

2001

**HOUSE
STATE GOVERNMENT**

MINUTES

NORTH CAROLINA HOUSE OF REPRESENTATIVES

STATE GOVERNMENT COMMITTEE

2001 SESSION

NORTH CAROLINA GENERAL ASSEMBLY

CHAIR

Representative Mary L. Jarrell

VICE-CHAIR

Representative Paul Luebke

STAFF ATTORNEY

Barbara Riley

COMMITTEE ASSISTANT

Edna Lee Collar

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE STATE GOVERNMENT COMMITTEE
2001 – 2002 SESSION



Rep. Jarrell
Chair



Rep. Adams



Rep. Baker



Rep. Bonner



Rep. Brubaker



Rep. Cansler



Rep. Church



Rep. Coates



Rep. Cox



Rep. Creech



Rep. Gibson



Rep. Hensley



Rep. Holmes



Rep. Luebke



Rep. McComas



Rep. Owens



Rep. Preston



Rep. Teague



Rep. West

HOUSE COMMITTEE ON STATE GOVERNMENT
2000-2001 Session

MEMBER	ASSISTANT	PHONE	OFFICE	SEAT
JARRELL, Mary, Chair	Edna Lee Collar Committee Assistant	733-5749	2219	22
Alma Adams	Rhonda Towns	733-5902	542	67
Rex Baker	Ann Misenheimer	733-5787	608	73
Donald Bonner	Lucy Johnson	733-5803	1313	83
Harold Brubaker	Cindy Coley	715-4946	1229	39
Lanier Cansler	Barbara Cansler	733-5757	1217	89
Walter Church	Joyce Fuller	733-5805	1311	33
Lorene Coates	Melissa Lennon	733-5784	633	92
Leslie Cox	Ferebee Stainback	733-5746	1220	15
Billy Creech	Rhonda Todd	715-4466	602	88
Pryor Gibson	Shirlyn MacPherson	715-3007	419A	108
Bob Hensley	Margie Penven	733-5780	610	79
George Holmes	Glenda Jacobs	733-5771	2119	41
Paul Luebke	Joyce Harris	733-7663	529	44
Danny McComas	Jayne Walton	733-5786	606	109
Bill Owens	Linda A. Johnson	733-0010	632	9
Jean Preston	Dot Barber	733-5706	603	78
W. B. Teague	Anna Kidd	733-5530	1017	94
Roger West	Linda C. Johnson	733-5859	1004	106
Barbara Riley, Staff Attorney		733-2578	545	

STATE GOVERNMENT

(Name of Committee)

[illegible]

North Carolina General Assembly
Through House Committee on
State Government

Date: 12/13/2001
Time: 10:12
Page: 001 of 002
Leg. Day: H-179/S-173

2001-2002 Biennium

Bill	Introducer	Short Title	Latest Action	In Date	Out Date
\$ H0002	Owens	RECIPROCAL PREFERENCE FOR BIDS	H Re-ref Com On State Government	02-20-01	
H0003	Owens	ENCOURAGE RECIPROCITY IN BIDDING PROCESS.	*HR Ch. SL 2001-240	02-20-01	03-19-01
H0085	Sutton	INDIAN CULTURAL CENTER AMENDMENT.	*HR Ch. SL 2001-89	02-20-01	03-22-01
H0094	Owens	QUALITY ASSURANCE PROGRAM.	*H Assigned To Appropriations Subcommittee on General Government	02-20-01	03-19-01
H0143	Tucker	WETLANDS REIMBURSEMENT/LOCAL TAX BASE.	*H Ref To Com On Finance	02-15-01	04-16-01
H0332	Tolson	ENERGY IMPROVEMENT PROGRAM.	*HR Ch. SL 2001-338	03-01-01	03-26-01
H0334	Luebke	EXEMPTION FOR INTERNS.	*HR Ch. SL 2001-285	03-01-01	03-15-01
H0355	Dockham	STATE BUILDING CODE CHANGES.	*HR Ch. SL 2001-421	03-01-01	04-16-01
H0374	Culpepper	STATE BOXING COMMISSION.	*H Re-ref Com On Rules, Calendar, and Operations of the House	03-01-01	03-26-01
H0382	Russell	ADOPT STATE FRUIT AND BERRIES.	*H Pres. To Gov. 12/6/2001	03-01-01	03-22-01
H0389	Tolson	ENERGY CONSERVATION FOR STATE BUILDINGS.	H Ref to the Com on State Government and, if favorable, to the Com on Appropriations	03-01-01	
H0409=	Earle	REVIEW STATE GOVERNMENT EMPLOYMENT.	H Ref To Com On State Government	03-01-01	
H0429	Jeffus	CLARIFY SB25.	*HR Ch. SL 2001-202	03-01-01	04-05-01
H0435=	Weiss	GOVERNOR MOREHEAD SCHOOL STAFFING CHANGES.	*HR Ch. SL 2001-412	03-01-01	03-29-01
\$ H0445	Gibson	CODE OFFICIALS PROFESSIONALISM.	H Re-ref Com On Appropriations	03-01-01	03-29-01
H0623	McMahan	PUBLIC CONSTRUCTION LAW CHANGES.	*H Conf Com Appointed	03-15-01	04-19-01
H0709	Baker	ADOPT CAROLINA LILY AS STATE WILDFLOWER.	*H Ref To Com On Rules and Operations of the Senate	03-28-01	04-09-01
H0740=	Morgan	LOB SNACK BAR OPERATED BY LSC.	HR Ch. SL 2001-41	03-22-01	03-29-01
H1060=	Gibson	ENV. REMEDIATION NOT CAPITAL IMPROVEMENT.	H Re-ref Com On Agriculture/Environment/Natural Resources	04-10-01	04-19-01
H1272=	Tolson	ENERGY CONSERVATION/PILOT PROGRAM.	*HR Ch. SL 2001-415	04-12-01	04-24-01
H1295	Luebke	STATE EMPLOYEE PAY PERIODS.	H Re-ref Com On Appropriations	04-12-01	04-19-01
H1309	Gibson	REDUCE LITTER/INCREASE STATE	*H Re-ref Com On State Government	06-04-01	

