10,000 to \$100,000 and adds 3 grounds for revoking or suspending a grain dealer license: (1) acting or holding oneself out as a grain dealer without a license; (2) hiring a person who has been convicted of a crime involving fraud, deceit, or misrepresentation involving the buying or selling of grain or the handling of payments for grain; and (3) violating any law or rule regulating grain dealers.

This act became effective October 1, 2013. (CS)

Capital Punishment/Amendments

S.L. 2013-154 ([SB 306](#)). See **Courts, Justice, and Corrections**.

Align Inspections with Installer Licensing

S.L. 2013-160 ([SB 468](#)). See **Local Government**.

Bail Bondsman/Official Shield

S.L. 2013-209 ([HB 597](#)) authorizes a North Carolina Bail Agent shield for persons licensed under the bail bondsmen and runners licensure statute and specifies requirements for the shield. The possession of a shield by a licensee that does not meet the requirements is a violation by the licensee.

This act became effective June 26, 2013, and applies to any person licensed by statute before, on, or after that date. (AJJ)

Amend Real Estate License Law/Records

S.L. 2013-280 ([HB 214](#)) provides that all records containing personal information collected or compiled by the Real Estate Commission (Commission) in connection with an application for examination, licensure, certification, renewal or reinstatement, or the subsequent update of information are not public records unless admitted into evidence at a hearing held by the Commission.

This act became effective July 18, 2013. (CS)

Chiropractic Assistant Certification/Fee

S.L. 2013-290 ([HB 371](#)) amends the Chiropractic Practice Act (Act) to authorize the State Board of Chiropractic Examiners (Board) to certify chiropractic clinical assistants. A "chiropractic clinical assistant" is defined as a non-licensed employee of a chiropractic physician whose duties include the following: collecting general health data; applying limited therapeutic procedures; and monitoring prescribed rehabilitative activities. A chiropractic clinical assistant may not perform any services that require licensure under the Act.

The Board is authorized to issue a certificate of competency to a qualified applicant within 120 days after the applicant begins employment with a chiropractic physician. Certificates expire at the end of the calendar year unless renewed in accordance with rules adopted by the Board. The Board may charge a fee for initial applicants and for renewals not to exceed \$50. The Board also is authorized to adopt rules relating to educational requirements, course approval, instructor credentials, examinations, grandfathering, reciprocity, continuing education, and the submission and processing of applications.

This act becomes effective July 1, 2014. (KCB)

Update Physical Therapy Practice Act

S.L. 2013-312 ([HB 828](#)) amends the Physical Therapy Practice Act to authorize the Board of Physical Therapy Examiners to:

- Remove Board members for certain statutory reasons.
- Conduct confidential investigations and request the Department of Justice provide criminal background checks in connection with licensure.
- Issue subpoenas.
- Establish programs to aid in the recovery and rehabilitation of licensees who have chemical or alcohol addictions or mental health problems.
- Acquire, hold, and dispose of real property subject to the approval of the Governor and the Council of State.

The act authorizes the licensure of foreign-trained physical therapy assistants and allows temporary practice of physical therapy without licensure during natural disasters, athletic competitions, and performing arts exhibitions. The act also authorizes the Department of Justice to charge an applicant a fee to offset the cost incurred to conduct a criminal history record check. The fee must not exceed the actual cost of locating, editing, researching, and retrieving the information.

This act became effective October 1, 2013. (BR)

Limited License/Install Backflow Assemblies

S.L. 2013-332 ([HB 662](#)) authorizes the Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors (Board) to issue a limited license that allows a person who does not have a plumbing license to contract or install, repair, or replace backflow prevention assemblies. The act also allows a court to award the Board reasonable costs of investigation and prosecution of violations of the law regulating plumbing and heating contractors, and eliminates a provision specifying that actions brought by the Board be brought in the county where the violation occurred or where the defendant resides.

This act became effective July 23, 2013. The provision eliminating the venue requirements and allowing the award of costs is applicable to actions brought on or after that date. (KCB)

Exempt Certain Columbariums/Cemetery Act

S.L. 2013-335 ([HB 796](#)) amends the Cemetery Act to exempt certain columbariums from its provisions. The Cemetery Act regulates cemeteries that are not operated by government agencies or churches or intended solely for family use. In order to engage in the business of operating a cemetery company, a person must meet statutory criteria and obtain a license from the Cemetery Commission. This act amends the law to provide that a columbarium built on the grounds of a private, self-contained retirement community in a county where no commercially available columbarium exists, funded solely by the residents and reserved exclusively for their use, is exempt from the Cemetery Act.

This act became effective July 23, 2013, and expires 18 months after the effective date. (WGR)

Registration of Petroleum Device Technicians

S.L. 2013-344 ([SB 454](#)) authorizes the Gasoline and Oil Inspection Board (Board) to regulate petroleum device technicians. Although it was not specifically authorized in statute prior to this act, the Board has registered petroleum device technicians who perform necessary repairs to equipment used for measuring liquid petroleum products for many years. The Board has adopted rules establishing qualifications for registration, and registration is subject to revocation due to misrepresentation of fact, incompetency, or failure to render satisfactory service. Registrants must pay an annual fee of \$20. This act specifically authorizes the Board to provide for registration of petroleum device technicians, codifying in statute what was already the practice, and codifies the \$20 annual registration fee. The act also makes clear that noticed repairs to measuring equipment must be done by registered petroleum device technicians.

This act became effective July 23, 2013. (WGR)

Amend Nursing Home Administrator Act/Fees

S.L. 2013-346 ([SB 488](#)) amends the Nursing Home Administrator Act to:

- Increase examination, licensure, licensure renewal, and various other fees for nursing home administrators.
- Require a criminal background check for initial licensure and provide the State Board of Examiners for Nursing Home Administrators (Board) with the discretion to request a criminal background check for licensure renewal.
- Require applicants to pass the national and State competency examinations within one year of completing the administrator-in-training program.
- Expand the grounds for disciplinary action against a nursing home administrator by deleting as grounds that a person is a habitual drunkard and amending the grounds related to addiction to include addiction or dependency on alcohol or any controlled substance.
- Add to grounds for disciplinary action discrimination based on mental or physical disability or any other class protected by State or federal law.
- Make records, papers, and other documents collected during an investigation, inquiry, or interview in connection with certification, licensure, or a disciplinary matter confidential and not a public record pursuant to the public records law. Board decisions, hearing notices, statements of charges, and material admitted into evidence are public records. Information that identifies a resident who has not consented to public disclosure of services rendered to him or her must be deleted from the public record.
- Authorize the Board to employ or retain professional personnel, including legal counsel.

The bill grandfathers those persons who became licensed on or before the effective date of this act from complying with the new qualifications for licensure.

This act became effective July 23, 2013. (BR)

Allow Program for the Assessment of Veterinary Education Equivalence Certification/Veterinary License

S.L. 2013-356 ([HB 194](#)) adds the Program for the Assessment of Veterinary Education Equivalence of the American Association of Veterinary State Boards to the Educational Commission for Foreign Veterinary Graduates program as one of two programs that a graduate from a nonaccredited college of veterinary medicine must successfully complete in order to practice veterinary medicine in North Carolina.

This act became effective July 25, 2013. (CS)

Allow Board to Establish Examination Fee/Soil Scientists

S.L. 2013-360, Sec. 13.8 ([SB 402](#), Sec. 13.8) allows the North Carolina Board for Licensing of Soil Scientists to charge applicants the actual cost of preparation, administration, and grading of examinations for soil scientists, in addition to its other fees. The examination fee was previously capped at \$125.

This section became effective July 1, 2013. (CS)

Eliminate North Carolina Public Campaign Fund

S.L. 2013-360, Sec. 21 ([SB 402](#), Sec. 21). See **Constitution and Elections**.

Amend Locksmith License Act/Raise Fee Ceiling

S.L. 2013-370 ([SB 18](#)) amends the Locksmith Licensing Act as follows:

- Requires the licensure of individuals providing locksmith services to buildings containing medical records, pharmaceutical records, educational records, criminal records, voting records, tax records, legal records, or personnel records.
- Effective December 1, 2013, and applying to offenses committed on or after that date, increases the penalty for performing locksmith services in this State without a license from a Class 3 to a Class 1 misdemeanor for the first offense, and a Class I felony for second and subsequent offenses.
- Expands the definition of locksmith services to include any method of bypassing a locking mechanism, whether in a commercial, residential, or automotive setting, for compensation.
- Effective July 29, 2013, increases the fees for issuance, renewal, late renewal, and reinstatement of a license and the fee for an apprentice license
- Authorizes the Locksmith Licensing Board to issue subpoenas and assess the costs of disciplinary actions against a licensee.
- Modifies the exemptions from licensure.

Except as otherwise provided, this act became effective October 1, 2013. (HM)

Amend Pharmacy Laws

S.L. 2013-379 ([HB 675](#)). See **Health and Human Services**.

Amend Irrigation Contractors Licensing Laws

S.L. 2013-383 ([SB 71](#)) makes the following changes to the statutes that regulate irrigation contractors:

- Makes clarifying changes to exemptions from regulation, and adds an exemption for persons entering into subcontracts with licensed irrigation contractors, so long as the licensee does the actual irrigation work.
- Adds provisions to allow licensing of business entities, nonresident individuals, and foreign entities.
- Provides for suspension, rather than forfeiture, of license for failure to obtain continuing education units. The licensee has 60 days to complete continuing education, request reinstatement, and pay a reinstatement fee.
- Authorizes a business entity or foreign entity license fee of \$100 and a reinstatement fee of \$250.
- Authorizes the Irrigation Contractors' Licensing Board to assess costs in a proceeding against an applicant or licensee found to be in violation of the statutes.

This act became effective October 1, 2013. (WGR)

Amend Real Estate Appraisers' Laws/Fees

S.L. 2013-403 ([HB 565](#)) amends the real estate appraiser licensing laws by requiring applicants for licensure as a licensed real estate appraiser to hold an associate's degree or higher and meet other training and experience requirements. The educational requirements for certification as a residential real estate appraiser are increased from an associate's degree to a bachelor's degree. A bachelor's degree also is required for licensure as a certified general real estate appraiser. Applicants for licensure also must consent to a criminal history record check. Registered appraisal management companies must maintain a \$25,000 surety bond and must provide certification to the Appraisal Board that the surety bond has been obtained. The act also authorizes the Legislative Research Commission to study the advisability of establishing an appraisal management recovery fund that would provide restitution to appraisers.

The provisions of the act authorizing the study of an appraisal management recovery fund became effective August 23, 2013. The remainder of the act becomes effective January 1, 2014. Individuals licensed or certified as appraisers by the Appraisal Board on or before January 1, 2014, are deemed to meet the new licensure requirements established by this act. (BR)

Amend Board of Architecture Finance Laws

S.L. 2013-410, Sec. 31 ([HB 92](#), Sec. 31) permits the Board of Architecture to acquire, hold, rent, or otherwise deal with real property in the same way as a private person or corporation, subject to the approval of the Governor and Council of State.

This section became effective August 23, 2013. (CS)

Amend Definition of "Practice Law"

S.L. 2013-410, Sec. 32 ([HB 92](#), Sec. 32) provides that the phrase "practice law" does not include the drafting or writing of memoranda of understanding or other mediation summaries by mediators at community mediation centers, mediators of employment-related matters for The University of North Carolina, or for any State agency, commission, or board.

This section became effective August 23, 2013. (CS)

Amend Hearing Aid Dealers and Fitters Laws

S.L. 2013-410, Sec. 32.5 ([HB 92](#), Sec. 32.5) expands the statutory scope of practice of a hearing aid specialist regulated by the State Hearing Aid Dealers and Fitters Board (Board) and makes conforming changes. Previously, a hearing aid specialist meant a person licensed by the Board to engage in fitting or selling hearing aids. This section adds 15 activities to the scope of practice, including performing hearing evaluations, performing hearing aid repairs, and taking ear impressions and preparing, designing, and modifying ear molds.

This section became effective August 23, 2013. (CS)

Amend Licensure Requirements for Speech and Language Pathologists and Audiologists

S.L. 2013-410, Sec. 47.7 ([HB 92](#), Sec. 47.7) amends the licensure requirements for speech and language pathologists and audiologists as follows:

- Removes an exemption from the licensure requirement for persons who hold a valid and current credential as a speech and language pathologist or audiologist issued by the Department of Public Instruction or who are employees of the Schools for the Deaf and Blind.
- Adds good moral conduct to the required qualifications of applicants for licensure and makes immoral conduct a ground for license suspension or revocation.
- Eliminates the requirement that a temporary license holder must pass a written examination for licensure before the end of the temporary license period.
- Makes technical changes to amend the phrase "speech pathology" to "speech and language pathology" throughout the statute.

This section became effective August 23, 2013. (CS)

Regulatory Reform

Study Occupational Licensing Board Agency

S.L. 2013-413, Sec. 10 ([HB 74](#), Sec. 10). See **State Government**.

Professional Employer Organization Act Amendments

S.L. 2013-413, Sec. 11.1 ([HB 74](#), Sec. 11.1) makes the following changes to the Professional Employer Organization (PEO) Act:

- Deletes the definition of "hazardous financial condition" applicable to PEO license applicants; instead, a license applicant must demonstrate that its current assets exceed current liabilities.
- Sets the bond requirement for license applicants at \$100,000; additional bond is required for those applicants whose current assets do not exceed current liabilities.
- Deletes the requirement that a licensee give assigned employees written notice when the employee ceases to be an employee.
- Makes changes concerning the rights of a PEO and client company to control, hire, discipline, and terminate assigned employees.
- Provides that only the Commissioner of Insurance (Commissioner) may recover the reasonable costs of examination of a licensee following disciplinary violations or prohibited acts by a licensee.
- Repeals the provision in the PEO Act giving the Commissioner the authority to discipline a licensee who, as an insurance fiduciary, willfully fails to give notice of

group health or life insurance plan termination. If a licensee is an insurance fiduciary, failure to provide notice remains a Class H felony under existing law. This section became effective October 1, 2013. (JH)

Chapter 18

Property, Trusts, and Estates

Karen Cochrane-Brown (KCB), Shelly DeAdder (SD), Brad Krehely (BK),
Bill Patterson (BP), Barbara Riley (BR)

Enacted Legislation

Lien Agents/Technical Corrections

S.L. 2013-16 ([HB 180](#)) makes a number of technical and clarifying changes to the law requiring designation of a lien agent by the owner of real property for the purpose of receiving required notices from potential lien claimants for improvements to real property. Among other things, the act:

- Authorizes lien claimants and owners to use an approved Web site to transmit statutorily required notices to the designated lien agent.
- Simplifies the process by which a subcontractor can prevent a general contractor from waiving the subcontractor's lien rights.
- Clarifies that projects not requiring a building permit are subject to the law if the project costs at least \$30,000.
- Clarifies that a lien agent is not the owner's agent for purposes other than the receipt of notices to the lien agent.
- Clarifies the circumstances under which a successor lien agent must be appointed.

This act became effective April 1, 2013. (BP)

Cancel Aircraft Lien with Surety Bond Deposit

S.L. 2013-17 ([SB 84](#)) provides for the cancellation of an aircraft labor or storage lien upon payment of a bond. The surety bond must be equal to 125% of the amount of the lien claimed on the aircraft. Once the surety bond is filed with the clerk of court, the lienor must release the aircraft to the owner.

This act became effective March 28, 2013, and applies to liens perfected under the laws governing aircraft labor and storage liens in the General Statutes on or after that date. (KCB)

Homeowners Associations/Limited Common Elements/ Amendment of Declaration

S.L. 2013-34 ([SB 228](#)) requires a unit owner in a condominium or a lot owner in a planned community to provide access to a limited common element assigned to his or her unit or lot for the purpose of carrying out required maintenance, repair, or replacement activities. The act also allows an association to direct an owner to repair damage to a limited common element for which the owner is legally responsible.

The act further provides that the declaration, bylaws, and articles of incorporation of a planned community are enforceable by their terms to the extent not inconsistent with the General Statutes; presumes the validity and enforceability of amendments to the declaration passed pursuant to the act; and makes certain statutory provisions applicable to planned communities created before January 1, 1999, unless their articles of incorporation or declaration expressly provide to the contrary.

The section of this act pertaining to amendments of the declarations became effective October 1, 2013, and applies to any amendment of a planned community declaration recorded on or after that date. The remainder of this act became effective April 24, 2013. (SD)

Cancel Title to Manufactured Home

S.L. 2013-79 ([HB 410](#)). See **Transportation**.

Increase Year's Allowance

S.L. 2013-81 ([HB 32](#)) increases the allowance for the surviving spouse from the personal property of a deceased spouse from \$20,000 to \$30,000.

This act becomes effective January 1, 2014, and applies to estates of persons dying on or after that date. (SD)

Estates/Trusts/Guardianship Amendments

S.L. 2013-91 ([SB 279](#)) updates and clarifies the laws governing trusts, guardianships, and wills and estates as follows:

- Clarifies language in the statutes governing wrongful death to provide that claims filed for burial expenses of the deceased and reasonable hospital and medical expenses are subject to approval by the clerk.
- Clarifies that notice to creditors may be provided without opening a full estate administration if a decedent dies owning only real property that was not devised to the estate's personal representative, and allows this notice in other specified circumstances.
- Revises the formula used to determine the amount of a surviving spouse's elective share so that it varies in proportion to the length of the marriage.
- Provides that when a surviving spouse who applies for a year's allowance for maintenance and support is awarded costs, including reasonable attorneys' fees, that these attorneys' fees may be charged as an administrative expense of the estate.
- Eliminates the requirement that out-of-state wills may not be admitted to probate if they do not substantially adhere to the form required by North Carolina law, even if they are notarized and certified in order to be self-proving under the law of the place where the wills were made. Such wills may be admitted to probate if they are executed in compliance either with State law or with the law of the place where the will was executed or where the testator was domiciled when the will was executed.
- Clarifies that a self-proved military will that meets federal requirements must be admitted to probate in North Carolina.
- Clarifies that a trust has an insurable interest in the life of the settlor who created the trust.
- Clarifies that if a settlor creates a trust for the benefit of the settlor's spouse and makes it irrevocable even in the event of divorce, the term "settlor's spouse" as used in the trust refers to the person to whom the settlor was married at the time the trust was created, even if that marriage is subsequently dissolved.
- Authorizes a trustee to treat discretionary distributions made to the beneficiary as having been made from capital gains realized during the year.
- Clarifies that limitations on a trustee's power to reduce a beneficiary's interest in a trust by distributing property from that trust to another trust apply only if the beneficiary's interest in the original trust has come into effect.
- Clarifies that inherited individual retirement accounts are exempt from creditors' claims.

- Amends the Uniform Fiduciaries Act provisions relating to directed trustees in a manner appropriate for fiduciaries other than trustees to conform with the North Carolina Uniform Trust Code.
- Expands the power of a guardian for an incompetent ward to make gifts of principal and to modify the ward's estate plan to incorporate tax and public benefits planning.
- Amends the North Carolina Investment Advisers Act to continue some exemptions from registration requirements for offices maintained by high net worth families under the private advisor exemption for fewer than 15 clients to conform State law to changes in federal law governing investment advisers.

The provision of this act pertaining to a surviving spouse's elective share became effective October 1, 2013, and applies to estates of decedents dying on or after that date. The remainder of this act became effective June 12, 2013. The provision of this act pertaining to inherited individual retirement accounts applies without regard to the date an account was created. (BR)

Lien Agents/Technical Corrections

S.L. 2013-117 ([HB 88](#)) makes technical corrections to the law pertaining to lien agents. Among other things, the act:

- Clarifies that improvements to owner-occupied single-family dwellings do not require the appointment of a lien agent.
- Exempts improvements consisting of the addition of accessory buildings and accessory structures if the use of the building or structure is incidental to the use of an exempt single-family owner-occupied dwelling.
- Clarifies the circumstances under which a custom contractor building a single-family dwelling is deemed to have given notice to the lien agent.

This act became effective June 22, 2013, and applies to improvements to real property affected by this act for which the first furnishing of labor or materials at the site of improvements is on or after that date. (BP)

Homeowners Associations/Voluntary Prelitigation Mediation

S.L. 2013-127 ([HB 278](#)). See **Courts, Justice, and Corrections**.

Master Meters/Landlord-Tenant Agreement

S.L. 2013-168 ([SB 545](#)) allows the use of a master meter where a landlord and a tenant have agreed in a lease that the cost of electric service or natural gas service will be included in rental payments and the service will be in the name of the landlord.

This act became effective June 19, 2013, and applies to leases entered into, amended, or renewed, including leases that renew by inaction, on or after the effective date. (BK)

Homeowners Associations/Uniform Lien Procedure

S.L. 2013-202 ([HB 331](#)) provides a uniform procedure to enforce claims of lien securing sums owed to condominium and planned community associations. The act: (1) requires associations to appoint a trustee to conduct the nonjudicial foreclosure proceeding and sale; (2) requires that notice be given to a unit owner of the intent to commence nonjudicial foreclosure; (3) allows the association to bid at the foreclosure proceeding; and (4) provides for trustee compensation. The act also eliminates the requirement to mail copies of liens to addresses known to be vacant.

This act became effective October 1, 2013. (BK)

Notary Act

S.L. 2013-204, Part I ([HB 332](#), Part I) makes technical corrections and various other amendments to the Notary Public Act, including the following:

- Removes the requirement that a notary be recommended by an elected official in counties with 5,250 or fewer active notaries public.
- Provides that a personal representative of the estate of a commissioned notary who is not a notary is exempt from the requirement to notify the Secretary of State (Secretary) and deliver the notary's seal, if the personal representative provides a statement under oath that he or she was unaware that the decedent was a commissioned notary at the time of death. This exemption applies in any enforcement proceeding for failure to notify the Secretary and deliver the seal.
- Provides that the Secretary must notify the State Bar of any final decision finding that a notary who is also a licensed attorney has violated any provision of the Notary Public Act, which is considered a showing of professional unfitness for which the State Bar must administer discipline accordingly.
- Amends the statute dealing with the presumption of regularity of notarial acts, and provides that it applies to notarial acts whenever performed.
- Provides that upon conveyance to the trustee of a deed of trust by any or all of the joint tenants holding property by joint tenancy with the right of survivorship to secure a loan, the joint tenancy will not be deemed to be severed.
- Provides that proof of acknowledgment that does not require a seal or stamp of the notary must include either (1) a statement by the notary as such, placed near the proof area, or (2) a reference that purports to be the statute of the commissioning state which provides no seal or stamp is required along with a statement. The register of deeds may rely upon this statement and is not responsible for confirming its validity or the authority of the person making it. Acceptance creates a rebuttable presumption of the validity of the instrument and that no seal or stamp was required.
- Clarifies that in order to render a subscribing witness incompetent to prove the execution of an instrument for registration because he or she is the grantee or beneficiary of the instrument, the subscribing witness must have been the grantee or beneficiary at the time of execution of the instrument.
- Amends the statute providing that the acceptance of records with a notarial seal, even though the seal may be illegible, gives rise to a rebuttable presumption of the validity of the seal to clarify that the statute applies to all instruments filed and maintained by the register of deeds. A court finding that the presumption is rebutted does not affect the rights of a person whose interest in the real property was recorded before the finding and is otherwise enforceable.
- Provides that before any transfer of real property executed by an attorney-in-fact empowered by a power of attorney, the power of attorney must be registered. The Part sets forth the steps an attorney-in-fact must take depending on the different types of real property transactions taking place, as well as the requirements to record certain powers of attorney.
- Provides that when a correction is inconsistent with the original recorded instrument, notice of the correction is deemed to have been given as of the time of registering the corrective affidavit. For corrective affidavits, regardless of when filed, the provision makes the following changes: (1) limits the need for an affidavit when an instrument is unchanged, and (2) permits a notary public to complete a corrective affidavit identifying the correction and to attach a new acknowledgment with no change in priority occurring.
- Establishes that instruments or writings that have been proved or acknowledged before any commissioned officer of the Army, Navy, Air Force, Marine Corps, Coast

Guard, or specified officers of the Merchant Marine are ratified, confirmed, and declared valid.

- Provides that a notarial acknowledgment constitutes a jurat in due form, and a notarial jurat constitutes an acknowledgment in due form, for all instruments that have so far been accepted for filing and registration or which relate to real estate in this State.
- Validates and cures a number of notarial acts and acknowledgments that were affected by technical defects.

The provision of this act that removes the requirement that a notary be recommended by an elected official in certain counties became effective July 1, 2013. The remainder of Part I of this act became effective June 26, 2013. (KCB)

Liens/Self-Service Storage Facilities

S.L. 2013-239 ([HB 243](#)) permits the owner of a self-service storage facility who has a lien on personal property to:

- Tow stored watercraft and trailers from the facility.
- Deliver notice of the public sale of personal property by certified mail or by verified electronic mail.
- Publish notice of the sale in any commercially reasonable manner.
- Conduct the sale through an online, publicly accessible auction Web site.
- Charge a late fee of no more than \$15 for self-service storage rental units.

This act became effective October 1, 2013. The provision amending the charging of late fees applies to contracts entered into on or after that date. (BP)

Landlord/Tenant/Shorten Eviction Time

S.L. 2013-334 ([HB 802](#)). See **Courts, Justice, and Corrections**.