'\$' indicates the bill is an appropriation bill.

A bold line indicates the bill is an appropriation bill.

'*' indicates that the text of the original bill was changed by some action.

'=' indicates that the original bill is identical to another bill.

North Carolina General Assembly
Through House Committee on
State Government

Date: 12/13/2001
Time: 10:12
Page: 002 of 002
Leg. Day: H-179/S-173

2001-2002 Biennium

Bill	Introducer	Short Title	Latest Action	In Date	Out Date
		RECYCLING.			
H1310	Gibson	EXEMPT EMPLOYEE	H Ref To Com On	04-12-01	
		CHANGES.	State Government		
S0210	Daniel G. Clodfe	SATELLITE ANNEXATION	*HR Ch. SL 2001-438	03-26-01	08-30-01
		AGREEMENTS.			
S0264	Eleanor Kinnaird	REQUIRE STATE REPORTS	*HR Ch. SL 2001-144	03-22-01	05-03-01
		DOUBLE-SIDED.			
S0302=	John H. Kerr III	ARTWORK CONSERVATION	*HR Ch. SL 2001-127	04-25-01	05-03-01
		TREATMENTS-AB.			
S0342	David W. Hoyle	COUNTY BUILDING CODE	*HR Ch. SL 2001-219	04-04-01	05-29-01
		REVISIONS.			
S0367	David W. Hoyle	LOW-INCOME HOUSING	*HR Ch. SL 2001-299	04-26-01	05-17-01
		CREDIT PROGRAM EXEMPT/			
		APA.			
S0434=	Tony Rand	AUDITS FOR LOCAL	HR Ch. SL 2001-160	04-03-01	04-12-01
		GOVERNMENTS.			
S0685=	Kay R. Hagan	UNC-GREENSBORO	*H Ref To Com On	04-24-01	
		PARKING JURISDICTION.	State Government		
S0895	Eric Miller Reev	GEOGRAPHIC	*HR Ch. SL 2001-359	04-26-01	07-23-01
		INFORMATION			
		COORDINATING COUNCIL.			
S1036	David W. Hoyle	BUILDING CODE SUBJECT	*HR Ch. SL 2001-141	04-30-01	05-14-01
		TO APA.			

'\$' indicates the bill is an appropriation bill.

A bold line indicates the bill is an appropriation bill.

'*' indicates that the text of the original bill was changed by some action.

'=' indicates that the original bill is identical to another bill.

**HOUSE COMMITTEE ON STATE GOVERNMENT
ROOM 415 LOB
March 1, 2001
10:00 A.M.**

AGENDA

CALL TO ORDER

Representative Mary Jarrell, Chair

CONSIDERATION OF BILLS

**HB 143 WETLANDS REIMBURSEMENT/LOCAL TAX BASE
(Representatives Tucker, Allen, Hill, Jarrell, Luebke, Pope)**

**HB 3 ENCOURAGE RECIPROCITY IN BIDDING PROCESS
(Representative Owens)**

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON STATE GOVERNMENT
March 1, 2001

The House Committee on State Government met at 10:00 a.m. on Thursday, March 1, 2001, in Room 415 of the Legislative Office Building with the following members present: Representative Jarrell, Chair; Representatives Adams, Baker, Bonner, Cansler, Church, Coates, Cox, Gibson, Owens, Preston, and West. Barbara Riley, committee counselor, was also in attendance.

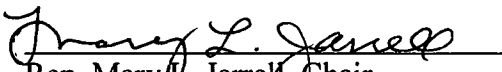
Representative Jarrell called the meeting to order and recognized members of the Committee. Staff and pages were also recognized. A visitor registration sheet is attached and made a part of the minutes.

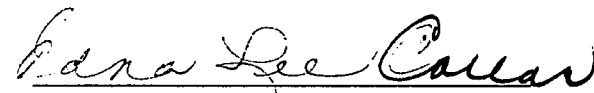
The following bill was considered:

HB 3 - ENCOURAGE RECIPROCITY IN BIDDING PROCESS. Representative Owens explained the bill which would allow the Secretary of Administration and State Agencies to add a percent increase to bids of nonresident bidders where the nonresident bidders' home states grant preferences to in-state bidders. A committee substitute was offered and Representative Coates moved to adopt committee substitute. Motion carried.

Following discussion and a question and answer period, Representative Cansler made a motion to postpone further discussion until the next meeting of this committee. Motion carried.

The meeting adjourned at 10:30 a.m.


Rep. Mary L. Jarrell, Chair


Edna Lee Collar, Committee Assistant

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 3

Short Title: Encourage Reciprocity in Bidding Process.

(Public)

Sponsors: Representative Owens.

Referred to: Rules, Calendar, and Operations of the House.

January 25, 2001

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A RECIPROCITY LAW WILL DISCOURAGE
PREFERENCE LAWS IN OTHER STATES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-59 reads as rewritten:

**"§ 143-59. Preference given to North Carolina products and citizens, and articles
manufactured by State ~~agencies~~; agencies; reciprocal preferences.**

(a) The Secretary of Administration and any State agency authorized to purchase foodstuff or other products, shall, in the purchase of or in the contracting for foods, supplies, materials, equipment, printing or services give preference as far as may be practicable to such products or services manufactured or produced in North Carolina or furnished by or through citizens of North Carolina: Provided, however, that in giving such preference no sacrifice or loss in price or quality shall be permitted; and provided further, that preference in all cases shall be given to surplus products or articles produced and manufactured by other State departments, institutions, or agencies which are available for distribution.

(b) All State departments, institutions, agencies, community colleges, local school administrative units, and the Office of Information Technology Services shall apply a reciprocal preference to bids from bidders who are not resident bidders in North Carolina on contracts for equipment, materials, supplies, and services valued over twenty-five thousand dollars (\$25,000). To apply this reciprocal preference, the purchasing entity shall add a percentage increase to the bid of any bidder who is not a resident of North Carolina. The percentage of the increase shall be equal to the percentage increase, if any, that the state in which the bidder resides adds to bids from nonresident bidders.

Prior to January 1 of each year, the Secretary of Administration shall publish electronically a list of states that give a preference to in-state bidders and the percentage

1 increase given by each state. Purchasing entities shall use this list to apply the reciprocal
2 preference.

3 If the application of the reciprocal preference would affect the award of the
4 contract, the purchasing entity shall submit the bids on that purchase to the Secretary of
5 Administration. The Secretary, after consultation with the Board of Award, shall waive
6 the reciprocal preference requirement for a purchase if the Secretary determines that it is
7 in the public interest to do so. In making this determination, the Secretary shall consider
8 factors such as the availability of competition, the purchase price, the places the product
9 and its components are produced, and the availability of funds for the purchase.

10 As used in this section, a resident bidder in North Carolina is a bidder who (i)
11 has a business address within North Carolina and (ii) has paid unemployment taxes or
12 income taxes in North Carolina during the 12 calendar months immediately preceding
13 submission of the bid.

14 This subsection does not apply to contracts entered into under the provisions
15 of G.S. 143-53(a)(5) or G.S. 143-57.

16 The Secretary of Administration may adopt rules necessary to implement the
17 provisions of this subsection."

18 **SECTION 2.** The Secretary of Administration may adopt temporary rules to
19 implement this act.

20 **SECTION 3.** This act becomes effective September 1, 2001.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 3
PROPOSED COMMITTEE SUBSTITUTE H3-CSRF-1 [v.0]

2/28/2001 5:00:59 PM

Short Title: Encourage Reciprocity in Bidding Process.

(Public)

Sponsors:

Referred to:

January 25, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW THE SECRETARY OF ADMINISTRATION AND STATE
3 AGENCIES TO ADD A PERCENT INCREASE TO BIDS OF NONRESIDENT
4 BIDDERS WHERE THE NONRESIDENT BIDDERS' HOME STATES GRANT
5 PREFERENCES TO IN-STATE BIDDERS.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. G.S. 143-59 reads as rewritten:

8 "§ 143-59. Preference given to North Carolina products and citizens, and articles
9 manufactured by State agencies. ~~agencies; reciprocal preferences.~~

10 (a) Preference. - The Secretary of Administration and any State agency
11 authorized to purchase foodstuff or other products, shall, in the purchase of or in the
12 contracting for foods, supplies, materials, equipment, printing or services give
13 preference as far as may be practicable to such products or services manufactured or
14 produced in North Carolina or furnished by or through citizens of North Carolina:
15 Provided, however, that in giving such preference no sacrifice or loss in price or quality
16 shall be permitted; and provided further, that preference in all cases shall be given to
17 surplus products or articles produced and manufactured by other State departments,
18 institutions, or agencies which are available for distribution.