Notaries

S.L. 2013-387, Sec. 5 ([SB 321](#), Sec. 5) allows certain private parties to file affidavits with the Secretary of State alleging violations of the Notary Public Act for investigation by law enforcement.

This section became effective August 23, 2013, and applies to notarial acts and omissions occurring on or after that date. (BR)

Joint Resolutions

Adjournment Resolution

Res. 2013-1 ([SJR 2](#))

Honor Legislative Building's 50th Anniversary

Res. 2013-2 ([HJR 64](#))

State of the State Speech

Res. 2013-3 ([SJR 47](#))

Joint Session/State Board of Education Confirmation

Res. 2013-4 ([HJR 20](#))

Honor Joe Hege

Res. 2013-5 ([HJR 36](#))

Set Community College Election Date

Res. 2013-6 ([HJR 138](#))

Honor Black History Month

Res. 2013-7 ([SJR 133](#))

Joint Session/State Board of Education Confirmation

Res. 2013-8 ([HJR 21](#))

Supporting Prayer Week in North Carolina

Res. 2013-9 ([HJR 599](#))

Honor Ed Jones

Res. 2013-10 ([SJR 35](#))

Confirm Andrew T. Heath to Industrial Commission

Res. 2013-11 ([HJR 444](#))

Confirm Ayers as Executive Director of Public Staff/North Carolina Utilities Commission

Res. 2013-12 ([HJR 1007](#))

Confirm Commissioner of Banks

Res. 2013-13 ([SJR 431](#))

Confirm Utilities Commission Appointment

Res. 2013-14 ([HJR 271](#))

Honor Don East

Res. 2013-15 ([SJR 7](#))

Honor Jean Preston

Res. 2013-16 ([SJR 15](#))

Honor Bobby Harold Barbee

Res. 2013-17 ([HJR 819](#))

Utilities Commission Confirmation

Res. 2013-18 ([HJR 1006](#))

Honor Hayesville's 100th Anniversary

Res. 2013-19 ([HJR 90](#))

Honor Edward L. Williamson

Res. 2013-20 ([HJR 259](#))

Honor James E. Ramsey

Res. 2013-21 ([HJR 1016](#))

Honoring the Grove Park Inn's Centennial

Res. 2013-22 ([HJR 1017](#))

Adjournment Resolution

Res. 2013-23 ([HJR 1023](#))

Adjourn Reconvened Session

Res. 2013-24 ([HJR 1024](#))

Enacted Legislation

Fire and Rescue Pension Revisions of 2013

S.L. 2013-284 ([HB 327](#)) modernizes statutory references and makes the following changes to the North Carolina Firefighters' and Rescue Squad Workers' Pension Fund (Fund):

- Eliminates the Board of Trustees specifically created for the Fund and transfers authority for administration of the Fund to the Board of Trustees for the Local Governmental Employees' Retirement System (LGERS).
- Establishes the Firefighters' and Rescue Squad Workers' Pension Fund Advisory Panel directed to make an annual report on the status and needs of the Fund to the Board of Trustees for the LGERS.
- Requires benefit forfeiture if a member is convicted of certain felonies.
- Amends the definition of "eligible firefighters" and "eligible rescue squad workers."
- Makes statutory changes providing for inactive membership.

The provision of this act requiring benefit forfeiture if a member of the Fund is convicted of certain felonies becomes effective December 1, 2013, and applies to offenses committed on or after that date. The remainder of this act became effective July 1, 2013. (TM)

Retirement Governance Changes Act of 2013

S.L. 2013-287 ([HB 357](#)) makes the following changes:

- Clarifies that the Supplemental Retirement Board (Board) has administrative responsibility for the North Carolina Public School Teachers' and Professional Educators' Investment Plan. Authorizes the Board to retain the services of personnel that possess the specialized skills or knowledge necessary for administration of the investment programs.
- Transfers administrative responsibility for the Register of Deeds' Supplemental Pension Fund to the Board of Trustees of the Local Governmental Employees' Retirement System (LGERS).
- Transfers administrative responsibility for the North Carolina National Guard Pension Fund to the Board of Trustees of the Teachers' and State Employees' Retirement System (TSERS).
- Makes changes to the membership of the LGERS and TSERS Boards of Trustees.
- Adds statutory language for the Board to provide that a person serving on the Board is immune from certain liability.
- Clarifies that the responsibility for administration of the Legislative Retirement System rests with the Board of Trustees for the TSERS and removes the requirement that it be administered by the Board under the direction of the Legislative Services Commission.

This act became effective July 18, 2013. (TM)

Retirement Technical Corrections

S.L. 2013-288 ([HB 358](#)) makes statutory changes to the following: Supplemental Retirement Income Plan for State Law-Enforcement Officers; Supplemental Retirement Income Plan for Local Governmental Law-Enforcement Officers, Teachers' and State Employees' Retirement System (TSERS); North Carolina Disability Income Plan (DIP); Consolidated Judicial Retirement System (CJRS); Legislative Retirement System (LRS); Local Governmental Employees' Retirement System (LGERS); the Optional Retirement Program (ORP) for The University of North Carolina; and the Law-Enforcement Officers', Firemen's, Rescue Squad Workers' and Civil Air Patrol Members' Death Benefits Act. Highlights of the changes are as follows:

- Permits members of the Supplemental Retirement Income Plan for State Law-Enforcement Officers and the Supplemental Retirement Income Plan for Local Governmental Law-Enforcement Officers to make voluntary contributions to the applicable Plan in excess of 10% of the member's compensation.
- Changes the allowance for military service in the LGERS to conform to the federal Uniformed Services Employment and Reemployment Rights Act.
- Amends the "membership service" definition in the TSERS and LGERS to include service in a North Carolina retirement system that was transferred.
- Amends the definition of "retirement" in the TSERS, LGERS, and CJRS to mean the commencement of monthly retirement benefits, along with the termination of employment and the complete separation from active services with no intent or agreement, expressed or implied, to return to service. Further, in order for a member's retirement to become effective in any month, the member must perform no work, including part-time, temporary, substitute, or contractor work, at any time during the same month immediately following the effective first day (or the effective date for TSERS) of retirement.
- Allows the ORP to electronically file individual election forms.
- Specifies that at conclusion of the short-term disability period in the DIP, or upon termination of short-term disability benefits, the employer must notify the DIP of the amount of State Health Insurance premiums paid by the employer. Further, specifies that if a member elects an early service retirement, it will be effective with the first day of the month following the end of the short-term period.
- Adds statutes pertaining to the improper receipt of a DIP allowance, making it a Class 1 misdemeanor if a person, with the intent to defraud, receives money as a result of cashing, depositing, or receiving a direct deposit of a decedent's DIP allowance and the person (1) knows they are not entitled to the allowance, (2) received it for two months after the beneficiary's death, and (3) does not inform the Retirement System of the beneficiary's death. Also amends the improper receipt language in the TSERS, LGERS, CJRS, and LRS to include improper receipt of an allowance following a beneficiary's death.
- Amends the Law-Enforcement Officers', Firemen's, Rescue Squad Workers' and Civil Air Patrol Members' Death Benefits Act to clarify that the term "firemen" includes "eligible firemen" as defined in the General Statutes, notwithstanding any age requirements; and correctly references the North Carolina Association of Rescue and Emergency Medical Services and requires that organization to file the roster of members on or about January 31, rather than January 1. Further, it changes from January 1 to January 31 the date by which the Department of Health and Human Services must furnish a list of ambulance service members to the State Treasurer.

The provisions pertaining to the improper receipt of allowances become effective December 1, 2013, and apply to acts committed on or after that date. The remainder of this act became effective July 1, 2013. (TM)

Volunteer Service in Retirement

S.L. 2013-291 ([HB 391](#)) amends the Teachers' and State Employees' Retirement System (TSERS) law to specify that service as an unpaid bona fide guardian ad litem volunteer in the guardian ad litem program or service as a member of a board of trustees of either a community college or of any constituent institution of The University of North Carolina is not considered service under the TSERS and does not jeopardize a member's retirement.

This act became effective July 1, 2013. (TM)

Treasurer's Investments

S.L. 2013-398 ([SB 558](#)). See **State Government**.

Retirement Administrative Changes Act of 2013

S.L. 2013-405 ([HB 359](#)) makes the following changes:

- Allows a member of the Teachers' and State Employees' Retirement System (TSERS) who became a member of the Supplemental Retirement Income Plan (SRIP) prior to retirement, and who remains a member, to make a one-time election to transfer eligible balances, not including Roth after-tax contributions and earnings, from specified plans to the SRIP, subject to applicable requirements, and then transfer the funds through the SRIP to the TSERS.
- Clarifies the timing of the Social Security offset for long-term disability benefits.
- Establishes a Qualified Excess Benefit Arrangement (QEBA), as allowed under section 415(m) of the Internal Revenue Code for TSERS and the Local Governmental Employees' Retirement System (LGERS) retirees and beneficiaries. Eligibility to participate in the QEBA sunsets for members retiring on or after January 1, 2015, who will not be eligible to participate.
- Provides that domestic relations orders dividing interests under the TSERS and the LGERS must be submitted on approved forms.
- Amends a provision related to creditable service earned while in receipt of disability benefits and subsequent retirement.
- Amends provisions for retroactive membership service in the TSERS and LGERS.

The provisions of this act pertaining to the QEBA become effective January 1, 2014. The provision in this act pertaining to creditable service earned while in receipt of disability benefits is retroactive to January 1, 2012, and applies to persons retiring on or after that date. The provision pertaining to domestic relations orders became effective September 1, 2013. Except as otherwise provided, the remainder of this act became effective July 1, 2013. (TM)

Chapter 21

State Government

Denise Huntley Adams (DHA), Erika Churchill (EC), Karen Cochrane-Brown (KCB), Shelly DeAdder (SD), Jennifer Hillman (JLH), Theresa Matula (TM), Jennifer McGinnis (JLM), Barbara Riley (BR), Giles S. Perry (GSP), Brad Krehely (BR), Harrison Moore (HM), Jan Paul (JPP), Patsy Pierce (PLP), Chris Saunders (CS), Susan Sitze (SLS)

Enacted Legislation

Unemployment Insurance Fund Solvency and Program Changes

S.L. 2013-2 ([HB 4](#)). See **Finance**.

Establish Organ Donation Month

S.L. 2013-22 ([SB 11](#)), known as Duffy's Law, designates the month of April of each year as Organ Donation Awareness/Donate Life Month in North Carolina.

This act became effective April 9, 2013. (DHA)

State Contracts/Furniture

S.L. 2013-73 ([HB 449](#)) allows State agencies to purchase furniture from federally qualified vendors with products on the United States General Services Administration Furniture Schedule. The vendor must offer its products at the same pricing and specifications as the vendor's products included on the Furniture Schedule. Additionally, the vendor must be a resident bidder (a bidder that has paid unemployment taxes or income taxes in this State and whose principal place from which the trade or business of the bidder is directed or managed is located in this State) or offer products manufactured or produced in North Carolina.

This act became effective June 12, 2013. (SD)

Limit State Facilities Finance Act Debt

S.L. 2013-78 ([SB 129](#)) limits the amount of special indebtedness the General Assembly may authorize to 25% of the amount of general obligation bond indebtedness supported by the General Fund. The limitation applies to all General Fund appropriation-supported indebtedness authorized pursuant to legislation enacted after January 1, 2013.

This act became effective June 12, 2013. (SD)

Triad Farmers Market/Rename for Senator Bob Shaw

S.L. 2013-84 ([HB 821](#)) renames the Piedmont Triad Farmers Market the Robert G. Shaw Piedmont Triad Farmers Market.

This act became effective June 12, 2013. (CS)

Effective Operation of 1915(b)/(c) Waiver

S.L. 2013-85 ([SB 208](#)). See **Health and Human Services**.

Public Agency Computer Code Not Public Record

S.L. 2013-96 ([HB 125](#)) excludes proprietary computer code written by and for use of any agency or subdivision of the State from the definition of a public record.

This act became effective June 12, 2013, and applies to public records existing before, on, or after that date. (SD)

Limit Use of Highway Fund Credit Balance

S.L. 2013-125 ([HB 157](#)). See **Transportation**.

State Computer Equipment/Buy Refurbished

S.L. 2013-128 ([HB 289](#)) requires the Office of the State Chief Information Officer and the Department of Administration, with administrative support of the Information Technology Procurement Office, to offer State and local government entities the option of purchasing refurbished computer equipment. The Information Technology Procurement Office must establish a competitive purchasing process that meets all State information technology procurement laws and procedures. Refurbished computer equipment purchased under the act must conform to the same standards that apply to the purchase of new computers. The act requires the Office of the State Chief Information Officer to maintain data on equipment reliability and potential cost savings and report the results of the initiative to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by March 1, 2014, and then quarterly thereafter.

This act became effective June 19, 2013. (BK)

Ensure Safe Navigation Channels

S.L. 2013-138 ([HB 707](#)). See **Environment and Natural Resources and Energy**.

Administrative Procedure Act Technical/Clarifying Changes

S.L. 2013-143 ([SB 36](#)) makes the following technical, clarifying, and conforming changes to the Administrative Procedure Act:

- Deletes an unnecessary requirement that an agency include the procedure for seeking legislative review of rules in the Notice of Text.
- Clarifies language concerning rules repealed as a result of the repeal of an agency's authority to adopt rules, and deletes a requirement that the Director of the Fiscal Research Division of the General Assembly must notify the Codifier of Rules when a rule is repealed under this section and instead imposes that requirement on the agency that adopted the rule.
- Allows the Codifier of Rules to make certain formatting changes to certain rules more than 10 days after the rule has been submitted for publication.
- Amends the provision relating to appropriate venue for seeking judicial review of a final decision in a contested case by removing Wake County as an option and setting venue in the county where the person aggrieved resides, or in the case of a person

residing outside the State, in the county where the contested case which resulted in the final decision was filed.

The provision pertaining to venue for review of a final decision became effective October 1, 2013, and applies to petitions for judicial review filed on or after that date. The remainder of the act became effective June 19, 2013. (KCB)

Clarify Legislative Ethics Committee Procedures

S.L. 2013-146 ([SB 156](#)) clarifies the investigative procedures of the Legislative Ethics Committee (LEC) and makes other technical changes as follows:

- Clarifies that the LEC may receive complaints directly.
- Directs the LEC to immediately notify the legislator of a complaint.
- Provides that if the LEC receives a complaint when the General Assembly is not in session, the LEC has 20 business days to determine whether to commence a preliminary hearing.
- Allows the LEC to extend the preliminary investigation if it does not have enough information to dismiss or find probable cause.
- Postpones notification to the complainant of the charges against the legislator until the legislator has had the opportunity to respond to the charges.
- Specifies that the LEC may issue a private admonishment without holding a hearing.
- Clarifies that formal Advisory Opinions issued by the LEC on matters covered by the Legislative Ethics Act are binding on all legislators (retroactively effective to January 1, 2007, the effective date of the State Government Ethics Act).

Except as otherwise provided, this act became effective June 19, 2013. (BK)

No Fiscal Note for Rule Repeal

S.L. 2013-149 ([HB 892](#)) adds a new provision to the law governing the requirements for fiscal notes in the administrative rulemaking process. The provision exempts agencies from the requirement that a fiscal note be prepared when the proposed rule change is the repeal of a rule.

This act became effective June 19, 2013, and applies to all proposed rules published in the North Carolina Register on or after that date. (KCB)

Maintaining Water and Sewer Fiscal Health

S.L. 2013-150 ([SB 207](#)) authorizes the Local Government Commission to intervene and assume financial control of water or sewer enterprise systems that are not financially self-sustaining and are a financial burden to the unit of local government.

This act became effective July 1, 2013. (GSP)

Strategic Transportation Investments

S.L. 2013-183 ([HB 817](#)). See **Transportation**.

Cell Tower Deployment Act

S.L. 2013-185 ([HB 664](#)). See **Utilities**.

Adopt State Symbols

S.L. 2013-189 ([HB 830](#)) adopts the following unique designations as official State symbols of North Carolina:

- The fossilized teeth of the megalodon shark as the State's official fossil.
- The pine barrens tree frog (*Hyla andersonii*) as the State's official frog.
- The marbled salamander (*Ambystoma opacum*) as the State's official salamander.
- The Virginia opossum (*Didelphis virginiana*) as the State's official marsupial.
- The whirligigs created by Vollis Simpson as the State's official folk art.
- Clay as the State's official art medium.

This act became effective June 26, 2013. (DHA)

Land Use Surrounding Military Installations

S.L. 2013-206 ([HB 433](#)). See **Military, Veterans, and Indian Affairs**.

North Carolina Seafood Park/Name Change

S.L. 2013-211 ([HB 686](#)) renames the North Carolina Seafood Industrial Park Authority the North Carolina Marine Industrial Park Authority (Authority). The act authorizes the Authority to promote, develop, construct, equip, maintain, and operate one or more marine industrial parks and to maintain, develop, and improve the navigability of waterways in or adjacent to the parks and those connecting the parks with the channels of commerce of the Atlantic Ocean. The Authority also is directed to foster the growth of marine-related industries in the State and to accept funds from cities and counties in which a marine industrial park is located. The act deletes the requirement that such improvements be consistent with project design by the United States Army Corps of Engineers (Corps) pursuant to the Manteo Bay navigation project. The powers of the Authority are amended to include the power to acquire, equip, and operate wharves, docks, elevators, and other facilities in the aid of commerce including dredging of approaches to port facilities at the parks and improving the navigability of those waterways connecting the parks to the Atlantic Ocean. The Authority's power of eminent domain is amended to remove the reference to navigation stabilization structures recommended by the Corps under the Rivers and Harbors Act of 1970.

This act became effective June 26, 2013. (BR)

Create Military Affairs Commission

S.L. 2013-227 ([SB 613](#)). See **Military, Veterans, and Indian Affairs**.

Amend State Contract Review Laws

S.L. 2013-234 ([HB 56](#)) creates a Contract Management Section (CMS) in the Division of Purchase and Contract, Department of Administration (DOA), with responsibility for review of State contracts in excess of \$1 million. The act amends other laws related to state contract management as follows:

Contract Review. – The act transfers contract review responsibility from the Attorney General's office to the CMS for all contracts for supplies, materials, printing, equipment, and contractual services in excess of \$1 million (excluding The University of North Carolina System). The Attorney General or designee is responsible for reviewing all proposed contracts for services in excess of \$5 million. The State Treasurer's General Counsel, rather than CMS or the Attorney General, will review proposed investment contracts and contracts for investment-related services,

other than consulting contracts. Consulting contracts in excess of \$1 million are subject to CMS review, and consulting contracts in excess of \$5 million are subject to Attorney General review. The act also increases the threshold amount for a legal review of contracts for services from \$100,000 to \$5 million. Review must be made by an attorney from within the Attorney General's office, and the attorney's signature and title must be included on the contract in order for the contract to be valid.

Other Provisions. – The act transfers the authority to take action on contract award recommendations from the Board of Awards to the State Purchasing Officer or the State Chief Information Officer, depending on the subject of the contract, requires the State Chief Information Officer to notify the DOA of all contracts that are awarded outside the established purchasing system, requires the DOA to notify agencies of actions taken by the General Assembly regarding contract review, and requires the Attorney General's Office, the DOA, and the Office of the General Counsel for The University of North Carolina to establish procedures to implement the provisions of the act no later than October 1, 2013.

The contract review provisions of this act became effective October 1, 2013, and apply to contracts entered into on or after that date. The remainder of this act became effective July 3, 2013. (CS)

Designate North Carolina Fragile X Awareness Day

S.L. 2013-238 ([HB 220](#)) designates the 22nd of July of each year as Fragile X Awareness Day to help raise public awareness of the genetic disease.

This act became effective July 3, 2013. (DHA)

Protect/Promote Locally Sourced Building Materials

S.L. 2013-242 ([HB 628](#)) amends laws governing sustainable energy-efficient building standards applicable to State, university, and community college major facility construction or renovation projects, as those terms are defined under the statutes. In particular, the act only allows application of:

- The energy-efficient building requirements to such projects if the Department of Administration determines that application of the requirements will result in an anticipated net savings on a project, taking into account the costs of construction or renovation and the estimated operating costs for 10 years post-construction (with or without application of the energy-efficient building requirements). Certain renovation projects that will include guaranteed energy savings contracts are exempt from the requirements of this provision.
- A rating system (in connection with energy-efficient building standards) that (1) provides certification credits for, (2) provides a preference to be given to, (3) does not disadvantage, and (4) promotes building materials or furnishings, including masonry, concrete, steel, textiles, or wood that are manufactured or produced within the State.

This act became effective October 1, 2013, and applies to construction and renovation projects for which the bidding process is initiated on or after that date. (JLM)

Public Contracts/Project Labor

S.L. 2013-267 ([HB 110](#)) prohibits the State and its political subdivisions from requiring or prohibiting project labor agreements in government construction contracts or conditioning the award of grants or tax incentives on the existence or absence of project labor agreements. An exception can be made if the State or governing body of the political subdivision determines, after holding a public hearing, that there is a significant threat to public health or safety if a

project labor agreement is not required. The finding of such a threat cannot be based on the potential existence of a labor dispute.

This act became effective October 1, 2013, and applies to all contracts awarded on or after that date. (SD)

University of North Carolina/Mountain Area Health Educational Center/Honor Representative Mary Nesbitt

S.L. 2013-273 ([HB 895](#)) renames the Biltmore Campus of the Mountain Area Health Education Center in Asheville, North Carolina, as the Mary C. Nesbitt Campus of the Mountain Area Health Education Center, in honor of former General Assembly member, Representative Mary Cordell Nesbitt.

This act became effective July 18, 2013. (DHA)

Unclaimed Property Program Improvements

S.L. 2013-281 ([HB 257](#)) makes changes to the escheats and abandoned property statutes. The act contains provisions regarding the State Treasurer's responsibility to:

- Withhold information and limit disclosure to the names and last known addresses of apparent owners and holders of unclaimed property to protect the privacy of the owners of unclaimed property.
- Clarify the definition of property.
- Clarify the process for filing certification and verification that the holder has attempted to locate the apparent owner.
- Eliminate the fee for filing an extension report by a holder of abandoned property.

This act became effective July 18, 2013, and applies to reports filed on or records created on or after that date. (JPP)

Blue Monday Shad Fry

S.L. 2013-282 ([HB 241](#)) adopts the East Arcadia Blue Monday Shad Fry, located on the Cape Fear River Lock and Dam #1 in Bladen County and Southeast Columbus County, as the State's official Blue Monday Shad Fry.

This act became effective July 18, 2013. (DHA)

Provide Recommendations for Certain Appointments to State 911 Board

S.L. 2013-286, Sec. 2 ([HB 345](#), Sec. 2) amends the membership of the 911 Board to provide that the sheriff and chief of police on the board are appointed upon the recommendation of the North Carolina Sheriffs' Association, Inc. and North Carolina Association of Chiefs of Police respectively.

This section became effective July 18, 2013. (SLS)

Department of Public Safety Changes

S.L. 2013-289 ([HB 362](#)), as amended by S.L. 2013-360, Sec. 16D.7 ([SB 402](#), Sec. 16D.7), makes several changes to the statutes governing the Department of Public Safety (Department) to reflect its organization since the 2011 consolidation. This act also does the following:

- Expands the markets to which Corrections Enterprises may sell.

- Eliminates the \$25,000 benchmark ceiling for purposes of requiring review of agency contracts by the Division of Purchase and Contract in the Department of Administration.
- Sets age requirements for Highway Patrol troopers and authorizes the Commissioner of the Law Enforcement Division to supervise members of the Highway Patrol.
- Authorizes Department engineers to evaluate electric devices, appliances, and equipment used by the Division of Adult Correction for safety and suitability purposes.

This act became effective July 18, 2013. (SLS)

TRICARE Supplement for Flex Accounts

S.L. 2013-292 ([HB 402](#)) requires the following State entities to offer a TRICARE supplement if they offer flexible compensation plans: local school administrative units; constituent institutions of the North Carolina Community College System; constituent institutions of The University of North Carolina; and State departments, institutions, and agencies.

State entities must use a competitive bid process to award contracts to third-party providers for TRICARE supplement options. The NC Flex plan, administered by the Office of State Human Resources (formerly the Office of State Personnel), must offer a TRICARE supplement no later than January 1, 2015.

This act became effective July 18, 2013. (TM)

Department of Cultural Resources/Historic Sites/Fees

S.L. 2013-297 ([SB 280](#)), as amended by S.L. 2013-360, Sec. 19.2 ([SB 402](#), Sec. 19.2), does the following with regard to the Department of Cultural Resources (Department):

- Allows non-State employees affiliated with the Transportation Museum to drive State-owned vehicles on the Museum's property.
- Authorizes the Department to charge admission and related activity fees at historic sites, as well as related activity fees at museums.
- Authorizes the Tryon Palace Commission to charge admission and related activity fees.
- Authorizes an exemption to the rule-making process for establishing and changing admission and activity fees at State historic sites, Tryon Palace, and the U.S.S. North Carolina battleship.
- Establishes the A+ Schools Special Fund in the Department on behalf of the North Carolina Arts Council.