19 (b) Reciprocal preference. - On all contracts for equipment, materials, supplies,
20 and services valued over twenty-five thousand dollars (\$25,000), a percent increase
21 shall be added to bids from nonresident bidders that is equal to the percent of the
22 preference given in the bidders' home states. On or before January 1 of each year, the
23 Secretary of Administration shall electronically publish a list of states that give
24 preference to in-state bidders and the amount of the percent increase added to out-of-
25 state bids. All State departments, institutions, agencies, community colleges, local
26 school administrative units, and the Office of Information Technology shall use this list
27 when evaluating bids. If the reciprocal preference causes the nonresident bidder to no
28 longer be the lowest bidder, the Secretary of Administration may, upon consultation
29 with the Board of Award, waive the reciprocal preference. In determining whether to

1 waive the reciprocal preference, the Secretary of Administration and the Board of
2 Award shall consider factors that include competition, price, product origination, and
3 available resources.

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

5 (1) Resident bidder. - A bidder that has paid unemployment taxes or
6 income taxes in this State and has had a business address in this State
7 during the 12 calendar months immediately preceding submission of
8 the bid.

9 (2) Nonresident bidder. - A bidder that is not a resident bidder as defined
10 in subdivision (1) of this subsection.

11 (d) Exemptions. - Subsection (b) of this section shall not apply to contracts
12 entered into under G.S. 143-53⁽⁵⁾ or G.S. 143-57."

13 **SECTION 2.** The Secretary of Administration may adopt temporary rules to
14 implement this act.

15 **SECTION 3.** This act becomes effective January 1, 2002.
16

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 3
PROPOSED COMMITTEE SUBSTITUTE H3-CSRF-1 [v.0]

2/28/2001 5:00:59 PM

Short Title: Encourage Reciprocity in Bidding Process.

(Public)

Sponsors:

Referred to:

January 25, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW THE SECRETARY OF ADMINISTRATION AND STATE
3 AGENCIES TO ADD A PERCENT INCREASE TO BIDS OF NONRESIDENT
4 BIDDERS WHERE THE NONRESIDENT BIDDERS' HOME STATES GRANT
5 PREFERENCES TO IN-STATE BIDDERS.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. G.S. 143-59 reads as rewritten:

8 "§ 143-59. Preference given to North Carolina products and citizens, and articles
9 manufactured by State agencies, agencies, reciprocal preferences.

10 (a) Preference. - The Secretary of Administration and any State agency
11 authorized to purchase foodstuff or other products, shall, in the purchase of or in the
12 contracting for foods, supplies, materials, equipment, printing or services give
13 preference as far as may be practicable to such products or services manufactured or
14 produced in North Carolina or furnished by or through citizens of North Carolina:
15 Provided, however, that in giving such preference no sacrifice or loss in price or quality
16 shall be permitted; and provided further, that preference in all cases shall be given to
17 surplus products or articles produced and manufactured by other State departments,
18 institutions, or agencies which are available for distribution.

19 (b) Reciprocal preference. - On all contracts for equipment, materials, supplies,
20 and services valued over twenty-five thousand dollars (\$25,000), a percent increase
21 shall be added to bids from nonresident bidders that is equal to the percent of the
22 preference given in the bidders' home states. On or before January 1 of each year, the
23 Secretary of Administration shall electronically publish a list of states that give
24 preference to in-state bidders and the amount of the percent increase added to out-of-
25 state bids. All State departments, institutions, agencies, community colleges, local
26 school administrative units, and the Office of Information Technology shall use this list
27 when evaluating bids. If the reciprocal preference causes the nonresident bidder to no
28 longer be the lowest bidder, the Secretary of Administration may, upon consultation
29 with the Board of Award, waive the reciprocal preference. In determining whether to

1 waive the reciprocal preference, the Secretary of Administration and the Board of
2 Award shall consider factors that include competition, price, product origination, and
3 available resources.

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

5 (1) Resident bidder. - A bidder that has paid unemployment taxes or
6 income taxes in this State and has had a business address in this State
7 during the 12 calendar months immediately preceding submission of
8 the bid.

9 (2) Nonresident bidder. - A bidder that is not a resident bidder as defined
10 in subdivision (1) of this subsection.

11 (d) Exemptions. - Subsection (b) of this section shall not apply to contracts
12 entered into under G.S. 143-53(5) or G.S. 143-57."

13 **SECTION 2.** The Secretary of Administration may adopt temporary rules to
14 implement this act.

15 **SECTION 3.** This act becomes effective January 1, 2002.
16



HB 3: Encourage reciprocity in bidding process

BILL ANALYSIS

Committee: House State Government
Date: March 1, 2001
Version: PCS

Introduced by: Representative Owens
Summary by: Barbara Riley
Committee Counsel

SUMMARY: *House Bill 3 allows the Secretary of Administration and other State Agencies to add a percent increase to the bids of nonresident bidders in those cases where the nonresident bidders' home states give a percentage preference to in-state bidders.*

BILL ANALYSIS: House Bill 3 deals with preferences in the State's bidding laws. A "preference" is an advantage given to a bidder in the contract award process by reason of the bidder's residence, location or the origin of the product offered.

Under the North Carolina Purchase and Contracts law, Article 3 of Chapter 143 of the General Statutes, preference is given to products and services manufactured in the State or furnished by or through citizens of the State when all other factors, such as price and quality, are equal. Some states, however, offer a percent advantage to their resident bidders, putting nonresident bidders at a competitive disadvantage.

House Bill 3 amends G.S. 143-59 and provides that for contracts for commodities and services over \$25,000, a percent increase in the bid amount will be added to the bids of nonresident bidders from those states that give a percent preference to their resident bidders. The Secretary of Administration is to compile and electronically publish each year a list for use by State agencies in evaluating bids, of those states with percent resident bidder preferences and the amount of the preference given. If the nonresident bidder would have been the lowest bidder but for the reciprocal preference, the Secretary may, after consultation with the Board of Awards, waive the reciprocal preference. The new reciprocal preference provisions do not apply to purchases of commodities in certain emergencies, G.S. 143-57, and to those purchases and contracts which may be entered into by means other than competitive bidding, G.S. 143-53(a)(5).

The act becomes effective January 1, 2002.

VISITOR REGISTRATION SHEET

HOUSE COMMITTEE ON STATE GOVERNMENT

Name of Committee

3/1/2001

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Mari J. [unclear]	GSK
Cherie Harrison	Electric Cities
Andy Romanet	NCLM
Bob [unclear]	NC Forestry Assoc.
Grady [unclear]	NC Conservation Network
J. Arthur [unclear]	Division of Purchases & Contract
Ed Regan	N.C.A.D.C.
Henry Jones	Attorney - Raleigh
Angie McMillan	The Nature Conservancy
Andrea Harris	NCIMED
Linda [unclear]	NCIMED

**HOUSE COMMITTEE ON STATE GOVERNMENT
ROOM 415 LOB
March 15, 2001
10:00 A.M.**

AGENDA

CALL TO ORDER

Representative Mary Jarrell, Chair

CONSIDERATION OF BILLS

- | | |
|---------------|--|
| HB 3 | ENCOURAGE RECIPROCITY IN BIDDING PROCESS
(Representative Owens) |
| HB 94 | QUALITY ASSURANCE PROGRAM
(Representative Owens) |
| HB 332 | ENERGY IMPROVEMENT PROGRAM-AB
(Representative Tolson) |
| HB 334 | EXEMPTION FOR STUDENT INTERNS-AB
(Representative Luebke) |

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON STATE GOVERNMENT
March 15, 2001

The House Committee on State Government met at 10:00 a.m. on Thursday, March 15, 2001, in Room 415 of the Legislative Office Building with the following members present: Representative Jarrell, Chair; Representative Luebke, Vice Chair; Representatives Adams, Baker, Bonner, Cansler, Coates, Cox, Creech, Gibson, Hensley, Owens, and West. Barbara Riley, committee counselor, was also in attendance.

Representative Jarrell called the meeting to order and recognized members of the Committee. Staff and pages were also recognized. A visitor registration sheet is attached and made a part of the minutes.

The following bills were considered:

HB 3 – ENCOURAGE RECIPROCITY IN BIDDING PROCESS. Representative Owens, sponsor of the bill, explained this bill which deals with preferences in the State's bidding laws. A "preference" is an advantage given to a bidder in the contract award process by reason of the bidder's residence, location or the origin of the product offered. Representative Owens presented a committee substitute and Representative Luebke made a motion to adopt the committee substitute. Representative Baker made a motion to give the committee substitute a favorable report, unfavorable to original bill. Motion carried.


HB 94 – QUALITY ASSURANCE PROGRAM. Representative Owens, sponsor of the bill, explained that this bill would establish a new program in the Office of the State Auditor to be known as the Customer Service Quality Assurance Program. The purpose of the program is to monitor the performance of State agencies from the perspective of the consumer. A fiscal note is attached and made a part of the Minutes. Representative Luebke offered an amendment and moved to incorporate the amendment into a committee substitute. Motion carried. Representative Baker moved to give the committee substitute a favorable report, unfavorable to original bill, and be re-referred to Appropriations. Motion carried.

HB 332 – ENERGY IMPROVEMENT PROGRAM-AB. Representative Tolson was recognized to explain the bill which would amend the Business Energy Improvement Program established by the General Assembly last Session. Larry Shirley of the Department of Administration explained that non-profit organizations would benefit greatly from this bill (copy of notes attached).

No action was taken on HB 332. It will be considered at the next meeting of State Government.

HB 334 – EXEMPTION FOR STUDENT INTERNS-AB. Representative Luebke, sponsor of the bill, explained that this bill amends the definition of employment to exempt student interns of the North Carolina Internship Council. Representative Baker made a motion to give HB 334 a favorable report and be re-referred to Finance. Motion carried.