This act became effective July 18, 2013. (JPP)

Redeposit Government Funds into Insured Deposit Accounts

S.L. 2013-305 ([HB 474](#)) authorizes local governments, community colleges, and the State Treasurer to invest idle funds in federally insured demand, money market, and negotiable order of withdrawal deposit accounts through a deposit placement service.

This act became effective July 18, 2013. (JPP)

Adopt Dublin Peanut Festival

S.L. 2013-313 ([HB 917](#)) adopts the Dublin Peanut Festival, held the third Saturday of September of every year, as the official peanut festival of the State.

This act became effective July 18, 2013. (DHA)

State Health Plan/Statutory Changes

S.L. 2013-324 ([HB 232](#)) makes technical amendments and the following changes to the State Health Plan for Teachers and State Employees:

- Amends the eligibility standard for a full-time employee to conform to the Affordable Care Act, effective January 1, 2015, and applying to plan years beginning on or after that date.
- Eliminates the possibility that a waiting period may apply for preexisting health conditions when employees enroll or add dependents at a date later than when they are first eligible, effective January 1, 2014, and applying to plan years beginning on or after that date.
- Provides that a 12-month waiting period may apply for preexisting health conditions when retirees enroll or add dependents at a date later than when they are first eligible, effective January 1, 2014, and applying to plan years beginning on or after that date.
- Exempts the State Health Plan from the law requiring interest charges on a past-due account receivable.

Except as otherwise provided, this act became effective July 23, 2013. (TM)

Government Efficiency and Reform

S.L. 2013-360, Sec. 6.5 ([SB 402](#), Sec. 6.5) directs the Office of State Budget and Management (OSBM) to contract for a Government Efficiency and Reform review and analysis of the executive branch of State government, to be known as NC GEAR, to evaluate the efficiency and effectiveness of State government and to identify specific strategies for making State government more efficient and effective. OSBM must submit an interim report of the NC GEAR's analysis, findings, and recommendations to the Governor, and General Assembly by February 15, 2014, and a final report by February 15, 2015.

This section became effective July 1, 2013. (GSP)

North Carolina State Lottery Commission Contracts

S.L. 2013-360, Sec. 6.8 ([SB 402](#), Sec. 6.8) increases the threshold for formal contracting by the State Lottery Commission from \$90,000 to \$300,000 for services, apparatus, supplies, materials, or equipment.

This section became effective July 1, 2013. (EC)

Revise Public School Building Capital Fund/Appropriate Education Lottery Funds

S.L. 2013-360, Sec. 6.11 ([SB 402](#), Sec. 6.11). See **Education**.

State Budget Act Amendments

S.L. 2013-360, Sec. 6.12 ([SB 402](#), Sec. 6.12) makes several changes to the State Budget Act. The section clarifies that The University of North Carolina (UNC) is governed by the act; defines the terms "authorized budget," "availability," and "continuation budget;" modifies the definition of the term "certified budget;" modifies the requirement for information technology budget requests by UNC; modifies the requirements for odd-numbered year budget recommendations; amends the conditions for allocation and reallocation of Repairs and Renovations Reserve funds; modifies the requirements for expenditure of departmental receipts;

amends the procedure for budget adjustments; modifies the procedure for payment to nonprofits; and requires submittal of the capital facilities inventory by the Department of Administration to the General Assembly.

This section became effective July 1, 2013. (GSP)

Eugenics Compensation Program

S.L. 2013-360, Sec. 6.18 ([SB 402](#), Sec. 6.18), as amended by S.L. 2013-363, Sec. 1.1 ([HB 112](#), Sec. 1.1) and S.L. 2013-410, Sec. 40 ([HB 92](#), Sec. 40) creates the Eugenics Asexualization and Sterilization Compensation Program (Program) and establishes the Eugenics Sterilization Compensation Fund. The Program provides for compensation for persons who were asexualized or sterilized involuntarily under the authority of the Eugenics Board of North Carolina in accordance with Chapter 224 of the Public Laws of 1933 or Chapter 221 of the Public Laws of 1937. A qualified recipient must be alive on June 30, 2013, in order to be entitled to claim compensation under the Program. Claims must be submitted to the Office of Justice for Sterilization Victims (Office) in the Department of Administration. The Office is established to assist claimants with filing claims and collecting documentation in support of claims. The Office also may represent a claimant before the Industrial Commission. The Industrial Commission is charged with making the determination whether a claimant is eligible for compensation. Appeals from a decision by the Industrial Commission are to the Court of Appeals. The amount of compensation for which each qualified recipient must be entitled is the sum of \$10 million divided by the total number of qualified recipients. Payments must be made on June 30, 2015.

Inquiries of eligibility, claims, and payments are confidential and not public records. Records in the custody of the State concerning the Eugenics Board of North Carolina's program also are confidential; however an individual impacted by the Program may obtain his or her records under the Program upon execution of a proper release authorization. Payments made under the Program will not be considered income or assets for the purposes of determining the eligibility for or amount of any benefits or assistance under any State or local program financed with State funds. Amounts paid may be deducted from adjusted gross income for income tax purposes (effective for taxable years beginning or after January 1, 2015).

By September 30, 2013, the Department of Health and Human Services must submit a State Plan Amendment to the Centers for Medicare and Medicaid Services for the Medical Assistance Program and the Children's Health Insurance Program to allow for income, resource, and asset disregard for compensation payments under the programs.

Except for the provisions authorizing adjusted gross income and the confidentiality of program records and the final adjudication of any claims pending under the Program on June 30, 2015, this section expires June 30, 2015. Except as otherwise provided, this section became effective July 1, 2013. (BR)

Vehicle Management

S.L. 2013-360, Sec. 7.16 ([SB 402](#), Sec. 7.16):

- Requires the Office of the State Chief Information Officer (State CIO) to develop an implementation plan for establishing a statewide motor fleet management system.
- Requires the State CIO to study the feasibility of implementing a tracking system for State vehicles, based on recommendations from the Program Evaluation Division.
- Provides that until July 1, 2015, no State or local governmental entity or officer may procure or operate an unmanned aircraft system or disclose personal information about any person acquired through the operation of an unmanned aircraft system unless the State CIO approves an exception specifically granting disclosure, use, or purchase.

This section became effective July 1, 2013. (EC)

State Employee Literacy Volunteer Leave Time

S.L. 2013-360, Sec. 9.1 ([SB 402](#), Sec. 9.1) amends the powers and duties of the State Human Resources Commission, formerly the State Personnel Commission, to allow the establishment of a leave program permitting employees to volunteer in a public school literacy program for up to five hours per month.

This section became effective July 1, 2013. (TM)

University of North Carolina Disposition and Acquisition of Real Property

S.L. 2013-360, Sec. 11.10 ([SB 402](#), Sec. 11.10). See **Education**.

Fraud Detection through North Carolina Accountability and Compliance Technology System

S.L. 2013-360, Sec. 12A.5 ([SB 402](#), Sec. 12A.5). See **Health and Human Services**.

Clarify Rule Making

S.L. 2013-360, Sec. 12H.9 ([SB 402](#), Sec. 12H.9). See **Health and Human Services**.

Sustainable Local Food Advisory Council Sunset

S.L. 2013-360, Sec. 13.4 ([SB 402](#), Sec. 13.4) terminates the Sustainable Local Food Advisory Council effective July 31, 2013.

This section became effective July 1, 2013. (BR)

Early Sunset for North Carolina Sustainable Communities Task Force

S.L. 2013-360, Sec. 14.2 ([SB 402](#), Sec. 14.2) terminates the North Carolina Sustainable Communities Task Force effective July 31, 2013.

This section became effective July 1, 2013. (BR)

Repeal Uwharrie Regional Resources Act

S.L. 2013-360, Sec. 15.1A ([SB 402](#), Sec. 15.1A) repeals the Uwharrie Regional Resources Act.

This section became effective July 1, 2013. (GSP)

Commerce Flexibility to Reorganize Department to Establish Public Private Partnership

S.L. 2013-360, Sec. 15.7A ([SB 402](#), Sec. 15.7A) authorizes the Secretary of the Department of Commerce to reorganize positions and related operational costs within the Department to establish a public-private partnership that includes cost containment measures. The Department must report on any actions to reorganize to the General Assembly.

This section became effective July 1, 2013. (GSP)

Rural Economic Development Division Created

S.L. 2013-360, Sec. 15.10 ([SB 402](#), Sec. 15.10) creates within the Department of Commerce the Rural Economic Development Division to administer the Rural Infrastructure Authority to award certain economic development grants or loans. Funds available under this program may be used to construct infrastructure needs or to provide matching grants or loans to units of local government in economically distressed counties that will reuse vacant buildings or expand rural health care facilities. Recipients of grant funding must match at least 5% and the amount of money awarded per grant may not exceed \$12,500 per projected job created or saved.

This section became effective July 1, 2013. (CS)

Modify One North Carolina Fund Awards

S.L. 2013-360, Sec. 15.16A ([SB 402](#), Sec. 15.16A) provides that the amounts of awards from the One North Carolina Fund committed in Governor's Letters issued in a fiscal biennium may not exceed \$28 million (rather than limited to \$14 million currently allowed each year of the fiscal biennium.)

This section became effective July 1, 2013. (DHA)

Modify Industrial Development Fund and Utility Account

S.L. 2013-360, Sec. 15.18 ([SB 402](#), Sec. 15.18) requires the Department of Commerce (Department), in conjunction with the Office of the State Controller, to close the Industrial Development Fund and the Utility Account and to transfer the remaining balances of each to the Industrial Development Fund Utility Account (Utility Account) to provide funds to local governments in economically distressed counties to create jobs. The section requires the Department to adopt rules to amend definitions and makes other conforming changes and:

- Provide that the funds in the Utility Account may not be used for installation or purchase of equipment for existing industries or for structural improvements of existing buildings.
- Provide that there is no maximum funding amount per new job to be created or per project.

This section became effective July 1, 2013, and applies to projects for which funds are initially provided on or after that date. (BK)

Job Development Investment Grant Program Modifications

S.L. 2013-360, Sec. 15.19 ([SB 402](#), Sec. 15.19) provides that within 30 days of receipt of an application for a Job Development Investment Grant, but prior to an award being made, the Department of Commerce (Department) must provide the following information to each governing body of an area where a submitted application proposes locating a project:

- Estimated amount of the grant expected to be awarded.
- Economic impact data submitted with the application or prepared by the Department.
- Economic impact estimated by the Department to result from the project.

To receive this information, the governing body must agree to confidentiality requirements.

This section became effective July 1, 2013, and applies to applications and awards made on or after that date. (BK)

Job Development Investment Grant Program Application Fee Increase

S.L. 2013-360, Sec. 15.20 ([SB 402](#), Sec. 15.20) increases the application fee payable to the Economic Investment Committee by a business applicant for a Job Development Investment Grant from \$5,000 to \$10,000.

This section became effective August 1, 2013, and applies to applications filed on or after that date. (GSP)

Job Development Investment Grant Program Reporting Fee Increase

S.L. 2013-360, Sec. 15.21 ([SB 402](#), Sec. 15.21) increases the reporting fee payable to the Economic Investment Committee by a business recipient of a Job Development Investment Grant. The fee is increased to the greater of \$2,500 or .03% of the amount equal to the grant less the maximum amount to be transferred to the Industrial Development Fund Utility Account.

This section became effective August 1, 2013, and applies to fees submitted for awards granted on or after that date. (GSP)

Transfer State Energy Office from Commerce to Environment and Natural Resources

S.L. 2013-360, Sec. 15.22 ([SB 402](#), Sec. 15.22) transfers the State Energy Office from the Department of Commerce to the Department of Environment and Natural Resources.

This section became effective July 1, 2013. (GSP)

Regional Economic Development Commissions/Repeal

S.L. 2013-360, Sec. 15.28 ([SB 402](#), Sec. 15.28), as amended by S.L. 2013-363, Sec. 5.7 ([HB 112](#), Sec. 5.7), repeals the statues that created the following regional economic development commissions and makes conforming statutory changes:

- Western North Carolina Regional Economic Development Commission.
- North Carolina's Northeast Commission.
- Southeastern North Carolina Regional Economic Development Commission.
- North Carolina's Eastern Region.

Upon the dissolution of the North Carolina's Eastern Region (Region), its Development Commission must liquidate the assets of the Region to the extent possible and distribute all the assets to the counties of the Region in proportion to the amount of the vehicle registration tax levied by the Commission and collected in each county. Counties may use these funds only for economic development projects and infrastructure construction projects. Any assets of the Region that exceed the amount of the vehicle registration tax collected by the counties and are attributable to an appropriation made by the General Assembly will revert to the General Fund and not be distributed to the counties.

This section becomes effective June 30, 2014. (DHA)

Amend Member Counties of Southeastern North Carolina Regional Economic Development Commission

S.L. 2013-360, Sec. 15.28B ([SB 402](#), Sec. 15.28B) adds Anson and Montgomery Counties to the membership of the Southeastern North Carolina Regional Economic Development Commission.

This section became effective July 1, 2013. (CS)

Allow Museums and Historic Sites to Generate Revenue from Vendor Services and to Sell Certain Merchandise

S.L. 2013-360, Sec. 19.3 ([SB 402](#), Sec. 19.3) authorizes the Department of Cultural Resources to operate or contract for the operation of food or vending services, and to sell books, crafts, gifts, and other tourism-related items at museums and historic sites. The net revenues generated by these services must be used for the operation of that museum or historic site.

This section became effective July 1, 2013. (CS)

Executive Mansion Excess Property

S.L. 2013-360, Sec. 19.8 ([SB 402](#), Sec. 19.8) provides that the proceeds of any Executive Mansion property disposed of by the Executive Mansion Fine Arts Commission must be deposited in the State Treasury to the credit of the Executive Mansion, Special Fund, and must be used only for the purchase, conservation, restoration, or repair of other property for use in the Executive Mansion. In addition, the section provides that prior to any disposal, the Commission is required to obtain an appraisal of the items proposed for disposition and report to the General Assembly.

This section became effective July 1, 2013. (GSP)

Increase Registration Fee for Lobbyist and Lobbyist Principal/Electronic Submission of All Documents, Reports, and Payments by Lobbyists

S.L. 2013-360, Sec. 27.1 ([SB 402](#), Sec. 27.1) increases the annual registration fees paid by lobbyists and lobbyist principals from \$100 to \$250, and provides that those fees must be paid electronically. This section also requires all filings for registration and reporting be done electronically.

The fee increase authorized by this section became effective August 1, 2013. The requirement for filing electronic reports became effective October 1, 2013, and applies to all filings, payments due, and registrations on or after that date. (EC)

Eliminate Displaced Homemakers Program/Fund

S.L. 2013-360, Sec. 30.2 ([SB 402](#), Sec. 30.2), as amended by S.L. 2013-363, Sec. 7.1 ([HB 112](#), Sec. 7.1), eliminates the Displaced Homemakers Program. Effective 30 days after July 26, 2013, the fee collected by the court in actions for absolute divorce must be allocated in part to the North Carolina Fund for Displaced Homemakers and in part to the Domestic Violence Center Fund. Effective July 1, 2014, all unencumbered funds of the North Carolina Fund for Displaced Homemakers and all funds collected in divorce actions will be deposited to the Domestic Violence Center Fund.

Except as otherwise provided, this section became effective July 1, 2013. (JPP)

Biennial Review of Statements of Economic Interest by State Ethics Commission

S.L. 2013-360, Sec. 30.4 ([SB 402](#), Sec. 30.4) changes the review of statements of economic interest by the State Ethics Commission from an annual to a biennial process. Some statements of economic interest for officers must be reviewed annually and statements for Constitutional officers must be reviewed every four years.

This section became effective July 1, 2013. (SLS)

Separate Insurance Benefits Plan Assets/Payment of Health Insurance Premiums for Law Enforcement Officers

S.L. 2013-360, Sec. 35.17 ([SB 402](#), Sec. 35.17) allows the assets of the Separate Insurance Benefits Plan to be used to pay employer health insurance contributions and contribution rates on behalf of law enforcement officers employed by the State and former law enforcement officers receiving a retirement allowance from the Teachers' and State Employees' Retirement System.

This section became effective July 1, 2013. (TM)

State Health Plan Board to Control Growth of Employer Premium

S.L. 2013-360, Sec. 35.18 ([SB 402](#), Sec. 35.18) requires the State Health Plan for Teachers and State Employees Board of Trustees to adopt plan changes to reduce by at least one the average annual percentage increase in employer premiums needed over the next four years. Options may include changes to one or more of the following: out-of-pocket requirements, premiums, options, covered services and products, provider network structure, provider rates or payment methodology, an integrated health management program, fraud detection, utilization management, and plan administration. Options also may include incentives for Plan members to adopt or maintain healthy behaviors or control utilization.

This section became effective July 1, 2013. (TM)

Repairs and Renovations Reserve Allocation

S.L. 2013-360, Sec. 36.5 ([SB 402](#), Sec. 36.5) allocates the funds in the Reserve for Repairs and Renovations and requires the Board of Governors (BOG) of The University of North Carolina to use a portion of the funds allocated for the installation of fire sprinklers in university residence halls and campus public safety improvements. Progress reports must be submitted by the BOG to the Joint Legislative Committee on Governmental Operations. The section also authorizes use of Reserve funds for State Information Technology services facilities and related infrastructure.

This section became effective July 1, 2013. (SLS)

Require Prior Legislative Authorization for Sales, Leases, or Rentals of Certain Property Below Fair Market Value

S.L. 2013-360, Sec. 36.8 ([SB 402](#), Sec. 36.8) requires legislative approval for the gift of any interest in real property, or a sale, lease, or rental of any interest in real property below fair market value, where the fair market value of the real property is more than \$1 million. A transfer

of real property with a fair market value of more than \$1 million for less than market value is not effective until the later of:

- If a bill is introduced specifically disapproving the transaction before the 31st legislative day of the next regular session of the General Assembly beginning at least 25 days after the date the transfer agreement was entered into, then the earlier of the day an unfavorable final action is taken on the bill or the day the General Assembly adjourns without approving the bill.
- If no bill is introduced to disapprove the transaction, the 31st day of the legislative session.

If the General Assembly ratifies a disapproving bill, the disapproved transaction must not be effective unless the Governor vetoes the bill and the veto is not overridden. In such case, the transaction becomes effective upon sine die adjournment of the regular session.

This section became effective September 1, 2013. (BR)

Clarify General Assembly's Authority to Make Repairs

S.L. 2013-360, Sec. 36.13 ([SB 402](#), Sec. 36.13) authorizes the Legislative Services Commission to specify the operating and capital uses within the General Assembly budget of funds appropriated to the General Assembly which remain available for expenditure after the end of the biennial fiscal period.

This section became effective July 1, 2013. (BR)

Domestic Energy Jobs Act

S.L. 2013-365 ([SB 76](#)). See **Environment and Natural Resources and Energy**.

Revise Auditor's Responsibilities

S.L. 2013-373 ([SB 354](#)) removes the State Auditor from membership on the Committee on Actuarial Valuation of Retired Employees' Health Benefits.

The act also removes the authority of the Chancellor of a special responsibility constituent institution to contract with a certified public accountant instead of the State Auditor to perform the required annual audit. A special responsibility constituent institution is a constituent institution of The University of North Carolina System which has been designated by the Board of Governors as having the management staff and internal financial controls that will enable it to administer competently and responsibly all additional management authority and discretion delegated to it.

This act became effective October 1, 2013. (KCB)

Modern State Human Resources Management/ Reorganization and Restructuring

S.L. 2013-382, Parts I through IX ([HB 834](#), Parts I through IX) make organizational and administrative changes relating to the State Personnel Commission (Commission), the Office of State Personnel (OSP), and the State Personnel Act (SPA) to reflect modern human resources management.

- **Part I.** – Places the OSP under the Office of the Governor, ending the placement within the Department of Administration, modifies powers and duties of the Commission, and clarifies the definition of "eligible officers and employees" in the State Flexible Compensation Plan.

- **Part II.** – Amends the composition of the Commission and provides for appointments with rotating four-year terms.
 - **Part III.** – Clarifies and reorganizes the definitions of "career State employee" and "probationary State employee," and provides for 24 months of service on probation.
 - **Part IV.** – Increases from 1,000 to 1,500 the number of exempt employee designations allowed under the SPA. Amends the law to provide that Information Technology System employees are subject to the SPA if not designated as exempt. Eliminates re-employment priority for career State employees designated as policymaking or managerial exempt for employees hired on or after the effective date. (Effective June 30, 2013.)
 - **Part V.** – Provides that acceptance or refusal of an offered position terminates the reduction in force (RIF) priority. This provision applies to RIFs implemented on or after August 21, 2013.
 - **Part VI.** – Revamps the employee grievance process as follows:
 - Grievances must go through an agency grievance procedure approved by the Commission. An agency final decision cannot be issued or become final until approved by OSP.
 - Grounds for grievances are streamlined and treated the same.
 - Terms and conditions are added to types of actions that can be alleged to be discriminatory.
 - Grievances alleging that the personnel file contains inaccurate or misleading information are eliminated.
 - The new process provides that once a grievance is approved by OSP, the grievant may file a contested case in the Office of Administrative Hearings (OAH). OAH must hear and decide the case within 180 days. An aggrieved party to the contested case may seek judicial review in the Court of Appeals.
 - Appeals by non-career State employees must be filed within 30 days.
 - This part applies to grievances filed on or after August 21, 2013.
 - **Part VII.** – Makes a number of modernizing and conforming changes, including:
 - Modernizes Equal Employment Opportunity (EEO) provisions to add disability and genetic information and to eliminate "creed".
 - Allows flexibility in how an agency can obtain EEO training.
 - Reorganizes, consolidates, and eliminates a number of reporting requirements.
 - Clarifies that only whistleblowers who are not subject to the grievance provisions may seek relief directly in the courts.
 - **Part VIII.** – Authorizes creation of the voluntary Reorganization Through Reduction program to be used by certain specified agencies as one option for the reorganization and restructuring process. Provides that severance and other payments used for the program may not exceed funds appropriated for that purpose. The program expires on June 30, 2014. Periodic reports must be made to the Joint Legislative Commission on Governmental Operations.
 - **Part IX.** – Changes the name of the State Personnel Act to the North Carolina Human Resources Act, and changes the State Personnel Commission to the State Human Resources Commission, and the Office of State Personnel to the Office of State Human Resources.
- Except as otherwise provided, these Parts became effective August 21, 2013. (KCB)

Energy Savings Contracting Amendments

S.L. 2013-396 ([SB 547](#)) amends the law governing guaranteed energy savings contracts to provide for an initial selection process based on qualifications rather than cost. The act also deletes the requirement that a governmental unit publish a second notice of a request for proposals if fewer than two proposals have been received.

The act also authorizes the University of North Carolina at Charlotte to self-perform energy savings contracts under the same provisions that are currently authorized for North Carolina State University.

This act became effective August 23, 2013. (EC)

Treasurer's Investments

S.L. 2013-398 ([SB 558](#)) amends the law governing the State Treasurer's investment authority with regard to special funds held by the State Treasurer to allow additional flexibility in allocating assets in the State's investment portfolio. The act eliminates the specific limits related to each of the classes of alternative investment and establishes a new aggregate limit of 35% for all of the investments. The market value of any one of the investments cannot exceed 10% of the market value of all invested assets. The act requires that the State Treasurer include in the quarterly report to various legislative committees a specific listing of all direct and indirect fees related to placement, asset fees, and performance fees incurred in the management of these assets.

The act also corrects an omission in the law relating to the discharge of the duties of the State Treasurer to the Retirement Systems by correcting an omission of a Fund from the list of Systems covered by the statute. The act deletes the list and refers to it collectively as the Retirement Systems.

This act became effective August 23, 2013. (KCB)

Public Contracts/Construction Methods/Design-Build/ Public-Private Partnerships

S.L. 2013-401 ([HB 857](#)) does all of the following:

- Authorizes three new methods of bidding for construction of public buildings by State and local government entities:
 - Design-build method.
 - Design-build bridging method.
 - Public-private partnership method.
- For procurement of architectural, engineering and surveying services, increases the threshold for exemption from the required bidding from \$30,000 to \$50,000 when the estimated professional fee is less than or equal to that amount and eliminates the exemption for those projects determined in the sole discretion of the Department of Transportation or a unit of local government to be exempt.
- For construction management at risk contracts, requires a good faith effort to recruit and select small business entities when selecting the construction manager at risk and the construction contractor.
- Creates the Purchase and Contract Study Committee to study prequalifications on public nontransportation construction work for State and local government projects and report findings to the 2014 Session of the General Assembly.

This act became effective September 22, 2013, and applies to projects bid on or after that date and public-private development contracts entered into on or after that date, and does not supersede any prior enacted local act of the General Assembly on or after July 1, 2013. (EC)

Modify Internal Auditing Statutes

S.L. 2013-406 ([HB 417](#)) modifies internal auditing functions for larger State agencies and the university system. The act:

- Amends definitions and makes technical changes.

- Deletes training and experience requirements for internal auditors and instead requires that a State employee who performs internal audits meet minimum qualifications established by the Office of State Human Resources, formerly the Office of State Personnel, in consultation with the Council on Internal Auditing.
- Directs the Office of State Budget and Management to provide assistance to agencies that lack adequate staff to comply with internal audit requirements.
- Provides that it is a Class 2 misdemeanor to willfully make a false, misleading, or unfounded report to any State agency internal auditor for the purpose of interfering with audits or to hinder or obstruct State agency internal auditors.

This act became effective August 23, 2013. The provisions dealing with obstruction of an audit apply to offenses committed on or after December 1, 2013. (BK)

Legislators/Attorney-Client Privilege/Work Product Doctrine

S.L. 2013-410, Sec. 36.7 ([HB 92](#), Sec. 36.7) provides that neither public records law, nor legislative confidentiality, may be construed to waive the common law privilege of attorney-client privilege or work product doctrine with respect to legislators.

This section became effective August 23, 2013. (EC)

Various Emergency Management Changes

S.L. 2013-415 ([HB 15](#)). See **Transportation**.

RECLAIM North Carolina Act

S.L. 2013-418, Sec. 2 ([HB 786](#), Sec. 2). See **Labor and Employment**.

Information Technology

State Information Technology Governance Changes

S.L. 2013-188 ([HB 390](#)) makes technical and clarifying changes to statutes related to State information technology services, and:

- Allows the State Chief Information Officer (State CIO) to require other performance assurance measures than performance bonds in contracts between a State agency and a private party vendor and utilize cost savings realized on government-vendor partnerships for vendor performance incentives.
- Directs the State CIO to periodically assess the ability of each agency's vendors to comply with the current security enterprise-wide set of standards.

This act became effective June 26, 2013. (CS)

Omnibus State Information Technology Governance Changes

S.L. 2013-329 ([HB 700](#)) makes changes to the laws governing State information technology. The act changes which projects must be reviewed by the State Chief Information Officer (State CIO) and those projects included in the biennial State Information Technology Plan, permits the State CIO to require State agencies to hire private counsel or subject matter experts on certain projects, allows money to be appropriated from the Information Technology Fund to support the Office of the State CIO, and allows the State CIO to appoint more than one deputy chief.

This act became effective July 23, 2013. (SLS)

Information Technology Purchasing/Convenience Contracts

S.L. 2013-333 ([HB 701](#)), as amended by S.L. 2013-410, Sec. 24 ([HB 92](#), Sec. 24), allows State agencies to enter into cooperative purchasing agreements after approval from the State Chief Information Officer (State CIO). A cooperative purchasing agreement is an agreement between a vendor and one or more states or state agencies in which they agree to enter into product purchase orders together to reduce costs.

Before approving the agreement, the State CIO must evaluate the need for the agreement, examine its terms, consult with an attorney, and find that the agreement was obtained through competitive bidding and is the best value. Once the State CIO approves the agreement, the agency may continue to use it without further approval, but the agency must periodically report to the State CIO regarding the use of the agreement. The act requires the State CIO to establish procedures for the utilization of these agreements.

This act became effective July 23, 2013. (SD)

Information Technology Operations

S.L. 2013-360, Sec. 7.4 ([SB 402](#), Sec. 7.4) directs the State Chief Information Officer to develop an inventory of servers and server locations in State agencies and develop a plan to consolidate agency servers in State-owned data centers; identify information technology applications hosted by vendors that are not backed up on State-owned infrastructure and develop a plan to ensure that any State agency application hosted by a vendor is backed up on State-owned infrastructure; and conduct a comprehensive review of the State's overall information technology operations, and develop a plan to restructure the State's information technology operations for the most effective and efficient utilization of resources and capabilities.

This section became effective July 1, 2013. (GSP)

Public School Procurement of Information Technology

S.L. 2013-360, Sec. 7.6 ([SB 402](#), Sec. 7.6) directs the State Chief Information Officer (State CIO) of the Office of Information Technology Services to work with the Department of Public Instruction (DPI) and the Governor's Education Council to implement public school cooperative purchasing agreements for the procurement of information technology (IT) goods and services to support public schools. A public school purchasing agreement is an agreement providing for collaborative IT purchases in order to reduce costs that is available for local school administrative units, regional schools, charter schools, or some combination thereof. These agreements must follow State IT procurement laws, rules, and procedures.

By October 1, 2013, and quarterly thereafter, the State CIO and DPI must report to the Joint Legislative Oversight Committee on Information Technology and the Joint Legislative Education Oversight Committee on the establishment of these purchasing agreements, the savings that have resulted from their use, and any issues resulting from their use.

This section became effective July 1, 2013. (SD)

Information Technology Contracts

S.L. 2013-360, Sec. 7.7 ([SB 402](#), Sec. 7.7) contains the following provisions regarding information technology (IT) purchasing contracts:

- The State Chief Information Officer (State CIO) of the Office of Information Technology Services (ITS) must review all State IT contracts and develop a plan to consolidate duplicate IT contracts and multiple IT contracts with the same vendor.
- The State CIO must develop a plan to modify bulk purchasing contracts to provide State agencies with the option of purchasing equipment on an as-needed basis.

- State IT contracts, including sole sourcing, extensions of the period of performance, or expansion of the scope of existing contracts, must receive the prior approval of the State CIO, who may grant a specific exception.
- The State CIO may utilize cost-savings realized on government vendor partnerships as performance incentives for an IT project vendor.
- The State CIO must consult with participating agency chief information officers and obtain approval from the Office of State Budget and Management prior to the initiation of any enterprise project or contract and must ensure that enterprise project and contract costs are allocated to participating agencies in an equitable manner. Enterprise agreements must not exceed the participating State agencies' ability to financially support the contracts.
- Under certain conditions, ITS may procure IT goods and services for periods up to a total of three years. Any savings resulting from the agreements must be returned to agencies included in the contract in the form of reduced rates. Authorizations for three-year contracts must be submitted quarterly to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division beginning October 1, 2013.

This section became effective July 1, 2013. (SD)

Information Technology Personal Service/Contract Requirements

S.L. 2013-360, Sec. 7.8 ([SB 402](#), Sec. 7.8), as amended by S.L. 2013-363, Sec. 2.3 ([HB 112](#), Sec. 2.3), states that contracts for information technology personal services, and contracts that provide personnel to perform information technology functions, must receive written approval from the Statewide Information Technology Procurement Office (Procurement Office) and the Office of State Budget and Management. The act requires the Procurement Office to develop standards and processes to aid in determining which services can be performed by a State employee and which services require an outside contractor. The Procurement Office must report on standardization of contracts beginning October 1, 2013, to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

This section became effective July 1, 2013. (SD)

Prevent Duplication of Information Technology Capabilities

S.L. 2013-360, Sec. 7.9 ([SB 402](#), Sec. 7.9) provides that the Office of the State Chief Information Officer (State CIO) must develop a plan and adopt measures to prevent the duplication of information technology capabilities and resources across State agencies. When multiple agencies require the same, or substantially similar, information technology capabilities, the State CIO must designate one State agency as the lead to coordinate and manage the capability for all State agencies, with the State CIO maintaining oversight of the effort. The plan must be reported by October 1, 2013, to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

Additionally, the act states that all State agencies must coordinate any Geographic Information System (GIS) initiatives through the Center for Geographic Information and Analysis (CGIA) in the Office of Information Technology Services, as well as the Office of the State CIO, to ensure that existing capabilities are not being duplicated. The CGIA must conduct a review of all GIS applications in State agencies, identify instances of duplication for existing applications, and develop a plan for consolidating duplicative projects. The plan must be reported by November 1, 2013, to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

This section became effective July 1, 2013. (SD)

Government Data Analytics/Data Sharing

S.L. 2013-360, Sec. 7.10 ([SB 402](#), Sec. 7.10), as amended by S.L. 2013-363, Sec. 2.4 ([HB 112](#), Sec. 2.4), increases data sharing among State agencies by:

- Creating the Government Data Analytics Center (GDAC) in the Office of the State Controller (State Controller). The GDAC is empowered to, among other things, coordinate ongoing enterprise data integration efforts, coordinate data requirements and usage for State business intelligence applications, and recommend the most cost-effective and reliable long-term hosting solution for enterprise-level State business intelligence and data integration. The section specifies three phases for implementation of an enterprise-level business intelligence initiative. All State agencies must grant the GDAC access to all information required to develop and support State business intelligence applications. Additionally, the act directs the GDAC to enhance the State's business intelligence through the collection and analysis of data related to workers' compensation claims for the purpose of preventing and detecting fraud.
- Allowing the Division of Motor Vehicles of the Department of Transportation to provide the State Controller the social security number of an applicant for a drivers license as well as any photographic image recorded for a drivers license or special identification card.
- Allowing the Department of Revenue to share tax information with the State Controller. The use and reporting of individual data may be restricted to only those activities specifically allowed by law when potential fraud or other illegal activity is indicated.

This section became effective July 1, 2013. (SD)

State Information Technology Data Archiving

S.L. 2013-360, Sec. 7.11 ([SB 402](#), Sec. 7.11) requires the State Chief Information Officer (State CIO) to investigate the feasibility of creating an enterprise data archiving system for State agencies which would be financed by savings resulting from the project. The system will allow management of data from multiple sources, provide efficient and timely responses, and ensure real-time State agency access to archived files. The State CIO's business case for the system must be validated by the Office of State Budget and Management prior to system development. A report by the State CIO must be made to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by December 1, 2013.

This section became effective July 1, 2013. (TM)

State Information Technology Innovation Center

S.L. 2013-360, Sec. 7.13 ([SB 402](#), Sec. 7.13) allows the State Chief Information Officer (State CIO) to operate a State Information Technology Innovation Center to develop and demonstrate technology solutions that benefit the State and its citizens and allows the Center to facilitate the piloting of potential solutions to State technology requirements. Vendor participation must not create a preferred status for vendors and support must continue to be awarded using a competitive bid process. On July 1, 2013, and continuing on a quarterly basis, the State CIO must report to the Joint Legislative Oversight Committee on Information Technology on initiatives being developed and implemented and sources and resources used to support the Center.

This section became effective July 1, 2013. (TM)

Enterprise Grants Management

S.L. 2013-360, Sec. 7.14 ([SB 402](#), Sec. 7.14) provides that, effective August 1, 2013, the State Chief Information Officer (State CIO) is responsible for overseeing the development and implementation of the enterprise grants management system. The State CIO is directed to review the progress on the implementation of the system and provide an updated plan, including an inventory of current agency grants management systems, a detailed process for consolidating grants management within the State, and a timeline for implementation, to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by October 1, 2013.

A Grants Management Oversight Committee, chaired by the State CIO, is established to coordinate the development of an enterprise grants management system. Beginning September 1, 2013, the Office of the State CIO must report quarterly to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the status of the system.

Except as otherwise provided, this section became effective July 1, 2013. (DHA)

Enterprise Electronic Forms and Digital Signatures

S.L. 2013-360, Sec. 7.15 ([SB 402](#), Sec. 7.15) transfers the State's enterprise electronic forms and digital signatures project from the Office of the State Controller to the Office of the State Chief Information Officer (State CIO). Beginning November 1, 2013, the State CIO must report quarterly on the status of the project to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

This section became effective July 1, 2013. (EC)

Use of Mobile Communications Devices

S.L. 2013-360, Sec. 7.18 ([SB 402](#), Sec. 7.18) requires every State agency to submit a copy of its policy and any subsequent updates of its policy on the use of mobile communications devices to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division. Beginning October 1, 2013, every State agency must submit a quarterly report to the Joint Legislative Oversight Committee on Information Technology, the Fiscal Research Division, and the State Chief Information Officer (State CIO) on the use of mobile electronic communications devices within the agency.

The State CIO must review the current enterprise, and any individual agency mobile electronic communications contracts, to develop a plan to consolidate the contracts.

This section also directs the State CIO to develop a policy for implementing a bring your own device plan for State employees.

This section became effective July 1, 2013. (EC)

State Portal

S.L. 2013-360, Sec. 7.22 ([SB 402](#), Sec. 7.22), as amended by S.L. 2013-363, Sec. 2.2 ([HB 112](#), Sec. 2.2), requires the State Chief Information Officer (State CIO) to develop a plan to implement an electronic portal that makes obtaining information, conducting online transactions, and communicating with State agencies more convenient for members of the public. The State CIO must report to the Joint Legislative Oversight Committee on Information Technology prior to implementation.

This section became effective July 1, 2013. (EC)

Health Information Technology

S.L. 2013-360, Sec. 12A.3 ([SB 402](#), Sec. 12A.3). See **Health and Human Services**.

Regulatory Reform

Amend Rulemaking Process

S.L. 2013-413, Part I ([HB 74](#), Part I) amends the rulemaking process under the Administrative Procedure Act by:

- Defining "policy" as a nonbinding interpretative statement within the delegated authority of an agency.
- Requiring review of the fiscal note and the public comment period concurrently rather than consecutively.
- Raising the threshold for substantial economic impact fiscal notes from \$500,000 to \$1 million for all persons affected by a rule in a 12-month period.
- Establishing a three-tiered process for the periodic review of existing rules. The Rules Review Commission (Commission) must establish a schedule for the review. If an agency fails to conduct the review by the date set in the schedule, the rule will automatically expire, unless the rule is required to conform to or implement federal law. The Commission must subject rules related to surface water quality and wetlands to review in the first year of the program.
- Directing the Joint Legislative Administrative Procedure Oversight Committee (Committee) to study the exemptions from rulemaking contained in the Administrative Procedures Act and elsewhere in the General Statutes. For each exemption, the Committee must evaluate the continued need for the exemption and the possible consequences of repeal of the exemption. The Committee must report to the 2014 Session of the General Assembly.

This Part became effective August 23, 2013. (JLH)

Authorize the Wildlife Resources Commission to Adopt Temporary Rules on Manner of Taking Fish and Wildlife

S.L. 2013-413, Sec. 39 ([HB 74](#), Sec. 39) amends the Administrative Procedure Act to provide the Wildlife Resources Commission with temporary rulemaking authority for manner of take.

This section became effective August 23, 2013. (JLH)

Prohibit Public Entities from Acquiring Contaminated Property without Approval of the Governor and Council of State

S.L. 2013-413, Sec. 40 ([HB 74](#), Sec. 40) prohibits the State and the Community Colleges System from purchasing or acquiring an ownership interest in real property with known contamination without approval of the Governor and the Council of State.

This section became effective September 1, 2013, and applies to a purchase or acquisition of interest in real property occurring on or after that date. (JLH)

Repeal the Mountain Resources Planning Act

S.L. 2013-413, Sec. 43 ([HB 74](#), Sec. 43) repeals the Mountain Resources Planning Act. This section became effective August 23, 2013. (JLH)

Combine the Division of Water Quality and the Division of Water Resources to Create a New Division of Water Resources in the Department of Environment and Natural Resources

S.L. 2013-413, Sec. 57 ([HB 74](#), Sec. 57). See **Environment and Natural Resources and Energy**.

Studies

New/Independent Studies/Commissions

Payment in Lieu of Taxes Study

S.L. 2013-340, Secs. 3.1 through 3.9 ([SB 372](#), Secs. 3.1 through 3.9) establish the State Payment in Lieu of Taxes Study Commission to study issues relating to developing a State payment in lieu of taxes for State properties, including wildlife and game lands, and any other issues the Commission deems relevant. The Commission must report to the General Assembly and terminate no later than the convening of the 2015 General Assembly.

This section became effective July 23, 2013. (GSP)

Referrals to Existing Commissions/Committees

Study Savings for Administration of Claims

S.L. 2013-336 ([SB 43](#)). See **Labor and Employment**.

Information Technology/Privacy Protection of Citizen Data

S.L. 2013-360, Sec. 7.12 ([SB 402](#), Sec. 7.12) requires the Joint Legislative Oversight Committee on Information Technology and the State Chief Information Officer (State CIO) to study the establishment of State requirements to safeguard individual personal data collected and managed by State government. Participants will include agency chief information officers selected by the State CIO officer and the Committee. The Committee's legislative proposals may be reported to the 2014 Regular Session of the 2013 General Assembly.

This section became effective July 1, 2013. (TM)

Legislative Research Commission Study/Efficient Distribution of Funds for Water and Sewer Projects and Economic Development Projects

S.L. 2013-360, Sec. 15.10C ([SB 402](#), Sec. 15.10C) authorizes the Legislative Research Commission to study the ways in which the State currently distributes State and federal funds to local government units and other eligible entities for water, including public water systems, and wastewater projects and economic development projects, to determine whether the distribution of these funds may be conducted in a more efficient manner. The Commission must report to the 2014 Regular Session of the 2013 General Assembly.

This section became effective July 1, 2013. (EC)

Program Evaluation Division/Study Licensure Fees

S.L. 2013-360, Sec. 22.6 ([SB 402](#), Sec. 22.6) requires the Joint Legislative Program Evaluation Oversight Committee to include in the General Assembly Program Evaluation Division's 2013-2014 Work Plan a study to review the licensure fees for occupations regulated by the Department of Insurance that are not directly associated with the insurance industry.

This section became effective July 1, 2013. (JPP)

Study Occupational Licensing Board Agency

S.L. 2013-413, Sec. 10 ([HB 74](#), Sec. 10) directs the Joint Legislative Program Evaluation Oversight Committee to include in the 2013-2014 Work Plan for the Program Evaluation Division (Division) a study of the structure, organization, and operation of the various independent occupational licensing boards.

The Division must submit its findings and recommendations to the Joint Legislative Program Evaluation Oversight Committee and the Joint Legislative Administrative Procedure Oversight Committee on a date to be determined by the Joint Legislative Program Evaluation Oversight Committee.

This section became effective August 23, 2013. (JLH)

Referrals to Departments, Agencies, Etc.

Study/E-Procurement Fee and Vendor Contract

S.L. 2013-360, Sec. 30.6 ([SB 402](#), Sec. 30.6) requires the Department of Administration to study the feasibility of reducing or eliminating the statutory e-commerce fee. The Department must report its findings by February 1, 2014, to the General Assembly, including the Joint Legislative Committee on Information Technology.

This section became effective July 1, 2013. (SLS)

Chapter 22

Transportation

Brenda Carter (BJC), Giles Perry (GSP), Kelly Quick (KQ),
Wendy Graf Ray (WGR), Susan Sitze (SLS)

Enacted Legislation

Cancel Title to Manufactured Home

S.L. 2013-79 ([HB 410](#)) amends the procedure for surrender and cancellation of a title to a manufactured home to allow surrender when the title is not available. The act authorizes the owner of the real property on which the manufactured home is affixed to request cancellation of the title by submitting to the Division of Motor Vehicles (DMV) an affidavit that the manufactured home meets the definition of real property and a tax record showing the manufactured home is listed for ad valorem taxes as real property in the name of the owner of the real property on which the manufactured home is affixed. The act also makes changes to the requirements for the affidavit submitted to the DMV and makes clear that a person damaged by the cancellation of a certificate of title does not have a right of action against the DMV.

This act became effective July 1, 2013. (WGR)

Clarify Issuance of Plates and Certificates

S.L. 2013-87 ([SB 603](#)) provides that registration plates, registration certificates, and certificates of title can be issued directly by Division of Motor Vehicles offices located in Wake, Cumberland, and Mecklenburg Counties. Prior law specified plates and certificates could be issued in offices in Raleigh, Fort Bragg, and Charlotte, which are located in those counties, respectively.

This act became effective July 1, 2013. (WGR)

Prevent Pay for Weight Exceeding Allowance

S.L. 2013-92 ([SB 433](#)) amends the property-hauling vehicle registration statute, specifically tying the registration requirement to statutory gross weight limits, rather than single-axle and tandem-axle limits, to avoid situations where the vehicle has to be registered for more weight than it is allowed by law to carry. Amendments made to the statutes in 2012 made that scenario possible.

This act became effective June 12, 2013. (WGR)

Remove Route Restriction for North Carolina 540 Loop

S.L. 2013-94 ([HB 10](#)) removes from State law the restriction on the location of the Southeast Extension of the Triangle Expressway (N.C. 540), directs the Department of Transportation to strive to expedite the federal environmental impact statement process to define the route for the Southeast Extension of the Triangle Expressway Turnpike Project, and directs the Joint Legislative Transportation Oversight Committee to monitor the progress of the Southeast Extension of the Triangle Expressway Turnpike Project. The provisions of this act were also enacted in Sections 5.1, 5.7, and 5.8 of S.L. 2013-183 ([HB 817](#)).

This act became effective June 12, 2013, conditional on enactment of S.L. 2013-183 ([HB 817](#)), which became effective July 1, 2013. (GSP)

No Drinking in Emergency Medical Services and Law Enforcement Vehicles

S.L. 2013-105 ([HB 532](#)) makes it unlawful for a person to operate an ambulance or other emergency medical services vehicle, a firefighting vehicle, or a law enforcement vehicle while consuming alcohol or while any alcohol remains in the person's body. The act does not apply to law enforcement officers acting within the course and scope of their official duties.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (BJC)

Weight Limits Applicable to Animal Feed Trucks

S.L. 2013-120 ([HB 211](#)) authorizes a higher vehicle weight limit than is generally applicable to vehicles on State highways for vehicles transporting poultry or livestock feed from a storage facility, holding facility, or mill facility to a farm. These vehicles are authorized to operate with higher single-axle, tandem-axle, and gross weights, depending on the axle configuration and length of the vehicle, not to exceed a gross weight of 90,000 lbs. The weight exception does not apply to posted bridges or interstate highways.

This act became effective July 1, 2013. (WGR)

Limit Use of Highway Fund Credit Balance

S.L. 2013-125 ([HB 157](#)) restricts any use of the unreserved credit balance of the Highway Fund to access and public roads or other urgent road construction or road maintenance needs. "Other urgent road construction or road maintenance need" is defined to exclude non-transportation administrative costs, non-transportation information technology costs, or any economic development purpose.

This act becomes effective July 1, 2014. (WGR)

Suspension Removed When Eligibility Met

S.L. 2013-133 ([HB 611](#)) provides that if the Division of Motor Vehicles (DMV) restores a permit or drivers license that has been revoked due to a student's academic standing, the DMV also must expunge any record of the revocation or suspension from the person's driving record. A suspension or revocation will not be expunged if the person has been granted a prior expunction from the driving record for any reason.

This act becomes effective December 1, 2013, and applies to reinstatements occurring on or after that date. (BJC)

Modify Weight Limits for Line Trucks

S.L. 2013-134 ([HB 623](#)) creates an exception from the vehicle weight limits for a single-axle truck owned, operated by, or under contract to a public utility or electric or telephone membership corporation or municipality when specified conditions are met. The exception applies to trucks used in connection with the installation, restoration, or maintenance of utility services in areas of the State where the terrain, road widths, and other conditions prevent the safe navigation and operation of trucks having more than a single axle or using a trailer. Operation of the trucks on interstate highways is prohibited, and the trucks are limited to a single-axle weight of 28,000 pounds and a maximum gross weight of 48,000 pounds.

This act becomes effective January 1, 2014. (BJC)

Increase Driveway Safety on Curvy Roads

S.L. 2013-137 ([HB 684](#)) directs the Department of Transportation (DOT) to consider exceptions to the sight distance requirement for driveway locations where curves of the road are too close and frequent to provide for required sighting distances. Exceptions will be made where sufficient sight distance can be provided or established through other means. The DOT is authorized to require a driveway applicant to pay the costs of installing appropriate signs or mirrors to increase safety around the driveway location. In addition, the DOT must report to the Joint Legislative Transportation Oversight Committee on the implementation of the provisions in the act.

This act became effective June 19, 2013. (BJC)

Strategic Transportation Investments

S.L. 2013-183 ([HB 817](#)), as amended by S.L. 2013-410, Sec. 38 ([HB 92](#), Sec. 38) enacts a new strategic prioritization funding plan governing the use of Highway Trust Fund and federal aid funds for State transportation construction and capital needs. The act also:

- Phases out the Highway Fund secondary road construction program.
- Requires statewide prioritization for secondary unpaved road paving.
- Provides that the Highway Fund is the sole source of funds for State aid to municipalities/Powell Bill funds, and holds harmless the amount allocated for that purpose.
- Modifies the authorized Turnpike Authority project list and authorizes up to three partnership agreements with private entities for Department of Transportation or Turnpike Authority projects.

Except as otherwise provided for certain provisions within the act, this act became effective July 1, 2013. The amendments to this act made by S.L. 2013-410, Sec. 38 ([HB 92](#), Sec. 38) became effective August 23, 2013. (GSP)

Increase Fine for Vehicle Removal

S.L. 2013-190 ([SB 8](#)) increases the fine from not more than \$100 to not less than \$150 for illegally parking in a private lot. The statute amended by this act applies only to certain counties and cities.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (SLS)

Driving While Impaired Cases/No International Laboratory Accreditation Cooperation Required

S.L. 2013-194 ([SB 285](#)). See **Courts, Justice, and Corrections**.

Commercial Drivers License Changes

S.L. 2013-195 ([SB 461](#)) requires the Division of Motor Vehicles to allow third parties to administer commercial drivers license skills tests on any day of the week. It also extends the validity of temporary driving certificates issued to applicants for issuance or renewal of a commercial drivers license to 60 days.