Rep. Mary L. Jarrell, Chair


Edna Lee Collar, Committee Assistant

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 3 A BILL TO BE ENTITLED AN ACT TO PROVIDE A RECIPROCITY LAW WILL DISCOURAGE PREFERENCE LAWS IN OTHER STATES.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☒ With a favorable report as to committee substitute bill (~~#~~), ☐ which changes the title, unfavorable as to (original bill) (~~Committee Substitute Bill #~~), ~~(and recommendation that the committee substitute bill #~~ be re-referred to the Committee on ~~)~~

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 3

Short Title: Encourage Reciprocity in Bidding Process.

(Public)

Sponsors: Representative Owens.

Referred to: Rules, Calendar, and Operations of the House.

January 25, 2001

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A RECIPROCITY LAW WILL DISCOURAGE
PREFERENCE LAWS IN OTHER STATES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-59 reads as rewritten:

"§ 143-59. Preference given to North Carolina products and citizens, and articles
manufactured by State agencies-agencies; reciprocal preferences.

(a) The Secretary of Administration and any State agency authorized to purchase foodstuff or other products, shall, in the purchase of or in the contracting for foods, supplies, materials, equipment, printing or services give preference as far as may be practicable to such products or services manufactured or produced in North Carolina or furnished by or through citizens of North Carolina: Provided, however, that in giving such preference no sacrifice or loss in price or quality shall be permitted; and provided further, that preference in all cases shall be given to surplus products or articles produced and manufactured by other State departments, institutions, or agencies which are available for distribution.

(b) All State departments, institutions, agencies, community colleges, local school administrative units, and the Office of Information Technology Services shall apply a reciprocal preference to bids from bidders who are not resident bidders in North Carolina on contracts for equipment, materials, supplies, and services valued over twenty-five thousand dollars (\$25,000). To apply this reciprocal preference, the purchasing entity shall add a percentage increase to the bid of any bidder who is not a resident of North Carolina. The percentage of the increase shall be equal to the percentage increase, if any, that the state in which the bidder resides adds to bids from nonresident bidders.

Prior to January 1 of each year, the Secretary of Administration shall publish electronically a list of states that give a preference to in-state bidders and the percentage

1 consider factors that include competition, price, product origination, and available
2 resources.

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

4 (1) Resident bidder. - A bidder that has paid unemployment taxes or
5 income taxes in this State and whose principal place of business is
6 located in this State.

7 (2) Nonresident bidder. - A bidder that is not a resident bidder as defined
8 in subdivision (1) of this subsection.

9 (3) Principal Place of Business. - The principal place from which the trade
10 or business of the bidder is directed or managed.

11 (d) Exemptions. - Subsection (b) of this section shall not apply to contracts
12 entered into under G.S. 143-53(5) or G.S. 143-57."

13 **SECTION 2.** The Secretary of Administration may adopt temporary rules to
14 implement this act.

15 **SECTION 3.** This act becomes effective January 1, 2002.
16

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 3
PROPOSED COMMITTEE SUBSTITUTE H3-CSRF-1 [v.3]

3/14/2001 9:06:26 AM

Short Title: Encourage Reciprocity in Bidding Process.

(Public)

Sponsors:

Referred to:

January 25, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW THE SECRETARY OF ADMINISTRATION AND STATE
3 AGENCIES TO ADD A PERCENT INCREASE TO BIDS OF NONRESIDENT
4 BIDDERS WHERE THE NONRESIDENT BIDDERS' HOME STATES GRANT
5 PREFERENCES TO IN-STATE BIDDERS.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. G.S. 143-59 reads as rewritten:

8 "§ 143-59. Preference given to North Carolina products and citizens, and articles
9 manufactured by State agencies. ~~agencies; reciprocal preferences.~~

10 (a) Preference. - The Secretary of Administration and any State agency
11 authorized to purchase foodstuff or other products, shall, in the purchase of or in the
12 contracting for foods, supplies, materials, equipment, printing or services give
13 preference as far as may be practicable to such products or services manufactured or
14 produced in North Carolina or furnished by or through citizens of North Carolina:
15 Provided, however, that in giving such preference no sacrifice or loss in price or quality
16 shall be permitted; and provided further, that preference in all cases shall be given to
17 surplus products or articles produced and manufactured by other State departments,
18 institutions, or agencies which are available for distribution.

19 (b) Reciprocal preference. - On all contracts for equipment, materials, supplies,
20 and services valued over twenty-five thousand dollars (\$25,000), a percent increase
21 shall be added to bids from nonresident bidders that is equal to the percent of the
22 preference given in the bidders' home states. On or before January 1 of each year, the
23 Secretary of Administration shall electronically publish a list of states that give
24 preference to in-state bidders and the amount of the percent increase added to out-of-
25 state bids. All departments, institutions and agencies of the State shall use this list when
26 evaluating bids. If the reciprocal preference causes the nonresident bidder to no longer
27 be the lowest bidder, the Secretary of Administration may, upon consultation with the
28 Board of Award, waive the reciprocal preference. In determining whether to waive the
29 reciprocal preference, the Secretary of Administration and the Board of Award shall

1 consider factors that include competition, price, product origination, and available
2 resources.