This act became effective July 1, 2013. (GSP)

Commercial Drivers License Requirements for Applicants with Military Experience

S.L. 2013-201 ([HB 322](#)) allows the Division of Motor Vehicles (DMV) to waive the commercial drivers license skills test for applicants with military commercial driving experience. The act expands a provision in law prior to this act applicable to current members of the military, and also allows the DMV to waive the skills test for retired or discharged members of the armed forces if the applicant operated a commercial vehicle for the two-year period immediately preceding the date of discharge, the applicant either has retired or received an honorable or general discharge, and the date of discharge is within the 90-day period immediately preceding the date of application.

This act became effective June 26, 2013. (WGR)

Suspend Truck Inspection/Severe Weather

S.L. 2013-230 ([SB 377](#)). See **Agriculture and Wildlife**.

Bioptic Lenses for Drivers License Tests

S.L. 2013-231 ([SB 568](#)) provides that an applicant using bioptic telescopic lenses is eligible for a Class C drivers license, limited learner's permit, or provisional drivers license if he or she meets specified minimum requirements for visual acuity and field of vision, provides a report of examination by an ophthalmologist or optometrist, passes a road test, and meets all other criteria for licensure. An applicant using bioptic telescopic lenses also must successfully complete a Division of Motor Vehicles-prescribed behind-the-wheel training and assessment program.

A driver using bioptic telescopic lenses for the vision test is not eligible for any endorsements, and is permitted to drive only during the period beginning one-half hour after sunrise and ending one-half hour before sunset. In order to drive during the restricted time, a driver must meet specified minimum requirements for visual acuity and field of vision with the bioptic telescopic lenses, and provide a report of examination by an ophthalmologist or optometrist that does not recommend restricting the applicant to daylight hours.

This act became effective July 3, 2013. (BJC)

Identification Card for Homebound Persons

S.L. 2013-233 ([SB 712](#)) requires the Division of Motor Vehicles (DMV) to develop rules to allow a person who is homebound to obtain or renew a special identification card by a method other than personal appearance at a DMV office, upon submittal of a physician's letter documenting that the person has a severe disability that causes the person to be homebound. The act also clarifies that all special identification cards must include a color photograph, and effective July 3, 2013, requires the DMV to report by October 1, 2013, to the Chairs of the Joint Legislative Transportation Oversight Committee on the status of the implementation of this act.

Except as otherwise provided, this act is effective July 1, 2014. (GSP)

Notify Law Enforcement of Towed Vehicles

S.L. 2013-241 ([HB 626](#)) requires, for any vehicle towed at the direction of a person other than the vehicle owner or operator, that the tower notify the local law enforcement agency having jurisdiction and provide a description of the vehicle, the place from which the vehicle was towed, the place where the vehicle will be stored, and the contact information for the person from whom the vehicle owner may retrieve the vehicle. The act does not apply to a vehicle towed

at the direction of a law enforcement officer, or towed from a private lot posted in accordance with State law. Violation is an infraction subject to a penalty of up to \$100.

This act becomes effective December 1, 2013, and applies to violations committed on or after that date. (BJC)

Forfeiture for Speeding to Elude Revisions

S.L. 2013-243 ([HB 656](#)), as amended by S.L. 2013-410, Sec. 18 ([HB 92](#), Sec. 18), amends the procedures for forfeiture of a vehicle involved in speeding to elude arrest to use the same process and procedures used for the seizure, forfeiture, and sale of vehicles involved in impaired driving.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (SLS)

Cost-Sharing/Transportation Improvements

S.L. 2013-245 ([HB 785](#)) authorizes the Department of Transportation (DOT) to create a statewide pilot program for participation in cost-sharing for transportation improvements in connection with driveway permits. The act also authorizes the DOT to study a statewide pilot program for contracted services cost savings for the 2013-2014 fiscal year.

This act became effective July 1, 2013. (GSP)

Allow Right-of-Way Usage in Central Business Districts

S.L. 2013-266 ([HB 192](#)). See **Local Government**.

North Carolina School Bus Safety Act

S.L. 2013-293 ([HB 428](#)) makes the following changes to the law as it relates to the offense of passing a stopped school bus:

- Requires that persons who pass a stopped school bus in violation of the law pay a minimum fine. A person guilty of the misdemeanor violation of passing a stopped school bus is required to pay a minimum fine of \$500, a person guilty of the Class I felony offense of passing a stopped school bus and striking a person is required to pay a minimum fine of \$1,250, and a person guilty of the Class H felony of passing a stopped school bus and striking a person, resulting in the death of that person, is required to pay a minimum fine of \$2,500.
- Requires the Division of Motor Vehicles to withhold the renewal of registration for drivers who fail to pay fines.
- Requires revocation of the drivers license of repeat offenders and felony offenders. The revocation is for a period of one year for a second misdemeanor violation within a three-year period, a period of two years for a Class I felony offense (striking a person), and a period of three years for a Class H felony (striking and killing a person). The driver may apply for a limited driving privilege after six months of revocation in the case of a first felony conviction, after two years of revocation for a third misdemeanor offense, and after three years of revocation for a second felony violation.
- Disqualifies a person whose license is revoked under the provisions of the act from driving a commercial motor vehicle for the period of revocation.
- Encourages local boards of education to use the proceeds of the fines to purchase and install automated cameras and video recording systems on school buses to help detect and prosecute violations.

This act becomes effective December 1, 2013, and applies to offenses committed on or after that date. (WGR)

Motor Vehicle Safety Inspector and Motor Vehicle Licensing Law Changes

S.L. 2013-302 ([SB 717](#)) grants the Division of Motor Vehicles discretion over license suspensions against safety and emissions inspection station licensees for violations of the State's safety inspection and emissions station laws. In addition, the act makes changes to the motor vehicle dealers and manufacturers licensing laws.

The provisions of this act affecting inspection stations became effective October 1, 2013. The provisions of this act affecting motor vehicle dealers and manufacturers licensing became effective July 18, 2013, and apply to current and future franchises and other agreements in existence as of that date. (GSP)

Strengthen Laws/Vehicle Theft

S.L. 2013-323 ([HB 26](#)). See **Criminal Law and Procedure**.

Department of Transportation Informal Bid Process

S.L. 2013-340, Secs. 2.1 and 2.2 ([SB 372](#), Secs. 2.1 and 2.2) raise the threshold for triggering the Department of Transportation's (DOT) informal bid process from \$1.2 million to \$2.5 million, effective August 1, 2013. The act clarifies that the DOT's policy concerning participation by disadvantaged minority-owned and women-owned businesses applies to contracts let using the informal bid process.

Except as otherwise provided, these sections became effective July 23, 2013. (GSP)

Electronic Vehicle Lien System

S.L. 2013-341 ([SB 407](#)) requires the Division of Motor Vehicles (DMV) to implement a statewide electronic system for processing and maintaining security interest and certificate of title data where a lien is notated. The act gives the DMV the option of contracting with a qualified vendor to implement the system or developing an interface that enables qualified service providers to access data. A qualified vendor must have experience in providing electronic solutions to state motor vehicle departments. By October 1, 2013, the DMV is required to report to the Chairs of the Joint Legislative Transportation Oversight Committee on the status of implementation of the system, including costs, benefits, and feasibility. Prior to statewide implementation, the DMV is authorized to conduct a pilot program of the system for up to 90 days with 1 or more qualified vendors and up to 5 lienholders. By July 1, 2014, the DMV is required to implement the system, and beginning July 1, 2015, all individuals and lienholders normally engaged in the business of financing motor vehicles are required to utilize the electronic system.

This act became effective July 23, 2013. (WGR)

MAP 21 Conforming Revisions

S.L. 2013-348 ([SB 659](#)) amends statutes related to driving while impaired (DWI) sentencing and ignition interlock requirements for DWI offenders to comply with a federal highway act commonly referred to as MAP 21. This act ensures that repeat offenders are subject

to the ignition interlock requirement and receive the minimum sentences required to comply with federal law.

This act became effective October 1, 2013, and applies to offenses committed on or after that date. (SLS)

Vintage Auto Inspections

S.L. 2013-349 ([SB 344](#)) provides specific time frames within which inspection and verifications must be completed and titles issued for specially constructed vehicles or out-of-state vehicles 35 model years old or older.

If the Division of Motor Vehicles (DMV) does not conduct the inspection and verification within 15 days of receiving a request, and the inspector does not have probable cause to believe that documentation or numbers presented do not match the vehicle, then the vehicle is deemed to have satisfied all requirements and the title must be issued within 15 days thereafter. If the DMV performs the verification in a timely manner, and the vehicle satisfies all requirements, the title must be issued within 15 days of the inspection.

This act became effective July 23, 2013. (BJC)

Government Data Analytics/Data Sharing

S.L. 2013-360, Sec. 7.10 ([SB 402](#), Sec. 7.10). See **State Government**.

Next Generation Secure Driver License System

S.L. 2013-360, Sec. 7.19 ([SB 402](#), Sec. 7.19) requires the Department of Transportation to report to the Joint Legislative Transportation Oversight Committee and the General Assembly on the status of the Next Generation Secure Driver License System by August 1, 2013, and to notify those entities of any changes on a continuing basis.

This section became effective July 1, 2013. (SLS)

State Titling and Registration System/State Automated Driver License System/Liability Insurance Tracking and Enforcement System

S.L. 2013-360, Sec. 7.20 ([SB 402](#), Sec. 7.20) requires the Department of Transportation to continue the replacement of the State Titling and Registration System, the State Automated Driver License System, and the Liability Insurance Tracking and Enforcement System and to report by August 1, 2013, and quarterly thereafter, to the Joint Legislative Transportation Oversight Committee and the General Assembly on the status of the replacement of each of the systems.

This section became effective July 1, 2013. (SLS)

Government Data Analytics Center/Local Governments/Optional Collection Agreements

S.L. 2013-360, Sec. 7.21 ([SB 402](#), Sec. 7.21). See **Local Government**.

Clean Water Management Trust Fund Changes

S.L. 2013-360, Sec. 14.3 ([SB 402](#), Sec. 14.3). See **Environment and Natural Resources and Energy**.

Special License Plate Revenue for Friends of State Parks, Inc.

S.L. 2013-360, Sec. 14.3B ([SB 402](#), Sec. 14.3B) changes the recipient of the additional fee revenue from State parks special plates from the Natural Heritage Trust Fund and the Parks and Recreation Trust Fund to Friends of State Parks, Inc.

This section became effective July 1, 2013. (WGR)

Reclassification of Certain Class 1 and Class 2 Misdemeanors as Class 3 Misdemeanors

S.L. 2013-360, Sec. 18B.14 ([SB 402](#), Sec. 18B.14). See **Courts, Justice, and Corrections**.

Increase Department of Transportation Privatization

S.L. 2013-360, Sec. 34.2 ([SB 402](#), Sec. 34.2) directs the Department of Transportation (DOT) to increase the use of contracts to further privatize preconstruction work where practical, economical, and likely to lead to increased efficiency. It also directs the DOT to increase contracts awarded for construction of transportation projects on a design-build basis. The DOT must report on its progress in implementing the requirements of this section before the convening of the 2014 Regular Session of the 2013 General Assembly, to the Fiscal Research Division, and the Joint Legislative Transportation Oversight Committee.

This section became effective July 1, 2013. (WGR)

Small Construction and Contingency Funds

S.L. 2013-360, Sec. 34.4 ([SB 402](#), Sec. 34.4) appropriates \$5 million in nonrecurring funds for small construction projects to be divided equally among the 14 Highway Divisions. This section also appropriates \$12 million for rural or small urban highway improvements and related transportation enhancements. The Department of Transportation must report to the General Assembly on the projects funded by this section and must make a quarterly comprehensive report on the use of the funds to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

This section became effective July 1, 2013. (KQ)

Congestion and Mobility Reporting

S.L. 2013-360, Sec. 34.8 ([SB 402](#), Sec. 34.8) amends the law requiring the Department of Transportation to prepare a report on the condition of the State highway system by requiring the report to include estimates for any significant variations in system conditions among highway divisions and an assessment of the level of highway congestion, including a ranking of the most congested areas and the average number of congested hours.

This section became effective July 1, 2013. (KQ)

Ferry Tolling

S.L. 2013-360, Sec. 34.13 ([SB 402](#), Sec. 34.13) amends the statute authorizing the Department of Transportation (DOT) to collect tolls on ferry routes as follows:

- *Establishment of Tolling.* – The act requires the Board of Transportation (Board) to receive a resolution approved by the Transportation Advisory Committee of each affected local transportation planning organization requesting tolls on that route prior to establishing tolls on an untolled ferry route. The DOT must hold a public hearing in the geographic area of each untolled ferry route prior to March 1, 2014. The DOT must collect the toll as soon as it is feasible following its adoption, but no more than 180 days after adoption of the toll.
- *Revisions of Tolls.* – The DOT must report to the Fiscal Research Division, the Joint Legislative Transportation Oversight Committee, and all affected local transportation planning organizations 30 days prior to any change in toll rates or change in the toll setting methodology by the Board.
- *Use of Toll Proceeds.* – The DOT is required to credit the toll proceeds collected on the ferry routes to reserve accounts within the Highway Fund for each of the Highway Divisions in which system terminals are located and fares are earned.
- *Authority to Generate Certain Receipts.* – The DOT's authority to generate revenue is broadened by adding the following activities:
 - Internet access on the ferries and at ferry facilities.
 - The sale of naming rights to any ferry vessel, ferry route, or ferry facility.
 - Advertising on or within any ferry vessel.
 - Any other receipt-generating activity not otherwise forbidden by applicable law pertaining to public health or safety.
- *Confidentiality of Personal Information.* – Identifying information obtained by the DOT related to operation of the ferry system is not a public record. The DOT must use identifying information only for purposes of collecting and enforcing tolls.
- *Methodology.* – No later than January 1, 2014, the Board must adopt a methodology and expected minimum and maximum tolls for use in establishing tolls for ferry routes.

This section became effective July 1, 2013. However, the DOT must continue to collect tolls on all ferry routes for which tolls were in effect as of June 30, 2013. (KQ)

North Carolina Railroad Company Reporting and Dividends

S.L. 2013-360, Sec. 34.14 ([SB 402](#), Sec. 34.14) requires that the Governor's appointees to the Board of Directors of any State-owned railroad company with trackage in more than two counties include one of the appointees to the Board of Transportation and the Secretary of Commerce or the Secretary's designee. This section requires that the railroad company prepare and maintain a capital investment plan and a comprehensive strategic plan that includes the company's mission statement describing its purpose and clear goals addressing strategic issues facing the company. The railroad company must also develop and implement a performance management system based on its strategic plan and submit annual reports to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Transportation Oversight Committee. This section also provides for assessment of the company's noncorridor real properties and authorizes the sale of certain properties.

Effective July 1, 2014, State-owned railroad companies with trackage in more than two counties must issue an annual cash dividend to the State. The amount of the dividend is 25% of the company's income from the prior year's trackage rights agreements, and the dividend is due by January 15 of each year. Any dividends of the railroad company received by the State will be used for the enhancement of freight rail service and railroad-roadway crossing safety.

Except as otherwise provided, this section became effective July 1, 2013. (BJC)

Eliminate Telecommunications and Inspections Program Accounts

S.L. 2013-360, Sec. 34.15 ([SB 402](#), Sec. 34.15) amends the statute pertaining to the distribution of fees payable to the Division of Motor Vehicles for electronic inspection authorizations by eliminating distributions to the Telecommunications Account and the Inspection Program Account, and providing for the transfer of funds from those accounts.

This section became effective July 1, 2013. (BJC)

Division of Motor Vehicles Technology Improvement Account

S.L. 2013-360, Sec. 34.16 ([SB 402](#), Sec. 34.16) eliminates the Division of Motor Vehicles Technology Improvement Account and transfers \$4.5 million of the unallotted and unexpended balance of those funds to the Highway Fund; the remaining balance is transferred to the Reserve for General Maintenance. This section amends the law pertaining to title and registration fees to eliminate the requirement that fees derived from transactions with the Division of Motor Vehicles be used for technology improvements.

This section became effective July 1, 2013. (BJC)

Department of Transportation Contracted Services

S.L. 2013-360, Sec. 34.17 ([SB 402](#), Sec. 34.17) requires the Department of Transportation (DOT) to evaluate current contractual models and compensation for the provision of registration, title, tax collection, and other vehicle services by branch agents contracting with the Division of Motor Vehicles, and to recommend alternatives to the current models. The DOT must report its findings to the Joint Legislative Transportation Oversight Committee and the General Assembly no later than March 1, 2014.

This section became effective July 1, 2013. (SLS)

Driver Education

S.L. 2013-360, Sec. 34.20 ([SB 402](#), Sec. 34.20). See **Education**.

Additional Annual Fee for Electric Vehicles

S.L. 2013-360, Sec. 34.21 ([SB 402](#), Sec. 34.21) requires an additional \$100 fee for the initial or renewal registration of an electric vehicle.

This section becomes effective January 1, 2014, and applies to initial or renewal motor vehicle registrations on or after that date. (SLS)

Visitor Centers Funding

S.L. 2013-360, Sec. 34.22 ([SB 402](#), Sec. 34.22) adds a fourteenth Visitor Center to those receiving funds from the Special Registration Plate Account and reduces the amount each Visitor Center receives to accommodate the addition of the fourteenth Center.

This section became effective July 1, 2013. (SLS)

Life Cycle Cost Analysis Report

S.L. 2013-360, Sec. 34.25 ([SB 402](#), Sec. 34.25) requires the Department of Transportation to report on its life cycle cost analysis methodology and component factors used to comply with federal requirements to the Fiscal Research Division and the Joint Legislative Transportation Oversight Committee by February 1, 2014.

This section became effective July 1, 2013. (KQ)

Outside Legal Counsel/Department of Transportation

S.L. 2013-360, Sec. 34.27 ([SB 402](#), Sec. 34.27) authorizes the Department of Transportation (DOT) to engage the services of private counsel to defend or otherwise resolve legal challenges to transportation projects undertaken by the DOT. The DOT is not required to obtain written permission from the Attorney General. If the DOT does employ private counsel, it must report the engagement to the General Assembly within 30 days.

This section became effective July 1, 2013. (KQ)

Highway Use Tax Base

S.L. 2013-360, Sec. 34.29 ([SB 402](#), Sec. 34.29). See **Finance**.

Motorcycle Safety

S.L. 2013-366, Part V ([SB 353](#), Part V) amends the unsafe motor vehicle movement statute by increasing the penalty if a violation results in a crash causing property damage over \$5,000 or serious bodily injury to a motorcycle operator or passenger. This Part provides that a violation is an infraction with a fine of not less than \$750, subject to 4 drivers license points, and license suspension of up to 30 days in the discretion of the trial judge.

This Part became effective October 1, 2013, and applies to violations committed on or after that date. (GSP)

Division of Motor Vehicles Commission Contract Changes

S.L. 2013-372 ([SB 305](#)) sets the rate of compensation for license plate tag agents for the collection of property taxes paid at the time a person renews a license plate registration pursuant to the Tax and Tag Together program. The rate for collecting property tax for the first six months of the program is set at \$1.06. The transaction rate after the first six months is set at \$0.71. The act sets the compensation rate for a limited registration "T" sticker at \$1.27. The act also:

- Codifies the License Plate Agent Advisory Committee (Committee).
- Directs the Committee to review the standard operating procedures applicable to commission contractors and recommends a process for the Division of Motor Vehicles (DMV) to give commission contractors notice of proposed changes.
- Provides that the compensation rates set for the issuance of a limited registration "T" sticker and for the collection of property taxes are payable by the counties and cities as part of the cost of the Tax and Tag Together program.
- Provides that the DMV is to train license tag agents on the use of the integrated computer system that combines vehicle registration with the collection of property tax.

The provision of this act setting compensation rates became effective July 1, 2013. The remainder of this act became effective July 29, 2013. (GSP)

Authorize Various Special Plates

S.L. 2013-376 ([SB 571](#)) authorizes the Division of Motor Vehicles to issue 26 new special license plates, reenacts 2 expired plates, eliminates fees for certain military plates, repeals the phase-out of full-color plates, and makes changes to several existing plates.

This act became effective July 29, 2013. (GSP)

Limit Appeals to Superior Court

S.L. 2013-385 ([SB 182](#)). See **Courts, Justice, and Corrections**.

Alternative Procedure for Obtaining Salvage Title

S.L. 2013-400 ([HB 727](#)) creates a process for the Division of Motor Vehicles to issue a title for a salvage vehicle to an insurance company or a used car dealer in specified circumstances where the insurer or used car dealer cannot obtain the original title.

This act became effective October 1, 2013. (GSP)

Definition of All-Terrain Vehicle and Utility Vehicle

S.L. 2013-410, Sec. 47.5 ([HB 92](#), Sec. 47.5) revises the statutory definitions of "all-terrain vehicle" and "utility vehicle" to reflect the types of vehicles that are currently manufactured. The prior definition did not encompass some newer vehicle models.

This section became effective August 23, 2013. (WGR)

Revenue Laws Technical, Clarifying, and Administrative Changes

S.L. 2013-414 ([HB 14](#)). See **Finance**.

Various Emergency Management Changes

S.L. 2013-415 ([HB 15](#)) authorizes the Divisions of Parks and Recreation and Marine Fisheries of the Department of Environment and Natural Resources and the North Carolina Forest Service of the Department of Agriculture and Consumer Services to use vehicles exclusively for law enforcement, firefighting, or other emergency response and to equip those vehicles with lights and sirens, and requires they be treated as other similar vehicles in regards to speed limits and yielding the right-of-way.

In addition, the act requires the Department of Public Safety to study methods of allowing prisoners to contribute to cleanup and mitigation efforts in connection with states of emergency.

The provisions of the act relating to emergency vehicles became effective October 1, 2013. The remainder of the act became effective August 23, 2013. (SLS)

Regulatory Reform

Outdoor Advertising Amendments

S.L. 2013-413, Sec. 8 ([HB 74](#), Sec. 8) amends the statute pertaining to outdoor advertising vegetation cutting or removal by authorizing the Department of Transportation (DOT), at the request of a selective vegetation removal permittee, to approve plans for the cutting, thinning, pruning, or removal of vegetation outside of the cut or removal zone along acceleration or deceleration ramps so long as the view to the outdoor advertising sign will be improved and the total aggregate area of cutting or removal does not exceed the maximum allowed by statute. The section also prohibits a municipality, county, local or regional zoning authority, or other political subdivision from regulating or prohibiting, without just compensation, the repair or reconstruction of any outdoor advertising for which a valid permit issued by the DOT is in effect, provided that the square footage of its advertising surface area is not increased.

This section became effective August 23, 2013. (KQ)

Regulation of Digital Dispatching Services

S.L. 2013-413, Sec. 12.1 ([HB 74](#), Sec. 12.1). See **Local Government**.

Direct the Department of Transportation to Adopt Rules for Selective Pruning within Highway Rights-of-Way

S.L. 2013-413, Sec. 45 ([HB 74](#), Sec. 45) requires the Department of Transportation to adopt rules to authorize selective pruning within highway rights-of-way for vegetation that obstructs motorists' views of properties on which agritourism activities occur.

This section became effective August 23, 2013. (KQ)

Studies

Study Global TransPark Infrastructure and Rail Access

S.L. 2013-360, Sec. 34.23 ([SB 402](#), Sec. 34.23) requires the Department of Transportation (DOT), in collaboration with the Department of Commerce and the Department of Agriculture and Consumer Services, to study the feasibility of infrastructure and access improvements for the Global TransPark and the North Carolina State Ports Authority. As part of its study, the DOT must:

- Evaluate infrastructure improvements which will promote job creation and commerce and advance development of the Global TransPark as an inland terminal.
- Perform financial feasibility analyses for each infrastructure improvement.
- Assess highway and rail infrastructure improvements or service scenarios that improve access and throughput to the Global TransPark and North Carolina State Port Authority Morehead City Terminal.
- Perform a financial feasibility analysis of the Wallace to Castle Hayne and Wilmington track restoration project.

The DOT must provide a preliminary report to the Joint Legislative Transportation Oversight Committee by March 1, 2014, and a final report by January 1, 2015.

This section became effective July 1, 2013. (KQ)

Department of Environment and Natural Resources, Environmental Review Commission, and Others to Study Review of Engineering Work

S.L. 2013-413, Sec. 58 ([HB 74](#), Sec. 58). See **Environment and Natural Resources and Energy**.

Chapter 23

Utilities

Heather Fennell (HF), Peter Ledford (PL), Mariah Matheson (MM)

Enacted Legislation

Natural Gas/Rate Adjustment Mechanism

S.L. 2013-54 ([HB 119](#)) authorizes the Utilities Commission (Commission) to adopt a rate adjustment mechanism that will allow natural gas distribution companies to recover costs incurred to comply with federal gas pipeline safety requirements. A rate adjustment mechanism for this purpose may be adopted only in a general rate case if the Commission determines that the mechanism is in the public interest. Before costs can be recovered under this mechanism, the Commission must make a determination that the costs were prudently incurred.

This act became effective May 17, 2013. (HF)

Increase Penalties/Utilities Theft

S.L. 2013-88 ([SB 634](#)). See **Criminal Law and Procedure**.