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

4 (1) Resident bidder. - A bidder that has paid unemployment taxes or
5 income taxes in this State and whose principal place of business is
6 located in this State.

7 (2) Nonresident bidder. - A bidder that is not a resident bidder as defined
8 in subdivision (1) of this subsection.

9 (3) Principal Place of Business. - The principal place from which the trade
10 or business of the bidder is directed or managed.

11 (d) Exemptions. - Subsection (b) of this section shall not apply to contracts
12 entered into under G.S. 143-53(5) or G.S. 143-57."

13 **SECTION 2.** The Secretary of Administration may adopt temporary rules to
14 implement this act.

15 **SECTION 3.** This act becomes effective January 1, 2002.
16

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 3
PROPOSED COMMITTEE SUBSTITUTE H3-PCS3215-RF-1

Short Title: Encourage Reciprocity in Bidding Process.

(Public)

Sponsors:

Referred to:

January 25, 2001

A BILL TO BE ENTITLED

AN ACT TO ALLOW THE SECRETARY OF ADMINISTRATION AND STATE AGENCIES TO ADD A PERCENT INCREASE TO BIDS OF NONRESIDENT BIDDERS WHERE THE NONRESIDENT BIDDERS' HOME STATES GRANT PREFERENCES TO IN-STATE BIDDERS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-59 reads as rewritten:

"§ 143-59. Preference given to North Carolina products and citizens, and articles manufactured by State agencies-~~agencies~~; reciprocal preferences.

(a) Preference. – The Secretary of Administration and any State agency authorized to purchase foodstuff or other products, shall, in the purchase of or in the contracting for foods, supplies, materials, equipment, printing or services give preference as far as may be practicable to such products or services manufactured or produced in North Carolina or furnished by or through citizens of North Carolina: Provided, however, that in giving such preference no sacrifice or loss in price or quality shall be permitted; and provided further, that preference in all cases shall be given to surplus products or articles produced and manufactured by other State departments, institutions, or agencies which are available for distribution.

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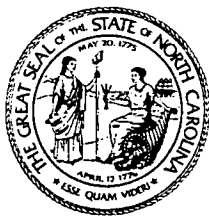
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14 implement this act.

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HB 3: Encourage reciprocity in bidding process

BILL ANALYSIS

Committee: House State Government
Date: March 13, 2001
Version: PCS v4.

Introduced by: Representative Owens
Summary by: Barbara Riley
Committee Counsel

SUMMARY: *House Bill 3 allows the Secretary of Administration and other State Agencies to add a percent increase to the bids of nonresident bidders in those cases where the nonresident bidders' home states give a percentage preference to in-state bidders.*

BILL ANALYSIS: House Bill 3 deals with preferences in the State's bidding laws. A "preference" is an advantage given to a bidder in the contract award process by reason of the bidder's residence, location or the origin of the product offered.

Under the North Carolina Purchase and Contracts law, Article 3 of Chapter 143 of the General Statutes, preference is given to products and services manufactured in the State or furnished by or through citizens of the State when all other factors, such as price and quality, are equal. Some states, however, offer a percent advantage to their resident bidders, putting nonresident bidders at a competitive disadvantage.

House Bill 3 amends G.S. 143-59 and provides that for contracts for commodities and services over \$25,000, a percent increase in the bid amount will be added to the bids of nonresident bidders from those states that give a percent preference to their resident bidders. The Secretary of Administration is to compile and electronically publish each year a list for use by State agencies in evaluating bids, of those states with percent resident bidder preferences and the amount of the preference given. If the nonresident bidder would have been the lowest bidder but for the reciprocal preference, the Secretary may, after consultation with the Board of Awards, waive the reciprocal preference. The new reciprocal preference provisions do not apply to purchases of commodities in certain emergencies, G.S. 143-57, and to those purchases and contracts which may be entered into by means other than competitive bidding, G.S. 143-53(a)(5). The act becomes effective January 1, 2002.

PROPOSED COMMITTEE SUBSTITUTE: The proposed committee substitute provides a more restrictive definition of "resident bidder" than the original bill. For purposes of the competitive bidding laws, a resident bidder is defined as a bidder who has paid unemployment taxes or income taxes in this State and whose principal place of business is located in this State. "Principal place of business" means the principal place from which the trade or business of the bidder is directed or managed.

OTHER STATES PRACTICE:

Per the Committee's request, I researched the procurement statutes of several of the states surrounding North Carolina in order to determine how they define "resident bidder" for the purposes of reciprocal bidding laws and to help develop an acceptable definition for House Bill 3.

With the exception of South Carolina and West Virginia, the definitions of resident bidder were somewhat vague. Maryland defined a resident bidder as one "whose principal office is located in the State. Md..

HB 3

Page 2

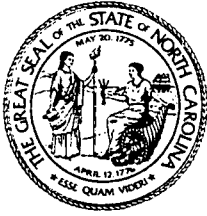
Code Ann. § 14-401. Florida law provides a reciprocal preference to the lowest responsible bidder having "a principal place of business" within the State. Fla. Laws §287.084. Tennessee has a reciprocal preference law for public construction projects. Under the Tennessee statute a reciprocal preference is allowed to a bidder who is either a "resident of this State" or a resident of a state which does not provide preferences for resident contractors. Tenn. Code Ann. §12-4-802. Georgia's law simply refers to "vendors resident" in Georgia. Ga. Laws §50-5-60.