Water Utility Recovery

S.L. 2013-106 ([HB 710](#)) amends the recovery of certain costs by water utilities. The act authorizes the Utilities Commission (Commission) to permit water and sewer public utilities to adjust their rates to reflect changes in the costs of water or sewer services purchased from third-party suppliers. The act also authorizes the Commission to establish a rate adjustment mechanism in a general rate case that would allow a water or sewer public utility to recover costs associated with infrastructure investments. The rate adjustment mechanism is allowed only when it is in the public interest, and may be modified or eliminated by the Commission if it is no longer in the public interest.

This act became effective June 12, 2013. (HF)

Building Codes: Local Consistency/Exempt Cable

S.L. 2013-118 ([HB 120](#)). See **Insurance**.

Modify Weight Limits for Line Trucks

S.L. 2013-134 ([HB 623](#)). See **Transportation**.

Utilities/Design/Survey Location Services

S.L. 2013-142 ([SB 9](#)) amends the Underground Damage Prevention Act to provide a method for surveyors to obtain the location of underground utilities. At least 10 days prior to starting a survey, a surveyor may notify utilities of the intent to survey, and the utility must provide the surveyor with the location and description of underground utilities, provide the surveyor with the best available description of underground utilities, or allow the surveyor to inspect drawings or records for the underground utilities. An exemption from the provisions of

this act is provided to small water and wastewater utilities. The act also restricts notices of intent to survey for single-family residential property to those given by the property owner or a surveyor retained in connection with the development of the property.

This act became effective June 15, 2013, and applies to notices given on or after that date. (PL)

Cell Tower Deployment Act

S.L. 2013-185 ([HB 664](#)) amends local government authority to regulate the equipment and facilities used for the provision of wireless communications service and amends the authority of the State to lease land for communication purposes.

Local government authority. – Except as otherwise limited by law, local governments may regulate the location and modification of wireless facilities and wireless support structures based on considerations of land use, public safety, and zoning considerations. The act creates two categories for the application and approval process for wireless facilities: (1) construction of new facilities and substantial modification of existing facilities; or (2) collocation and eligible facilities requests. For applications regarding the construction of new facilities and substantial modification of existing facilities, local governments are prohibited from requesting certain information. For collocation and eligible facilities requests, local governments are required to approve the requests within 45 days of submission of a complete application.

State authority to lease land for communication purposes. – The State may lease real property, or grant an easement or license with an interest in real property, for the purpose of constructing towers or other communications equipment on State land, or installing and operating equipment on towers or buildings on State land. The State must adopt standard terms and conditions for leases, easements, or other conveyances for communications purposes. The Governor, with approval of the Council of State, may adopt rules authorizing the Department of Administration to enter into leases, easements, or licenses for communication purposes. The Secretary of Environment and Natural Resources must approve leases and conveyances for communications purposes for land in the State Parks System. When locating communications equipment on land in the State Parks System, the State must choose a location that minimizes the visual impact on the surrounding landscape.

The provisions of this act amending local government authority became effective October 1, 2013, and apply to applications received on or after that date. The provisions of this act amending the authority of the State to lease land became effective June 26, 2013. (HF)

Electric Membership Corporations/Member Control

S.L. 2013-187 ([HB 223](#)) repeals the authority of the Utilities Commission (Commission) to compel an electric membership corporation to make additions, extensions, repairs, improvements, or other changes to their facilities to provide efficient service. The act also repeals the requirement that electric membership corporations file long-range plans with the Commission. Finally, the act empowers the North Carolina Rural Electrification Authority to receive and investigate complaints from members of electric membership corporations.

This act became effective July 1, 2013. (PL)

Transmission Line Ownership

S.L. 2013-232 ([SB 635](#)) amends the definition of a public utility, as it applies to electricity transmission lines with a capacity of at least 161 kilovolts. The act also amends the statute governing electricity transmission lines to permit only a public utility to obtain a certificate of environmental compatibility and public convenience and necessity from the Utilities Commission

to construct a new electricity transmission line, except for the sole purpose of providing interconnection of an electric generation facility.

This act became effective July 3, 2013, and applies to certificates of environmental compatibility and public convenience and necessity issued on or after that date. (PL)

Utilities Commission to Eliminate Requirements for Certain Reduced Local Telephone Rates

S.L. 2013-363, Sec. 11.1 ([HB 112](#), Sec. 11.1) requires the Utilities Commission to take appropriate action to eliminate any requirement for reduced local telephone rates for low-income residential consumers, if funded by a repealed State funding mechanism. For purposes of this section, a State funding mechanism for a reduction in the local telephone rates includes a tax credit allowed for the public utility to recover the reduction in rates.

This section became effective July 1, 2013. (MM)

Rewrite Underground Damage Prevention Act

S.L. 2013-407 ([HB 476](#)) repeals the Underground Damage Prevention Act and enacts a new Underground Utility Safety and Damage Prevention Act. The act creates a notification center that facilitates the interactions between excavators and designers who need to locate underground utilities and the owners of the utilities. Excavators must give notice to the notification center 3 to 12 working days prior to excavating, and the utility owner must provide the location of all utilities within 3 working days of notice being given. Architects and engineers may give notice to the notification center requesting location information, and the utility owner must provide the location of all utilities within 10 working days of notice being given. Exemptions to the act are provided to certain activities on residential property, certain agricultural activities, activities related to locating utilities, certain maintenance work performed by a governmental entity, certain activities by railroads, and certain activities at cemeteries. The act also provides a process for reporting damage to underground utilities, and creates the Underground Damage Prevention Review Board to investigate alleged violations of the act.

This act becomes effective October 1, 2014, and applies to all activities regulated by the provisions of the act that occur on or after that date. (PL)

Notice Requirements for Application for Certificate for Generating Facility

S.L. 2013-410, Sec. 29 ([HB 92](#), Sec. 29) changes the notice requirements for application for a certificate for a generating facility to allow applicants to publish required notices in a non-daily (rather than a daily) newspaper.

This section became effective August 23, 2013. (MM)

Enacted Legislation

Warrant Status/Drug Screen Public Assistance

S.L. 2013-417 ([HB 392](#)). See **Health and Human Services**.

RECLAIM North Carolina Act

S.L. 2013-418 ([HB 786](#)). See **Courts, Justice, and Corrections** and **Labor and Employment**.

INDEX

House Bills

| | | | |
|---|-------------------------|--|--------------------|
| HB 4 | 113, 115, 119, 159, 199 | HB 74 , Sec. 30..... | 94 |
| HB 4 , Sec. 10..... | 120 | HB 74 , Sec. 33..... | 100, 171 |
| HB 5 | 121 | HB 74 , Sec. 34..... | 108, 145 |
| HB 10 | 225 | HB 74 , Sec. 35..... | 109, 145 |
| HB 14 | 114, 119, 236 | HB 74 , Sec. 36..... | 104 |
| HB 14 , Sec. 58..... | 115 | HB 74 , Sec. 37..... | 100 |
| HB 15 | 10, 53, 98, 216, 236 | HB 74 , Sec. 38..... | 61, 100 |
| HB 19 | 55, 173 | HB 74 , Sec. 39..... | 10, 221 |
| HB 23 | 63 | HB 74 , Sec. 40..... | 83, 101, 221 |
| HB 24 | 14, 35 | HB 74 , Sec. 41..... | 155 |
| HB 25 | 56 | HB 74 , Sec. 42..... | 101 |
| HB 26 | 59, 230 | HB 74 , Sec. 43..... | 222 |
| HB 29 | 35, 57 | HB 74 , Sec. 44..... | 104, 172 |
| HB 32 | 186 | HB 74 , Sec. 45..... | 10, 237 |
| HB 44 | 64 | HB 74 , Sec. 46..... | 109 |
| HB 56 | 202 | HB 74 , Sec. 47..... | 174 |
| HB 57 | 66 | HB 74 , Sec. 48..... | 104 |
| HB 66 | 1 | HB 74 , Sec. 49..... | 104 |
| HB 74 , Part I | 221 | HB 74 , Sec. 50..... | 104, 172 |
| HB 74 , Part VI | 105 | HB 74 , Sec. 51..... | 109 |
| HB 74 , Sec. 5..... | 158, 170 | HB 74 , Sec. 52..... | 10, 110 |
| HB 74 , Secs. 6(a) and 6(b) | 171 | HB 74 , Sec. 53..... | 110 |
| HB 74 , Secs. 6(c) through 6(e) | 83 | HB 74 , Sec. 54..... | 101 |
| HB 74 , Sec. 7..... | 144 | HB 74 , Sec. 55..... | 101 |
| HB 74 , Sec. 8..... | 237 | HB 74 , Sec. 56..... | 110 |
| HB 74 , Sec. 9..... | 145 | HB 74 , Sec. 57..... | 110, 222 |
| HB 74 , Sec. 10..... | 183, 223 | HB 74 , Sec. 58..... | 111, 146, 172, 238 |
| HB 74 , Sec. 10.1 | 171 | HB 74 , Sec. 59.1 | 10 |
| HB 74 , Sec. 10.2 | 99, 171 | HB 74 , Sec. 59.4..... | 172 |
| HB 74 , Sec. 11..... | 145 | HB 74 , Sec. 60..... | 159 |
| HB 74 , Sec. 11.1 | 155, 183 | HB 75 | 13, 55 |
| HB 74 , Sec. 12.1 | 171, 237 | HB 77 | 177 |
| HB 74 , Sec. 13..... | 155, 158 | HB 82 | 114 |
| HB 74 , Sec. 14..... | 158, 175 | HB 88 | 187 |
| HB 74 , Sec. 15..... | 9, 158 | HB 92 , Sec. 16.1 | 63 |
| HB 74 , Sec. 17..... | 158 | HB 92 , Sec. 17..... | 37 |
| HB 74 , Sec. 18..... | 103 | HB 92 , Sec. 18..... | 229 |
| HB 74 , Sec. 19..... | 145, 155 | HB 92 , Sec. 18.5..... | 123 |
| HB 74 , Sec. 20..... | 10, 99 | HB 92 , Sec. 20..... | 63 |
| HB 74 , Sec. 21..... | 10, 99 | HB 92 , Sec. 20(a) | 65 |
| HB 74 , Sec. 22..... | 108 | HB 92 , Sec. 22..... | 64 |
| HB 74 , Sec. 23..... | 145 | HB 92 , Sec. 23..... | 122 |
| HB 74 , Sec. 24..... | 111 | HB 92 , Sec. 24..... | 217 |
| HB 74 , Sec. 25..... | 99 | HB 92 , Sec. 25..... | 164 |
| HB 74 , Sec. 26..... | 111 | HB 92 , Sec. 27..... | 36 |
| HB 74 , Sec. 27..... | 99 | HB 92 , Sec. 27.8..... | 61 |
| HB 74 , Sec. 28..... | 100 | HB 92 , Sec. 27.9..... | 12, 88 |
| HB 74 , Sec. 29..... | 100 | HB 92 , Sec. 28..... | 59 |

| | | | |
|---|----------|---|---------------|
| HB 92 , Sec. 28.5..... | 143, 154 | HB 112 , Sec. 11.3..... | 119 |
| HB 92 , Sec. 29..... | 241 | HB 114 | 13, 35 |
| HB 92 , Sec. 30.5..... | 25 | HB 119 | 239 |
| HB 92 , Sec. 31..... | 182 | HB 120 | 150, 164, 239 |
| HB 92 , Sec. 32..... | 182 | HB 122 | 15, 53 |
| HB 92 , Sec. 32.5..... | 183 | HB 125 | 200 |
| HB 92 , Sec. 33..... | 160 | HB 135 | 103 |
| HB 92 , Sec. 36..... | 85 | HB 137 | 40 |
| HB 92 , Sec. 36.5..... | 89 | HB 139 | 13, 173 |
| HB 92 , Sec. 36.7..... | 216 | HB 142 | 86 |
| HB 92 , Sec. 38..... | 227 | HB 146 | 64 |
| HB 92 , Sec. 38.5..... | 88 | HB 147 | 14, 40 |
| HB 92 , Sec. 39.5..... | 169 | HB 149 | 13, 56 |
| HB 92 , Sec. 40..... | 207 | HB 157 | 200, 226 |
| HB 92 , Sec. 44..... | 151 | HB 161 | 41 |
| HB 92 , Sec. 47..... | 78 | HB 168 | 160 |
| HB 92 , Sec. 47.5..... | 236 | HB 180 | 185 |
| HB 92 , Sec. 47.6..... | 105 | HB 192 | 166, 229 |
| HB 92 , Sec. 47.7..... | 183 | HB 194 | 181 |
| HB 110 | 203 | HB 209 | 15, 40 |
| HB 112 , Sec. 1.1..... | 207 | HB 211 | 2, 226 |
| HB 112 , Sec. 2.2..... | 220 | HB 214 | 178 |
| HB 112 , Sec. 2.3..... | 218 | HB 219 | 14 |
| HB 112 , Sec. 2.4..... | 219 | HB 220 | 203 |
| HB 112 , Secs. 3.2 and 3.17..... | 78 | HB 223 | 240 |
| HB 112 , Sec. 3.3..... | 77 | HB 232 | 153, 206 |
| HB 112 , Sec. 3.5..... | 77 | HB 240 | 151 |
| HB 112 , Sec. 3.6..... | 75 | HB 241 | 204 |
| HB 112 , Sec. 3.9..... | 77 | HB 243 | 189 |
| HB 112 , Sec. 3.10(a)..... | 74 | HB 247 | 149 |
| HB 112 , Sec. 3.12..... | 87 | HB 248 | 115, 165 |
| HB 112 , Sec. 3.14..... | 85 | HB 249 | 66 |
| HB 112 , Sec. 3.15..... | 85 | HB 250 | 69 |
| HB 112 , Sec. 3.16..... | 89 | HB 254 | 163, 173 |
| HB 112 , Sec. 3.18..... | 72 | HB 255 | 86 |
| HB 112 , Sec 4.1..... | 138 | HB 257 | 204 |
| HB 112 , Secs. 4.2 and 4.3..... | 130 | HB 269 | 78, 119 |
| HB 112 , Secs. 4.4, 4.13, and 4.17..... | 136 | HB 276 | 164 |
| HB 112 , Sec. 4.6..... | 134 | HB 278 | 36, 187 |
| HB 112 , Sec. 4.7..... | 131 | HB 279 | 97 |
| HB 112 , Sec. 4.11..... | 129 | HB 289 | 164, 200 |
| HB 112 , Sec. 4.12(a)..... | 140 | HB 293 | 25 |
| HB 112 , Sec. 4.14..... | 135 | HB 293 , Sec. 4.1..... | 24 |
| HB 112 , Sec. 4.18..... | 142 | HB 296 | 4 |
| HB 112 , Sec. 5.7..... | 210 | HB 301 | 178 |
| HB 112 , Sec. 5.8..... | 98 | HB 315 | 102 |
| HB 112 , Sec. 6.1..... | 51 | HB 317 | 64 |
| HB 112 , Sec. 6.2..... | 47 | HB 321 | 103, 170 |
| HB 112 , Sec. 6.5..... | 45 | HB 322 | 173, 228 |
| HB 112 , Sec. 6.7(c)..... | 46 | HB 327 | 166, 195 |
| HB 112 , Sec. 7.1..... | 211 | HB 331 | 187 |
| HB 112 , Sec. 8.1..... | 118 | HB 332 , Part I..... | 188 |
| HB 112 , Sec. 11.1..... | 241 | HB 332 , Part II..... | 23 |

| | | | |
|--|------------------|--|---------------|
| HB 333 | 58 | HB 591 | 64 |
| HB 340 | 152 | HB 597 | 178 |
| HB 343 | 40, 58 | HB 610 | 11 |
| HB 345 , Sec. 1 | 58 | HB 611 | 226 |
| HB 345 , Sec. 2 | 204 | HB 614 | 6, 42 |
| HB 350 | 14, 36 | HB 616 | 24 |
| HB 357 | 195 | HB 623 | 226, 239 |
| HB 358 | 196 | HB 626 | 228 |
| HB 359 | 197 | HB 628 | 203 |
| HB 361 | 35, 56 | HB 629 | 2, 115, 164 |
| HB 362 | 204 | HB 635 | 42, 126 |
| HB 368 | 2, 6 | HB 639 | 102 |
| HB 371 | 179 | HB 641 | 40, 58 |
| HB 383 | 2, 178 | HB 646 | 167 |
| HB 384 | 13, 35 | HB 649 | 127, 153 |
| HB 388 | 34 | HB 650 | 150 |
| HB 390 | 216 | HB 652 | 53 |
| HB 391 | 197 | HB 656 | 40, 229 |
| HB 392 | 143, 243 | HB 662 | 179 |
| HB 396 | 106, 123 | HB 664 | 165, 201, 240 |
| HB 399 | 52, 140 | HB 675 | 141, 181 |
| HB 402 | 67, 82, 175, 205 | HB 683 , Sec. 1 | 17 |
| HB 407 | 35 | HB 683 , Secs. 2 and 3 | 166 |
| HB 410 | 186, 225 | HB 684 | 227 |
| HB 417 | 215 | HB 686 | 202 |
| HB 428 | 229 | HB 687 | 13, 150 |
| HB 433 | 166, 202 | HB 692 | 24 |
| HB 433 , Secs. 1 and 2 | 174 | HB 700 | 216 |
| HB 433 , Sec. 3 | 175 | HB 701 | 217 |
| HB 439 | 114 | HB 706 | 101 |
| HB 449 | 199 | HB 707 | 93, 200 |
| HB 450 | 41 | HB 710 | 239 |
| HB 459 | 124 | HB 727 | 236 |
| HB 462 | 15, 41 | HB 743 | 113, 115, 159 |
| HB 467 | 127 | HB 754 | 83 |
| HB 473 | 114, 150 | HB 762 | 36 |
| HB 474 | 83, 166, 205 | HB 763 | 14, 36 |
| HB 476 | 241 | HB 765 | 37, 65 |
| HB 480 | 106 | HB 767 | 66, 175 |
| HB 484 | 94, 173 | HB 774 | 1, 149 |
| HB 488 | 97, 163 | HB 783 | 58, 152 |
| HB 492 | 126 | HB 784 | 17, 58 |
| HB 505 | 2, 106 | HB 785 | 229 |
| HB 510 | 15 | HB 786 | 10, 170, 243 |
| HB 515 | 20 | HB 786 , Sec. 1 | 54 |
| HB 522 | 18 | HB 786 , Sec. 2 | 157, 216 |
| HB 532 | 226 | HB 788 | 163 |
| HB 543 | 40, 125, 147 | HB 789 | 102 |
| HB 552 | 170 | HB 796 | 180 |
| HB 565 | 182 | HB 802 | 42, 189 |
| HB 581 | 2 | HB 813 | 56 |
| HB 587 | 65 | HB 816 | 5 |
| HB 589 | 28, 61, 169 | HB 817 | 201, 225, 227 |

| | |
|---|--------------|
| HB 821 | 199 |
| HB 828 | 179 |
| HB 829 | 11 |
| HB 830 | 202 |
| HB 832 | 125 |
| HB 834 , Parts I through IX | 157, 213 |
| HB 834 , Part X | 141 |
| HB 834 , Part XI | 141 |
| HB 834 , Part XII | 82, 119, 142 |
| HB 834 , Part XIII | 142, 154 |
| HB 834 , Part XIV | 142 |
| HB 850 | 57 |
| HB 857 | 79, 170, 215 |

| | |
|------------------------------------|---------|
| HB 868 | 66 |
| HB 879 | 37 |
| HB 891 | 39 |
| HB 892 | 201 |
| HB 895 | 204 |
| HB 903 | 82 |
| HB 917 | 205 |
| HB 936 | 9 |
| HB 937 | 52, 60 |
| HB 982 | 125 |
| HB 998 | 68, 115 |
| HB 998 , Sec. 9(c) | 120 |

Senate Bills

| | |
|--|----------------------|
| SB 4 | 121, 149 |
| SB 8 | 227 |
| SB 9 | 239 |
| SB 11 | 199 |
| SB 14 | 63 |
| SB 18 | 181 |
| SB 20 | 33, 121 |
| SB 24 | 1, 101 |
| SB 25 | 2, 173 |
| SB 33 | 177 |
| SB 36 | 200 |
| SB 43 | 160, 222 |
| SB 44 | 159 |
| SB 45 | 33, 121 |
| SB 50 | 19, 173 |
| SB 71 | 182 |
| SB 72 | 19 |
| SB 73 | 157 |
| SB 76 | 95, 119, 139, 213 |
| SB 83 | 122 |
| SB 84 | 185 |
| SB 91 | 34, 56, 82, 157, 177 |
| SB 97 | 114, 163 |
| SB 98 | 122 |
| SB 103 | 119, 168 |
| SB 112 , Secs. 11.2 and 11.4 | 115 |
| SB 117 | 55 |
| SB 122 | 55 |
| SB 123 | 55 |
| SB 124 | 57 |
| SB 129 | 199 |
| SB 132 | 67, 126 |
| SB 137 | 123 |
| SB 140 | 24, 59 |
| SB 148 | 177 |

| | |
|--|------------------|
| SB 151 | 93, 169 |
| SB 156 | 201 |
| SB 159 | 118, 168 |
| SB 168 | 63, 65 |
| SB 174 | 160 |
| SB 175 | 19 |
| SB 182 | 50, 52, 236 |
| SB 189 | 64 |
| SB 200 | 42 |
| SB 205 | 106 |
| SB 207 | 164, 201 |
| SB 208 | 122, 200 |
| SB 210 | 34 |
| SB 211 | 164 |
| SB 222 | 123 |
| SB 223 | 127 |
| SB 228 | 185 |
| SB 231 | 67 |
| SB 234 | 1 |
| SB 239 | 21 |
| SB 240 | 121 |
| SB 248 | 126, 152 |
| SB 252 | 56, 123 |
| SB 264 | 11, 17 |
| SB 279 | 20, 173, 186 |
| SB 280 | 205 |
| SB 285 | 39, 58, 124, 227 |
| SB 305 | 235 |
| SB 305 , Sec. 3.1 | 120 |
| SB 306 | 37, 57, 123, 178 |
| SB 315 | 169 |
| SB 316 | 41, 59 |
| SB 321 , Secs. 1 and 2 | 142, 169 |
| SB 321 , Sec. 3 | 143 |
| SB 321 , Sec. 4 | 52 |

| | | | |
|--|---------------|--|-------------|
| SB 321 , Sec. 5 | 189 | SB 402 , Sec. 7.22 | 220 |
| SB 336 | 124 | SB 402 , Sec. 8.11 | 70 |
| SB 337 | 68 | SB 402 , Sec. 8.14 | 70 |
| SB 337 , Sec. 3 | 69, 117 | SB 402 , Sec. 8.17 | 71 |
| SB 341 , Secs. 1 through 3 | 169 | SB 402 , Sec. 8.19 | 89 |
| SB 341 , Secs. 1, 2, and 3 | 107 | SB 402 , Sec. 8.20 | 71 |
| SB 341 , Secs. 4 and 5 | 163 | SB 402 , Sec. 8.21 | 71 |
| SB 344 | 231 | SB 402 , Sec. 8.22 | 72 |
| SB 353 , Parts I, III, and IV | 139 | SB 402 , Sec. 8.25 | 72 |
| SB 353 , Part II | 154 | SB 402 , Sec. 8.27 | 72 |
| SB 353 , Part V | 235 | SB 402 , Sec. 8.28 | 73 |
| SB 354 | 213 | SB 402 , Sec. 8.29 | 73 |
| SB 358 | 23 | SB 402 , Sec. 8.30 | 74 |
| SB 368 , Secs. 1 and 2 | 170 | SB 402 , Sec. 8.31 | 90 |
| SB 368 , Sec. 3 | 61 | SB 402 , Sec. 8.34 | 74, 90 |
| SB 369 | 13, 34 | SB 402 , Sec. 8.35 | 79 |
| SB 372 | 99 | SB 402 , Sec. 8.36 | 79 |
| SB 372 , Sec. 1 | 167 | SB 402 , Sec. 8.37 | 79, 167 |
| SB 372 , Secs. 2.1 and 2.2 | 230 | SB 402 , Sec. 8.38 | 80, 167 |
| SB 372 , Secs. 3.1 through 3.9 | 222 | SB 402 , Sec. 8.39 | 80, 168 |
| SB 377 | 3, 228 | SB 402 , Sec. 8.40 | 80, 168 |
| SB 378 | 5 | SB 402 , Sec. 8.41 | 80 |
| SB 379 | 8 | SB 402 , Sec. 8.42 | 81 |
| SB 386 , Sec. 1 | 2, 6 | SB 402 , Sec. 8.43 | 81, 168 |
| SB 386 , Sec. 2 | 24 | SB 402 , Sec. 8.44 | 43, 81 |
| SB 387 | 2 | SB 402 , Sec. 8.45 | 43, 81, 168 |
| SB 399 | 27, 41 | SB 402 , Sec. 8.48 | 90 |
| SB 402 , Sec. 6.5 | 206 | SB 402 , Sec. 8.49 | 91 |
| SB 402 , Sec. 6.8 | 206 | SB 402 , Sec. 9.1 | 75, 208 |
| SB 402 , Sec. 6.9 | 117 | SB 402 , Sec. 9.2 | 75 |
| SB 402 , Sec. 6.11 | 206 | SB 402 , Sec. 9.3 | 75 |
| SB 402 , Secs. 6.11(a) through (e) | 69 | SB 402 , Sec. 9.4 | 75 |
| SB 402 , Sec. 6.12 | 206 | SB 402 , Sec. 9.5 | 76 |
| SB 402 , Sec. 6.16 | 117 | SB 402 , Sec. 9.6 | 76 |
| SB 402 , Sec. 6.17 | 117 | SB 402 , Secs. 10.4(b) through 10.4(d) | 83 |
| SB 402 , Sec. 6.18 | 207 | SB 402 , Sec. 10.5 | 84 |
| SB 402 , Sec. 6.18(b) | 115 | SB 402 , Sec. 10.6 | 84 |
| SB 402 , Sec. 7.4 | 217 | SB 402 , Sec. 10.7 | 91 |
| SB 402 , Sec. 7.6 | 70, 217 | SB 402 , Sec. 10.9 | 84 |
| SB 402 , Sec. 7.7 | 217 | SB 402 , Sec. 10.12 | 85 |
| SB 402 , Sec. 7.8 | 218 | SB 402 , Sec. 10.13 | 85 |
| SB 402 , Sec. 7.9 | 218 | SB 402 , Sec. 10.15 | 85, 91 |
| SB 402 , Sec. 7.10 | 117, 219, 231 | SB 402 , Sec. 10.16 | 85 |
| SB 402 , Sec. 7.11 | 219 | SB 402 , Sec. 11.1(g) | 89 |
| SB 402 , Sec. 7.12 | 222 | SB 402 , Sec. 11.3 | 82 |
| SB 402 , Sec. 7.13 | 219 | SB 402 , Sec. 11.6 | 87 |
| SB 402 , Sec. 7.14 | 220 | SB 402 , Sec. 11.7 | 87 |
| SB 402 , Sec. 7.15 | 220 | SB 402 , Sec. 11.8 | 87 |
| SB 402 , Sec. 7.16 | 207 | SB 402 , Sec. 11.10 | 87, 208 |
| SB 402 , Sec. 7.18 | 220 | SB 402 , Sec. 11.15 | 88 |
| SB 402 , Sec. 7.19 | 231 | SB 402 , Sec. 11.16 | 91 |
| SB 402 , Sec. 7.20 | 231 | SB 402 , Sec. 11.17 | 89 |
| SB 402 , Sec. 7.21 | 117, 167, 231 | SB 402 , Sec. 11.18 | 92 |

| | | | |
|---|----------|---|----------|
| SB 402 , Sec. 12A.1 | 127 | SB 402 , Sec. 13.9 | 7 |
| SB 402 , Sec. 12A.2 | 127 | SB 402 , Sec. 13.10..... | 8, 157 |
| SB 402 , Sec. 12A.2A | 128 | SB 402 , Sec. 14.2 | 208 |
| SB 402 , Sec. 12A.2B..... | 128 | SB 402 , Sec. 14.3 | 106, 232 |
| SB 402 , Sec. 12A.3 | 128, 221 | SB 402 , Sec. 14.3A | 108 |
| SB 402 , Sec. 12A.4 | 129 | SB 402 , Sec. 14.3B..... | 98, 232 |
| SB 402 , Sec. 12A.5 | 129, 208 | SB 402 , Sec. 14.4 | 98, 117 |
| SB 402 , Sec. 12A.6 | 129 | SB 402 , Sec. 14.5 | 98 |
| SB 402 , Sec. 12A.7 | 130, 153 | SB 402 , Sec. 14.7 | 97 |
| SB 402 , Sec. 12A.9 | 130 | SB 402 , Sec. 14.8 | 97 |
| SB 402 , Sec. 12A.14..... | 130 | SB 402 , Sec. 14.9 | 97 |
| SB 402 , Sec. 12B.1..... | 130 | SB 402 , Sec. 14.10..... | 97 |
| SB 402 , Sec. 12B.7..... | 131 | SB 402 , Sec. 14.14..... | 107 |
| SB 402 , Sec. 12B.8..... | 77, 147 | SB 402 , Sec. 14.15(a) | 102 |
| SB 402 , Sec. 12C.7 | 148 | SB 402 , Secs. 14.15(b) and (c) | 111 |
| SB 402 , Sec. 12C.8 | 131 | SB 402 , Sec. 14.16..... | 118 |
| SB 402 , Sec. 12C.10..... | 146 | SB 402 , Secs. 14.16(a) through (e) | 102 |
| SB 402 , Sec. 12D.2 | 131 | SB 402 , Sec. 14.17..... | 103, 118 |
| SB 402 , Sec. 12E.1..... | 132 | SB 402 , Sec. 14.18..... | 118 |
| SB 402 , Sec. 12E.2..... | 132 | SB 402 , Secs. 14.18(a) through (c) | 103 |
| SB 402 , Sec. 12E.4..... | 132 | SB 402 , Sec. 14.21..... | 107 |
| SB 402 , Sec. 12E.5..... | 43, 133 | SB 402 , Sec. 14.22..... | 8, 93 |
| SB 402 , Sec. 12E.6..... | 133 | SB 402 , Sec. 14.23..... | 98 |
| SB 402 , Sec. 12E.7..... | 133 | SB 402 , Sec. 14.24..... | 93 |
| SB 402 , Sec. 12E.8..... | 133 | SB 402 , Sec. 14.25..... | 93 |
| SB 402 , Sec. 12F.2..... | 133 | SB 402 , Sec. 15.1A | 208 |
| SB 402 , Sec. 12F.4A..... | 134 | SB 402 , Sec. 15.7A | 208 |
| SB 402 , Sec. 12F.5..... | 134 | SB 402 , Sec. 15.10..... | 209 |
| SB 402 , Secs. 12F.7(a) and (b) | 147 | SB 402 , Sec. 15.10C..... | 223 |
| SB 402 , Sec. 12G.1(a) | 134 | SB 402 , Sec. 15.16A..... | 209 |
| SB 402 , Sec. 12G.1(b) | 148 | SB 402 , Sec. 15.18..... | 209 |
| SB 402 , Sec. 12G.3 | 134 | SB 402 , Sec. 15.19..... | 209 |
| SB 402 , Sec. 12H.1 | 135, 146 | SB 402 , Sec. 15.20..... | 210 |
| SB 402 , Sec. 12H.2 | 135 | SB 402 , Sec. 15.21..... | 210 |
| SB 402 , Sec. 12H.4 | 135 | SB 402 , Sec. 15.22..... | 98, 210 |
| SB 402 , Sec. 12H.6 | 136 | SB 402 , Sec. 15.28..... | 210 |
| SB 402 , Sec. 12H.9 | 136, 208 | SB 402 , Sec. 15.28B..... | 211 |
| SB 402 , Sec. 12H.10 | 136 | SB 402 , Sec. 16A.5 | 43 |
| SB 402 , Sec. 12H.12 | 148, 153 | SB 402 , Sec. 16B.4..... | 43 |
| SB 402 , Sec. 12H.13 | 136 | SB 402 , Sec. 16B.5..... | 44 |
| SB 402 , Sec. 12H.16.(b) | 137 | SB 402 , Sec. 16B.7..... | 44 |
| SB 402 , Sec. 12H.17 | 137 | SB 402 , Sec. 16C.4 | 44, 139 |
| SB 402 , Sec. 12H.18 | 137 | SB 402 , Sec. 16C.5 | 44 |
| SB 402 , Sec. 12H.19 | 137 | SB 402 , Sec. 16C.6 | 44 |
| SB 402 , Sec. 12H.20 | 138 | SB 402 , Sec. 16C.10..... | 45 |
| SB 402 , Sec. 12H.22 | 138 | SB 402 , Sec. 16C.11..... | 45 |
| SB 402 , Sec. 12H.28 | 138 | SB 402 , Sec. 16C.12..... | 45 |
| SB 402 , Sec. 12I.1 | 138 | SB 402 , Sec. 16C.15..... | 45 |
| SB 402 , Sec. 12I.2 | 147 | SB 402 , Sec. 16C.16..... | 46 |
| SB 402 , Sec. 13.1 | 7 | SB 402 , Sec. 16D.1 | 46 |
| SB 402 , Sec. 13.3 | 7, 98 | SB 402 , Sec. 16D.2 | 46 |
| SB 402 , Sec. 13.4 | 208 | SB 402 , Sec. 16D.3 | 46 |
| SB 402 , Sec. 13.8 | 181 | SB 402 , Sec. 16D.4 | 46 |

| | | | |
|---|---------------|--|---------------|
| SB 402 , Sec. 16D.7 | 204 | SB 402 , Sec. 36.5 | 212 |
| SB 402 , Sec. 17.1 | 46 | SB 402 , Sec. 36.8 | 212 |
| SB 402 , Sec. 17.2 | 47 | SB 402 , Sec. 36.10..... | 88 |
| SB 402 , Sec. 17.3 | 47 | SB 402 , Sec. 36.11..... | 51 |
| SB 402 , Sec. 17.6 | 47 | SB 402 , Sec. 36.13..... | 213 |
| SB 402 , Sec. 17.8 | 47 | SB 406 | 27 |
| SB 402 , Sec. 18A.1 | 48 | SB 407 | 230 |
| SB 402 , Sec. 18A.5 | 48 | SB 409 | 15, 52 |
| SB 402 , Sec. 18A.6 | 48 | SB 411 | 165 |
| SB 402 , Sec. 18B.4..... | 48 | SB 420 | 113, 119, 159 |
| SB 402 , Sec. 18B.5..... | 49 | SB 430 | 163, 177 |
| SB 402 , Sec. 18B.6..... | 49 | SB 433 | 225 |
| SB 402 , Sec. 18B.7..... | 53 | SB 439 | 21 |
| SB 402 , Sec. 18B.8..... | 49 | SB 443 | 37 |
| SB 402 , Sec. 18B.11..... | 49 | SB 444 | 86 |
| SB 402 , Sec. 18B.13..... | 50 | SB 452 | 17, 38 |
| SB 402 , Sec. 18B.14..... | 50, 232 | SB 454 | 180 |
| SB 402 , Sec. 18B.15..... | 8 | SB 455 | 6 |
| SB 402 , Sec. 18B.16..... | 50 | SB 456 | 121 |
| SB 402 , Sec. 18B.17..... | 50 | SB 461 | 227 |
| SB 402 , Sec. 18B.18..... | 50 | SB 465 | 59 |
| SB 402 , Sec. 18B.19..... | 51 | SB 468 | 165, 178 |
| SB 402 , Sec. 18B.21..... | 53 | SB 470 | 11 |
| SB 402 , Sec. 18B.22..... | 51 | SB 473 , Sec. 1 | 141 |
| SB 402 , Sec. 19.2 | 205 | SB 473 , Sec. 2 | 142 |
| SB 402 , Sec. 19.3 | 211 | SB 473 , Sec. 3 | 18 |
| SB 402 , Sec. 19.8 | 211 | SB 480 , Sec. 5(b)..... | 12 |
| SB 402 , Sec. 20.1 | 153 | SB 485 | 88, 119 |
| SB 402 , Sec. 20.2 | 118, 153, 160 | SB 486 | 124 |
| SB 402 , Sec. 21 | 181 | SB 488 | 180 |
| SB 402 , Sec. 21.1 | 27, 118 | SB 489 | 22, 173 |
| SB 402 , Sec. 22.6 | 154, 223 | SB 490 | 115 |
| SB 402 , Sec. 27.1 | 211 | SB 494 | 39 |
| SB 402 , Sec. 30.2 | 51, 211 | SB 505 | 7, 167 |
| SB 402 , Sec. 30.4 | 212 | SB 515 | 108 |
| SB 402 , Sec. 30.6 | 223 | SB 520 | 159 |
| SB 402 , Sec. 34.2 | 232 | SB 528 | 38 |
| SB 402 , Sec. 34.4 | 232 | SB 530 | 57 |
| SB 402 , Sec. 34.8 | 232 | SB 539 | 27, 38 |
| SB 402 , Sec. 34.13..... | 233 | SB 542 | 124, 157 |
| SB 402 , Sec. 34.14..... | 233 | SB 545 | 187 |
| SB 402 , Sec. 34.15..... | 234 | SB 547 | 96, 214 |
| SB 402 , Sec. 34.16..... | 234 | SB 553 | 143 |
| SB 402 , Sec. 34.17..... | 234 | SB 558 | 197, 215 |
| SB 402 , Sec. 34.20..... | 77, 234 | SB 568 | 228 |
| SB 402 , Sec. 34.21..... | 234 | SB 571 | 236 |
| SB 402 , Sec. 34.22..... | 234 | SB 583 | 23 |
| SB 402 , Sec. 34.23..... | 237 | SB 584 | 58 |
| SB 402 , Sec. 34.25..... | 235 | SB 603 | 225 |
| SB 402 , Sec. 34.27..... | 235 | SB 613 | 174, 202 |
| SB 402 , Sec. 34.29..... | 118, 235 | SB 626 | 9 |
| SB 402 , Sec. 35.17..... | 154, 212 | SB 630 | 38, 58 |
| SB 402 , Sec. 35.18..... | 212 | SB 634 | 56, 239 |

| | |
|---|---------|
| SB 635 | 240 |
| SB 638 | 17, 152 |
| SB 638 , Part 22..... | 111 |
| SB 638 , Secs. 1 through 21 | 3 |
| SB 638 , Sec. 23 | 95 |

| | |
|------------------------------|---------|
| SB 639 | 3 |
| SB 659 | 60, 230 |
| SB 683 | 51, 60 |
| SB 712 | 228 |
| SB 717 | 230 |

Session Laws

| | |
|---------------------------|----------------------|
| S.L. 2013-1..... | 63 |
| S.L. 2013-2..... | 113, 159, 199 |
| S.L. 2013-2, Sec. 10..... | 120 |
| S.L. 2013-3..... | 1 |
| S.L. 2013-4..... | 121 |
| S.L. 2013-5..... | 121, 149 |
| S.L. 2013-6..... | 55, 173 |
| S.L. 2013-9..... | 177 |
| S.L. 2013-10..... | 114 |
| S.L. 2013-11..... | 63 |
| S.L. 2013-12..... | 64 |
| S.L. 2013-14..... | 19 |
| S.L. 2013-15..... | 19, 173 |
| S.L. 2013-16..... | 185 |
| S.L. 2013-17..... | 185 |
| S.L. 2013-18..... | 33, 121 |
| S.L. 2013-19..... | 114, 163 |
| S.L. 2013-20..... | 159 |
| S.L. 2013-22..... | 199 |
| S.L. 2013-23..... | 33, 121 |
| S.L. 2013-24..... | 177 |
| S.L. 2013-25..... | 1, 101 |
| S.L. 2013-27..... | 13, 173 |
| S.L. 2013-28..... | 55 |
| S.L. 2013-29..... | 19 |
| S.L. 2013-33..... | 55 |
| S.L. 2013-34..... | 185 |
| S.L. 2013-35..... | 13, 55 |
| S.L. 2013-36..... | 177 |
| S.L. 2013-41..... | 34 |
| S.L. 2013-42..... | 13, 34 |
| S.L. 2013-43..... | 121 |
| S.L. 2013-44..... | 121 |
| S.L. 2013-45..... | 122 |
| S.L. 2013-46..... | 149 |
| S.L. 2013-47..... | 55 |
| S.L. 2013-49..... | 122 |
| S.L. 2013-50..... | 97, 163 |
| S.L. 2013-51..... | 94, 173 |
| S.L. 2013-52..... | 13, 56 |
| S.L. 2013-53..... | 34, 56, 82, 157, 177 |
| S.L. 2013-54..... | 239 |
| S.L. 2013-55..... | 101 |
| S.L. 2013-57..... | 64 |

| | |
|--------------------|---------------|
| S.L. 2013-58..... | 163, 177 |
| S.L. 2013-59..... | 163, 173 |
| S.L. 2013-63..... | 1 |
| S.L. 2013-71..... | 64 |
| S.L. 2013-72..... | 82 |
| S.L. 2013-73..... | 199 |
| S.L. 2013-74..... | 102 |
| S.L. 2013-75..... | 1, 149 |
| S.L. 2013-76..... | 11 |
| S.L. 2013-77..... | 13, 150 |
| S.L. 2013-78..... | 199 |
| S.L. 2013-79..... | 186, 225 |
| S.L. 2013-80..... | 64 |
| S.L. 2013-81..... | 186 |
| S.L. 2013-82..... | 106 |
| S.L. 2013-83..... | 11 |
| S.L. 2013-84..... | 199 |
| S.L. 2013-85..... | 122, 200 |
| S.L. 2013-87..... | 225 |
| S.L. 2013-88..... | 56, 239 |
| S.L. 2013-89..... | 34 |
| S.L. 2013-90..... | 56, 123 |
| S.L. 2013-91..... | 20, 173, 186 |
| S.L. 2013-92..... | 225 |
| S.L. 2013-93..... | 13, 35 |
| S.L. 2013-94..... | 225 |
| S.L. 2013-95..... | 56 |
| S.L. 2013-96..... | 200 |
| S.L. 2013-97..... | 86 |
| S.L. 2013-98..... | 178 |
| S.L. 2013-99..... | 2 |
| S.L. 2013-100..... | 2 |
| S.L. 2013-101..... | 35, 56 |
| S.L. 2013-102..... | 2, 178 |
| S.L. 2013-103..... | 13, 35 |
| S.L. 2013-104..... | 35 |
| S.L. 2013-105..... | 226 |
| S.L. 2013-106..... | 239 |
| S.L. 2013-107..... | 163 |
| S.L. 2013-108..... | 102 |
| S.L. 2013-109..... | 56 |
| S.L. 2013-116..... | 114, 150 |
| S.L. 2013-117..... | 187 |
| S.L. 2013-118..... | 150, 164, 239 |

| | | | |
|--------------------|------------------|-----------------------------------|------------------|
| S.L. 2013-119..... | 64 | S.L. 2013-183..... | 201, 227 |
| S.L. 2013-120..... | 2, 226 | S.L. 2013-185..... | 165, 201, 240 |
| S.L. 2013-121..... | 97 | S.L. 2013-187..... | 240 |
| S.L. 2013-122..... | 106, 123 | S.L. 2013-188..... | 216 |
| S.L. 2013-123..... | 14, 35 | S.L. 2013-189..... | 202 |
| S.L. 2013-124..... | 35, 57 | S.L. 2013-190..... | 227 |
| S.L. 2013-125..... | 200, 226 | S.L. 2013-191..... | 2, 173 |
| S.L. 2013-126..... | 164 | S.L. 2013-192..... | 124 |
| S.L. 2013-127..... | 36, 187 | S.L. 2013-193..... | 23 |
| S.L. 2013-128..... | 164, 200 | S.L. 2013-194..... | 39, 58, 124, 227 |
| S.L. 2013-129..... | 14, 36 | S.L. 2013-195..... | 227 |
| S.L. 2013-130..... | 114 | S.L. 2013-196..... | 39 |
| S.L. 2013-131..... | 2, 106 | S.L. 2013-197..... | 3 |
| S.L. 2013-132..... | 20 | S.L. 2013-198..... | 14 |
| S.L. 2013-133..... | 226 | S.L. 2013-199..... | 151 |
| S.L. 2013-134..... | 226, 239 | S.L. 2013-200..... | 115, 165 |
| S.L. 2013-135..... | 2, 102, 115, 164 | S.L. 2013-201..... | 173, 228 |
| S.L. 2013-136..... | 150 | S.L. 2013-202..... | 187 |
| S.L. 2013-137..... | 227 | S.L. 2013-203..... | 39 |
| S.L. 2013-138..... | 93, 200 | S.L. 2013-204, Part I..... | 188 |
| S.L. 2013-139..... | 36 | S.L. 2013-204, Part II..... | 23 |
| S.L. 2013-140..... | 14, 36 | S.L. 2013-205..... | 58 |
| S.L. 2013-141..... | 37, 65 | S.L. 2013-206..... | 166, 202 |
| S.L. 2013-142..... | 239 | S.L. 2013-206, Secs. 1 and 2..... | 174 |
| S.L. 2013-143..... | 200 | S.L. 2013-206, Sec. 3..... | 175 |
| S.L. 2013-144..... | 57 | S.L. 2013-207..... | 124 |
| S.L. 2013-145..... | 123 | S.L. 2013-208..... | 65 |
| S.L. 2013-146..... | 201 | S.L. 2013-209..... | 178 |
| S.L. 2013-147..... | 57 | S.L. 2013-210..... | 40, 58 |
| S.L. 2013-148..... | 37 | S.L. 2013-211..... | 202 |
| S.L. 2013-149..... | 201 | S.L. 2013-224..... | 115, 159 |
| S.L. 2013-150..... | 164, 201 | S.L. 2013-225..... | 40, 58 |
| S.L. 2013-151..... | 164 | S.L. 2013-226..... | 65 |
| S.L. 2013-152..... | 123 | S.L. 2013-227..... | 174, 202 |
| S.L. 2013-153..... | 21 | S.L. 2013-228..... | 106 |
| S.L. 2013-154..... | 37, 57, 123, 178 | S.L. 2013-229..... | 11, 17 |
| S.L. 2013-155..... | 2 | S.L. 2013-230..... | 3, 228 |
| S.L. 2013-156..... | 165 | S.L. 2013-231..... | 228 |
| S.L. 2013-157..... | 21 | S.L. 2013-232..... | 240 |
| S.L. 2013-158..... | 37 | S.L. 2013-233..... | 228 |
| S.L. 2013-159..... | 17, 38 | S.L. 2013-234..... | 202 |
| S.L. 2013-160..... | 165, 178 | S.L. 2013-235..... | 66 |
| S.L. 2013-161..... | 124 | S.L. 2013-236..... | 14, 40 |
| S.L. 2013-162..... | 22, 173 | S.L. 2013-237..... | 15, 40 |
| S.L. 2013-163..... | 159 | S.L. 2013-238..... | 203 |
| S.L. 2013-164..... | 38 | S.L. 2013-239..... | 189 |
| S.L. 2013-165..... | 57 | S.L. 2013-240..... | 66 |
| S.L. 2013-166..... | 27, 38 | S.L. 2013-241..... | 228 |
| S.L. 2013-167..... | 124, 157 | S.L. 2013-242..... | 203 |
| S.L. 2013-168..... | 187 | S.L. 2013-243..... | 40, 229 |
| S.L. 2013-169..... | 23 | S.L. 2013-244..... | 17, 58 |
| S.L. 2013-170..... | 58 | S.L. 2013-245..... | 229 |
| S.L. 2013-171..... | 38, 58 | S.L. 2013-246..... | 125 |

| | | | |
|-----------------------------------|------------------|--|----------|
| S.L. 2013-247 | 66 | S.L. 2013-316 | 68, 115 |
| S.L. 2013-258 | 40, 125, 147 | S.L. 2013-316, Sec. 9(c) | 120 |
| S.L. 2013-259 | 115 | S.L. 2013-321 | 127 |
| S.L. 2013-265 | 17, 152 | S.L. 2013-322 | 86 |
| S.L. 2013-265, Part 22 | 111 | S.L. 2013-323 | 59, 230 |
| S.L. 2013-265, Secs. 1 through 21 | 3 | S.L. 2013-324 | 153, 206 |
| S.L. 2013-265, Sec. 23 | 95 | S.L. 2013-325 | 86 |
| S.L. 2013-266 | 166, 229 | S.L. 2013-326 | 15 |
| S.L. 2013-267 | 203 | S.L. 2013-327 | 24 |
| S.L. 2013-268 | 66, 175 | S.L. 2013-329 | 216 |
| S.L. 2013-273 | 204 | S.L. 2013-330 | 157 |
| S.L. 2013-274 | 125 | S.L. 2013-331 | 167 |
| S.L. 2013-275 | 58, 152 | S.L. 2013-332 | 179 |
| S.L. 2013-276 | 40 | S.L. 2013-333 | 217 |
| S.L. 2013-277 | 41 | S.L. 2013-334 | 42, 189 |
| S.L. 2013-278 | 160 | S.L. 2013-335 | 180 |
| S.L. 2013-280 | 178 | S.L. 2013-336 | 160, 222 |
| S.L. 2013-281 | 204 | S.L. 2013-337 | 24, 59 |
| S.L. 2013-282 | 204 | S.L. 2013-338 | 42 |
| S.L. 2013-283 | 4 | S.L. 2013-339 | 127 |
| S.L. 2013-284 | 166, 195 | S.L. 2013-340 | 99 |
| S.L. 2013-285 | 152 | S.L. 2013-340, Sec. 1 | 167 |
| S.L. 2013-286, Sec. 1 | 58 | S.L. 2013-340, Secs. 2.1 and 2.2 | 230 |
| S.L. 2013-286, Sec. 2 | 204 | S.L. 2013-340, Secs. 3.1 through 3.9 | 222 |
| S.L. 2013-287 | 195 | S.L. 2013-341 | 230 |
| S.L. 2013-288 | 196 | S.L. 2013-342, Sec. 1 | 6 |
| S.L. 2013-289 | 204 | S.L. 2013-342, Sec. 2 | 24 |
| S.L. 2013-290 | 179 | S.L. 2013-343 | 27 |
| S.L. 2013-291 | 197 | S.L. 2013-344 | 180 |
| S.L. 2013-292 | 67, 82, 175, 205 | S.L. 2013-345 | 6 |
| S.L. 2013-293 | 229 | S.L. 2013-346 | 180 |
| S.L. 2013-294 | 160 | S.L. 2013-347 | 7, 167 |
| S.L. 2013-295 | 67 | S.L. 2013-348 | 60, 230 |
| S.L. 2013-296 | 126, 152 | S.L. 2013-349 | 231 |
| S.L. 2013-297 | 205 | S.L. 2013-355 | 68 |
| S.L. 2013-298 | 41, 59 | S.L. 2013-355, Sec. 3 | 69, 117 |
| S.L. 2013-299 | 5 | S.L. 2013-356 | 181 |
| S.L. 2013-300 | 27, 41 | S.L. 2013-357 | 127, 153 |
| S.L. 2013-301 | 59 | S.L. 2013-359 | 69 |
| S.L. 2013-302 | 230 | S.L. 2013-360, Sec. 6.5 | 206 |
| S.L. 2013-303 | 41 | S.L. 2013-360, Sec. 6.8 | 206 |
| S.L. 2013-304 | 15, 41 | S.L. 2013-360, Sec. 6.9 | 117 |
| S.L. 2013-305 | 83, 166, 205 | S.L. 2013-360, Sec. 6.11 | 206 |
| S.L. 2013-306 | 126 | S.L. 2013-360, Secs. 6.11(a) through (e) | 69 |
| S.L. 2013-307 | 67, 126 | S.L. 2013-360, Sec. 6.12 | 206 |
| S.L. 2013-308 | 42, 126 | S.L. 2013-360, Sec. 6.16 | 117 |
| S.L. 2013-309, Sec. 1 | 17 | S.L. 2013-360, Sec. 6.17 | 117 |
| S.L. 2013-309, Secs. 2 and 3 | 166 | S.L. 2013-360, Sec. 6.18 | 207 |
| S.L. 2013-310 | 83 | S.L. 2013-360, Sec. 7.4 | 217 |
| S.L. 2013-311 | 5 | S.L. 2013-360, Sec. 7.6 | 70, 217 |
| S.L. 2013-312 | 179 | S.L. 2013-360, Sec. 7.7 | 217 |
| S.L. 2013-313 | 205 | S.L. 2013-360, Sec. 7.8 | 218 |
| S.L. 2013-314 | 6, 42 | S.L. 2013-360, Sec. 7.9 | 218 |

| | | | |
|--------------------------------------|---------------|---|----------|
| S.L. 2013-360, Sec. 7.10 | 117, 219, 231 | S.L. 2013-360, Sec. 10.15 | 85, 91 |
| S.L. 2013-360, Sec. 7.11 | 219 | S.L. 2013-360, Sec. 10.16 | 85 |
| S.L. 2013-360, Sec. 7.12 | 222 | S.L. 2013-360, Sec. 11.1(g) | 89 |
| S.L. 2013-360, Sec. 7.13 | 219 | S.L. 2013-360, Sec. 11.3 | 82 |
| S.L. 2013-360, Sec. 7.14 | 220 | S.L. 2013-360, Sec. 11.6 | 87 |
| S.L. 2013-360, Sec. 7.15 | 220 | S.L. 2013-360, Sec. 11.7 | 87 |
| S.L. 2013-360, Sec. 7.16 | 207 | S.L. 2013-360, Sec. 11.8 | 87 |
| S.L. 2013-360, Sec. 7.18 | 220 | S.L. 2013-360, Sec. 11.10 | 87, 208 |
| S.L. 2013-360, Sec. 7.19 | 231 | S.L. 2013-360, Sec. 11.15 | 88 |
| S.L. 2013-360, Sec. 7.20 | 231 | S.L. 2013-360, Sec. 11.16 | 91 |
| S.L. 2013-360, Sec. 7.21 | 117, 167, 231 | S.L. 2013-360, Sec. 11.17 | 89 |
| S.L. 2013-360, Sec. 7.22 | 220 | S.L. 2013-360, Sec. 11.18 | 92 |
| S.L. 2013-360, Sec. 8.11 | 70 | S.L. 2013-360, Sec. 12A.1 | 127 |
| S.L. 2013-360, Sec. 8.14 | 70 | S.L. 2013-360, Sec. 12A.2 | 127 |
| S.L. 2013-360, Sec. 8.17 | 71 | S.L. 2013-360, Sec. 12A.2A | 128 |
| S.L. 2013-360, Sec. 8.19 | 89 | S.L. 2013-360, Sec. 12A.2B | 128 |
| S.L. 2013-360, Sec. 8.20 | 71 | S.L. 2013-360, Sec. 12A.3 | 128, 221 |
| S.L. 2013-360, Sec. 8.21 | 71 | S.L. 2013-360, Sec. 12A.4 | 129 |
| S.L. 2013-360, Sec. 8.22 | 72 | S.L. 2013-360, Sec. 12A.5 | 129, 208 |
| S.L. 2013-360, Sec. 8.25 | 72 | S.L. 2013-360, Sec. 12A.6 | 129 |
| S.L. 2013-360, Sec. 8.27 | 72 | S.L. 2013-360, Sec. 12A.7 | 130, 153 |
| S.L. 2013-360, Sec. 8.28 | 73 | S.L. 2013-360, Sec. 12A.9 | 130 |
| S.L. 2013-360, Sec. 8.29 | 73 | S.L. 2013-360, Sec. 12A.14 | 130 |
| S.L. 2013-360, Sec. 8.30 | 74 | S.L. 2013-360, Sec. 12B.1 | 130 |
| S.L. 2013-360, Sec. 8.31 | 90 | S.L. 2013-360, Sec. 12B.7 | 131 |
| S.L. 2013-360, Sec. 8.34 | 74, 90 | S.L. 2013-360, Sec. 12B.8 | 77, 147 |
| S.L. 2013-360, Sec. 8.35 | 79 | S.L. 2013-360, Sec. 12C.7 | 148 |
| S.L. 2013-360, Sec. 8.36 | 79 | S.L. 2013-360, Sec. 12C.8 | 131 |
| S.L. 2013-360, Sec. 8.37 | 79, 167 | S.L. 2013-360, Sec. 12C.10 | 146 |
| S.L. 2013-360, Sec. 8.38 | 80, 167 | S.L. 2013-360, Sec. 12D.2 | 131 |
| S.L. 2013-360, Sec. 8.39 | 80, 168 | S.L. 2013-360, Sec. 12E.1 | 132 |
| S.L. 2013-360, Sec. 8.40 | 80, 168 | S.L. 2013-360, Sec. 12E.2 | 132 |
| S.L. 2013-360, Sec. 8.41 | 80 | S.L. 2013-360, Sec. 12E.4 | 132 |
| S.L. 2013-360, Sec. 8.42 | 81 | S.L. 2013-360, Sec. 12E.5 | 43, 133 |
| S.L. 2013-360, Sec. 8.43 | 81, 168 | S.L. 2013-360, Sec. 12E.6 | 133 |
| S.L. 2013-360, Sec. 8.44 | 43, 81 | S.L. 2013-360, Sec. 12E.7 | 133 |
| S.L. 2013-360, Sec. 8.45 | 43, 81, 168 | S.L. 2013-360, Sec. 12E.8 | 133 |
| S.L. 2013-360, Sec. 8.48 | 90 | S.L. 2013-360, Sec. 12F.2 | 133 |
| S.L. 2013-360, Sec. 8.49 | 91 | S.L. 2013-360, Sec. 12F.4A | 134 |
| S.L. 2013-360, Sec. 9.1 | 75, 208 | S.L. 2013-360, Sec. 12F.5 | 134 |
| S.L. 2013-360, Sec. 9.2 | 75 | S.L. 2013-360, Secs. 12F.7(a) and (b) | 147 |
| S.L. 2013-360, Sec. 9.3 | 75 | S.L. 2013-360, Sec. 12G.1(a) | 134 |
| S.L. 2013-360, Sec. 9.4 | 75 | S.L. 2013-360, Sec. 12G.1(b) | 148 |
| S.L. 2013-360, Sec. 9.5 | 76 | S.L. 2013-360, Sec. 12G.3 | 134 |
| S.L. 2013-360, Sec. 9.6 | 76 | S.L. 2013-360, Sec. 12H.1 | 135, 146 |
| S.L. 2013-360, Secs. 10.4(b) through | | S.L. 2013-360, Sec. 12H.2 | 135 |
| 10.4(d) | 83 | S.L. 2013-360, Sec. 12H.4 | 135 |
| S.L. 2013-360, Sec. 10.5 | 84 | S.L. 2013-360, Sec. 12H.6 | 136 |
| S.L. 2013-360, Sec. 10.6 | 84 | S.L. 2013-360, Sec. 12H.9 | 136, 208 |
| S.L. 2013-360, Sec. 10.7 | 91 | S.L. 2013-360, Sec. 12H.10 | 136 |
| S.L. 2013-360, Sec. 10.9 | 84 | S.L. 2013-360, Sec. 12H.12 | 148, 153 |
| S.L. 2013-360, Sec. 10.12 | 85 | S.L. 2013-360, Sec. 12H.13 | 136 |
| S.L. 2013-360, Sec. 10.13 | 85 | S.L. 2013-360, Sec. 12H.16.(b) | 137 |

| | | | |
|--|----------|----------------------------------|---------------|
| S.L. 2013-360, Sec. 12H.17 | 137 | S.L. 2013-360, Sec. 16B.5 | 44 |
| S.L. 2013-360, Sec. 12H.18 | 137 | S.L. 2013-360, Sec. 16B.7 | 44 |
| S.L. 2013-360, Sec. 12H.19 | 137 | S.L. 2013-360, Sec. 16C.4 | 44, 139 |
| S.L. 2013-360, Sec. 12H.20 | 138 | S.L. 2013-360, Sec. 16C.5 | 44 |
| S.L. 2013-360, Sec. 12H.22 | 138 | S.L. 2013-360, Sec. 16C.6 | 44 |
| S.L. 2013-360, Sec. 12H.28 | 138 | S.L. 2013-360, Sec. 16C.10 | 45 |
| S.L. 2013-360, Sec. 12I.1 | 138 | S.L. 2013-360, Sec. 16C.11 | 45 |
| S.L. 2013-360, Sec. 12I.2 | 147 | S.L. 2013-360, Sec. 16C.12 | 45 |
| S.L. 2013-360, Sec. 13.1 | 7 | S.L. 2013-360, Sec. 16C.15 | 45 |
| S.L. 2013-360, Sec. 13.3 | 7, 98 | S.L. 2013-360, Sec. 16C.16 | 46 |
| S.L. 2013-360, Sec. 13.4 | 208 | S.L. 2013-360, Sec. 16D.1 | 46 |
| S.L. 2013-360, Sec. 13.8 | 181 | S.L. 2013-360, Sec. 16D.2 | 46 |
| S.L. 2013-360, Sec. 13.9 | 7 | S.L. 2013-360, Sec. 16D.3 | 46 |
| S.L. 2013-360, Sec. 13.10 | 8, 157 | S.L. 2013-360, Sec. 16D.4 | 46 |
| S.L. 2013-360, Sec. 14.2 | 208 | S.L. 2013-360, Sec. 17.1 | 46 |
| S.L. 2013-360, Sec. 14.3 | 106, 232 | S.L. 2013-360, Sec. 17.2 | 47 |
| S.L. 2013-360, Sec. 14.3A | 108 | S.L. 2013-360, Sec. 17.3 | 47 |
| S.L. 2013-360, Sec. 14.3B | 98, 232 | S.L. 2013-360, Sec. 17.6 | 47 |
| S.L. 2013-360, Sec. 14.4 | 98, 117 | S.L. 2013-360, Sec. 17.8 | 47 |
| S.L. 2013-360, Sec. 14.5 | 98 | S.L. 2013-360, Sec. 18A.1 | 48 |
| S.L. 2013-360, Sec. 14.7 | 97 | S.L. 2013-360, Sec. 18A.5 | 48 |
| S.L. 2013-360, Sec. 14.8 | 97 | S.L. 2013-360, Sec. 18A.6 | 48 |
| S.L. 2013-360, Sec. 14.9 | 97 | S.L. 2013-360, Sec. 18B.4 | 48 |
| S.L. 2013-360, Sec. 14.10 | 97 | S.L. 2013-360, Sec. 18B.5 | 49 |
| S.L. 2013-360, Sec. 14.14 | 107 | S.L. 2013-360, Sec. 18B.6 | 49 |
| S.L. 2013-360, Sec. 14.15(a) | 102 | S.L. 2013-360, Sec. 18B.7 | 53 |
| S.L. 2013-360, Secs. 14.15(b) and (c) | 111 | S.L. 2013-360, Sec. 18B.8 | 49 |
| S.L. 2013-360, Sec. 14.16 | 118 | S.L. 2013-360, Sec. 18B.11 | 49 |
| S.L. 2013-360, Secs. 14.16(a) through (e) | 102 | S.L. 2013-360, Sec. 18B.13 | 50 |
| S.L. 2013-360, Sec. 14.17 | 103, 118 | S.L. 2013-360, Sec. 18B.14 | 50, 232 |
| S.L. 2013-360, Sec. 14.18 | 118 | S.L. 2013-360, Sec. 18B.15 | 8 |
| S.L. 2013-360, Secs. 14.18(a) through (c) | 103 | S.L. 2013-360, Sec. 18B.16 | 50 |
| S.L. 2013-360, Sec. 14.21 | 107 | S.L. 2013-360, Sec. 18B.17 | 50 |
| S.L. 2013-360, Sec. 14.22 | 8, 93 | S.L. 2013-360, Sec. 18B.18 | 50 |
| S.L. 2013-360, Sec. 14.23 | 98 | S.L. 2013-360, Sec. 18B.19 | 51 |
| S.L. 2013-360, Sec. 14.24 | 93 | S.L. 2013-360, Sec. 18B.21 | 53 |
| S.L. 2013-360, Sec. 14.25 | 93 | S.L. 2013-360, Sec. 18B.22 | 51 |
| S.L. 2013-360, Sec. 15.1A | 208 | S.L. 2013-360, Sec. 19.3 | 211 |
| S.L. 2013-360, Sec. 15.7A | 208 | S.L. 2013-360, Sec. 19.8 | 211 |
| S.L. 2013-360, Sec. 15.10 | 209 | S.L. 2013-360, Sec. 20.1 | 153 |
| S.L. 2013-360, Sec. 15.10C | 223 | S.L. 2013-360, Sec. 20.2 | 118, 153, 160 |
| S.L. 2013-360, Sec. 15.16A | 209 | S.L. 2013-360, Sec. 21 | 181 |
| S.L. 2013-360, Sec. 15.18 | 209 | S.L. 2013-360, Sec. 21.1 | 27, 118 |
| S.L. 2013-360, Sec. 15.19 | 209 | S.L. 2013-360, Sec. 22.6 | 154, 223 |
| S.L. 2013-360, Sec. 15.20 | 210 | S.L. 2013-360, Sec. 27.1 | 211 |
| S.L. 2013-360, Sec. 15.21 | 210 | S.L. 2013-360, Sec. 30.2 | 51, 211 |
| S.L. 2013-360, Sec. 15.22 | 98, 210 | S.L. 2013-360, Sec. 30.4 | 212 |
| S.L. 2013-360, Sec. 15.28 | 210 | S.L. 2013-360, Sec. 30.6 | 223 |
| S.L. 2013-360, Sec. 15.28B | 211 | S.L. 2013-360, Sec. 34.2 | 232 |
| S.L. 2013-360, Sec. 16A.5 | 43 | S.L. 2013-360, Sec. 34.4 | 232 |
| S.L. 2013-360, Sec. 16B.4 | 43 | S.L. 2013-360, Sec. 34.8 | 232 |
| | | S.L. 2013-360, Sec. 34.13 | 233 |
| | | S.L. 2013-360, Sec. 34.14 | 233 |

| | | | |
|---|-------------------|--|--------------|
| S.L. 2013-360, Sec. 34.15 | 234 | S.L. 2013-386 | 169 |
| S.L. 2013-360, Sec. 34.16 | 234 | S.L. 2013-387, Secs. 1 and 2 | 142, 169 |
| S.L. 2013-360, Sec. 34.17 | 234 | S.L. 2013-387, Sec. 3 | 143 |
| S.L. 2013-360, Sec. 34.20 | 77, 234 | S.L. 2013-387, Sec. 4 | 52 |
| S.L. 2013-360, Sec. 34.21 | 234 | S.L. 2013-387, Sec. 5 | 189 |
| S.L. 2013-360, Sec. 34.22 | 234 | S.L. 2013-388, Secs. 1 through 3 | 169 |
| S.L. 2013-360, Sec. 34.23 | 237 | S.L. 2013-388, Secs. 1, 2, and 3 | 107 |
| S.L. 2013-360, Sec. 34.25 | 235 | S.L. 2013-389, Secs. 1 and 2 | 170 |
| S.L. 2013-360, Sec. 34.27 | 235 | S.L. 2013-389, Sec. 3 | 61 |
| S.L. 2013-360, Sec. 34.29 | 118, 235 | S.L. 2013-390 | 15, 52 |
| S.L. 2013-360, Sec. 35.17 | 154, 212 | S.L. 2013-391 | 119, 159 |
| S.L. 2013-360, Sec. 35.18 | 212 | S.L. 2013-392 | 11 |
| S.L. 2013-360, Sec. 36.5 | 212 | S.L. 2013-393, Sec. 3 | 18 |
| S.L. 2013-360, Sec. 36.8 | 212 | S.L. 2013-394, Sec. 5(b) | 12 |
| S.L. 2013-360, Sec. 36.10 | 88 | S.L. 2013-395 | 108 |
| S.L. 2013-360, Sec. 36.11 | 51 | S.L. 2013-396 | 96, 214 |
| S.L. 2013-360, Sec. 36.13 | 213 | S.L. 2013-397 | 143 |
| S.L. 2013-362 | 118, 168 | S.L. 2013-398 | 197, 215 |
| S.L. 2013-363, Sec. 3.3 | 77 | S.L. 2013-399 | 24 |
| S.L. 2013-363, Sec. 3.5 | 77 | S.L. 2013-400 | 236 |
| S.L. 2013-363, Sec. 3.9 | 77 | S.L. 2013-401 | 79, 170, 215 |
| S.L. 2013-363, Sec. 5.8 | 98 | S.L. 2013-402 | 170 |
| S.L. 2013-363, Sec. 11.1 | 241 | S.L. 2013-403 | 182 |
| S.L. 2013-363, Sec. 11.3 | 119 | S.L. 2013-404 | 53 |
| S.L. 2013-364 | 78, 119 | S.L. 2013-405 | 197 |
| S.L. 2013-365 | 95, 119, 139, 213 | S.L. 2013-406 | 215 |
| S.L. 2013-366, Parts I, III, and IV | 139 | S.L. 2013-407 | 241 |
| S.L. 2013-366, Part II | 154 | S.L. 2013-408 | 103 |
| S.L. 2013-366, Part V | 235 | S.L. 2013-409 | 103, 170 |
| S.L. 2013-367 | 8 | S.L. 2013-410, Sec. 27.8 | 61 |
| S.L. 2013-368 | 51, 60 | S.L. 2013-410, Sec. 27.9 | 12, 88 |
| S.L. 2013-369 | 52, 60 | S.L. 2013-410, Sec. 28.5 | 143, 154 |
| S.L. 2013-370 | 181 | S.L. 2013-410, Sec. 29 | 241 |
| S.L. 2013-371 | 119, 168 | S.L. 2013-410, Sec. 30.5 | 25 |
| S.L. 2013-372 | 235 | S.L. 2013-410, Sec. 31 | 182 |
| S.L. 2013-372, Sec. 3.1 | 120 | S.L. 2013-410, Sec. 32 | 182 |
| S.L. 2013-373 | 213 | S.L. 2013-410, Sec. 32.5 | 183 |
| S.L. 2013-375 | 88, 119 | S.L. 2013-410, Sec. 33 | 160 |
| S.L. 2013-376 | 236 | S.L. 2013-410, Sec. 36 | 85 |
| S.L. 2013-377 | 9 | S.L. 2013-410, Sec. 36.5 | 89 |
| S.L. 2013-378 | 52, 140 | S.L. 2013-410, Sec. 36.7 | 216 |
| S.L. 2013-379 | 141, 181 | S.L. 2013-410, Sec. 47.5 | 236 |
| S.L. 2013-380 | 9 | S.L. 2013-410, Sec. 47.7 | 183 |
| S.L. 2013-381 | 28, 61, 169 | S.L. 2013-411 | 15, 53 |
| S.L. 2013-382, Parts I through IX .. | 157, 213 | S.L. 2013-412 | 25 |
| S.L. 2013-382, Part X | 141 | S.L. 2013-413, Part I | 221 |
| S.L. 2013-382, Part XI | 141 | S.L. 2013-413, Part VI | 105 |
| S.L. 2013-382, Part XII | 82, 119, 142 | S.L. 2013-413, Sec. 5 | 158, 170 |
| S.L. 2013-382, Part XIII | 142, 154 | S.L. 2013-413, Secs. 6(a) and 6(b) | 171 |
| S.L. 2013-382, Part XIV | 142 | S.L. 2013-413, Secs. 6(c) through 6(e) | 83 |
| S.L. 2013-383 | 182 | S.L. 2013-413, Sec. 7 | 144 |
| S.L. 2013-384 | 93, 169 | S.L. 2013-413, Sec. 8 | 237 |
| S.L. 2013-385 | 52, 236 | S.L. 2013-413, Sec. 9 | 145 |

| | | | |
|--------------------------------|----------|--------------------------------|----------------------|
| S.L. 2013-413, Sec. 10 | 183, 223 | S.L. 2013-413, Sec. 39 | 10, 221 |
| S.L. 2013-413, Sec. 10.1 | 171 | S.L. 2013-413, Sec. 40 | 83, 101, 221 |
| S.L. 2013-413, Sec. 10.2 | 99, 171 | S.L. 2013-413, Sec. 41 | 155 |
| S.L. 2013-413, Sec. 11 | 145 | S.L. 2013-413, Sec. 42 | 101 |
| S.L. 2013-413, Sec. 11.1 | 155, 183 | S.L. 2013-413, Sec. 43 | 222 |
| S.L. 2013-413, Sec. 12.1 | 171, 237 | S.L. 2013-413, Sec. 44 | 104, 172 |
| S.L. 2013-413, Sec. 13 | 155, 158 | S.L. 2013-413, Sec. 45 | 10, 237 |
| S.L. 2013-413, Sec. 14 | 158, 175 | S.L. 2013-413, Sec. 46 | 109 |
| S.L. 2013-413, Sec. 15 | 9, 158 | S.L. 2013-413, Sec. 48 | 104 |
| S.L. 2013-413, Sec. 17 | 158 | S.L. 2013-413, Sec. 49 | 104 |
| S.L. 2013-413, Sec. 18 | 103 | S.L. 2013-413, Sec. 50 | 104, 172 |
| S.L. 2013-413, Sec. 19 | 145, 155 | S.L. 2013-413, Sec. 51 | 109 |
| S.L. 2013-413, Sec. 20 | 10, 99 | S.L. 2013-413, Sec. 52 | 10, 110 |
| S.L. 2013-413, Sec. 21 | 10, 99 | S.L. 2013-413, Sec. 53 | 110 |
| S.L. 2013-413, Sec. 22 | 108 | S.L. 2013-413, Sec. 54 | 101 |
| S.L. 2013-413, Sec. 23 | 145 | S.L. 2013-413, Sec. 55 | 101 |
| S.L. 2013-413, Sec. 24 | 111 | S.L. 2013-413, Sec. 56 | 110 |
| S.L. 2013-413, Sec. 25 | 99 | S.L. 2013-413, Sec. 57 | 110, 222 |
| S.L. 2013-413, Sec. 26 | 111 | S.L. 2013-413, Sec. 58 ... | 111, 146, 172, 238 |
| S.L. 2013-413, Sec. 27 | 99 | S.L. 2013-413, Sec. 59.1 | 10 |
| S.L. 2013-413, Sec. 28 | 100 | S.L. 2013-413, Sec. 59.4 | 172 |
| S.L. 2013-413, Sec. 29 | 100 | S.L. 2013-413, Sec. 60 | 159 |
| S.L. 2013-413, Sec. 30 | 94 | S.L. 2013-414 | 119, 236 |
| S.L. 2013-413, Sec. 33 | 100, 171 | S.L. 2013-415 | 10, 53, 98, 216, 236 |
| S.L. 2013-413, Sec. 34 | 108, 145 | S.L. 2013-416 | 18 |
| S.L. 2013-413, Sec. 35 | 109, 145 | S.L. 2013-417 | 143, 243 |
| S.L. 2013-413, Sec. 36 | 104 | S.L. 2013-418 | 10, 170, 243 |
| S.L. 2013-413, Sec. 37 | 100 | S.L. 2013-418, Sec. 1 | 54 |
| S.L. 2013-413, Sec. 38 | 61, 100 | S.L. 2013-418, Sec. 2 | 157, 216 |