South Carolina law provides detailed guidelines for determining entitlement to the in-state preference. These include (1) being authorized to transact business in the State, (2) maintains an office in the State, (3) has paid all assessed taxes and (4) maintains a representative inventory for expendable items in the State with a value of \$10,000 or more based on the bid price or a manufacturer headquartered in S.C. with a \$10 million dollar payroll and the product is made or processed from raw materials into a finished end product by the manufacturer or an affiliate. S.C. Code Ann. §11-35-1524. In West Virginia, to be entitled to a preference the bidder must be an individual resident of the State continuously for 4 years immediately preceding the date for bid submission or a business entity that has maintained its headquarters or principal place of business in the State for 4 years. W.V. Code 5A-3-37.

After looking at the examples from the above referenced states, I reviewed the NC corporation laws and tax laws to determine what definitions or standards were used to determine residency for business purposes.

The North Carolina Business Corporation Act had a definition for "principal office." For the purposes of the Business Corporation Act, "principal office" means the office designated in the annual report (whether in or outside of the State) where the principal executive offices of a domestic or foreign corporation are located. G.S. 55-1-40(17). Under the corporate income tax statutes, the most helpful definition appeared to be that of "corporate domicile" for the purposes of allocation of income for corporations. "Corporate domicile" is defined as the principal place from which the trade or business of the taxpayer is directed or managed. G.S. 105-130.4.

Since a bidder would not necessarily be doing business as a corporation, I modified these definitions for the purpose of the reciprocal bidding law. As proposed in the committee substitute for HB3, a resident bidder would be a bidder who, in addition to paying taxes in North Carolina, also maintained their principal place of business in the State. Principal place of business is defined as the principal place from which the trade or business of the bidder is directed or managed.



HB 3: Encourage reciprocity in bidding process

BILL ANALYSIS

Committee: House State Government
Date: March 13, 2001
Version: PCS v4.

Introduced by: Representative Owens
Summary by: Barbara Riley
Committee Counsel

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HB 3

Page 2

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**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 94 A BILL TO BE ENTITLED AN ACT TO SET UP A CUSTOMER SERVICE QUALITY ASSURANCE PROGRAM WITHIN THE STATE AUDITOR'S OFFICE, SO AS TO ENSURE THAT PERSONS RECEIVE QUALITY SERVICES FROM STATE AGENCIES.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☒ With a favorable report as to committee substitute bill (~~#~~), ☐ which changes the title, unfavorable as to (original bill) (~~Committee Substitute Bill #~~), (and recommendation that the committee substitute bill #) be re-referred to the Committee on ~~the~~.

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 94

Short Title: Quality Assurance Program.

(Public)

Sponsors: Representative Owens.

Referred to: Rules, Calendar, and Operations of the House.

February 12, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO SET UP A CUSTOMER SERVICE QUALITY ASSURANCE
3 PROGRAM WITHIN THE STATE AUDITOR'S OFFICE, SO AS TO ENSURE
4 THAT PERSONS RECEIVE QUALITY SERVICES FROM STATE AGENCIES.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Article 5A of Chapter 147 of the General Statutes is amended
7 by adding a new section to read:

8 "**§ 147-64.15. Customer Service Quality Assurance Program.**

9 There is established within the Office of the State Auditor the Customer Service
10 Quality Assurance Program. The purpose of the program is for the State Auditor to
11 monitor the performance of State agencies from the perspective of the consumer. In
12 such role, the State Auditor's office may act as a consumer of services or permit
13 applicant before State agencies to verify the quality of services. The State Auditor shall
14 report quarterly to the Joint Legislative Commission on Governmental Operations on
15 the positive and negative aspects of the review. In the case of deficiencies, the State
16 Auditor shall note whether the deficiencies are the result of inadequate resources or
17 training being provided to State employees providing the services, or from the
18 performance of the employee. The Auditor shall also report on positive service
19 experiences. Positive or negative information can also be placed in the State employee's
20 personnel file."

21 SECTION 2. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 94
PROPOSED COMMITTEE SUBSTITUTE H94-PCS3216-RF-3

Short Title: Quality Assurance Program.

(Public)

Sponsors:

Referred to:

February 12, 2001

A BILL TO BE ENTITLED

AN ACT TO SET UP A CUSTOMER SERVICE QUALITY ASSURANCE
PROGRAM WITHIN THE STATE AUDITOR'S OFFICE, SO AS TO ENSURE
THAT PERSONS RECEIVE QUALITY SERVICES FROM STATE AGENCIES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 5A of Chapter 147 of the General Statutes is amended
by adding a new section to read:

"§ 147-64.15. Customer Service Quality Assurance Program.

There is established within the Office of the State Auditor the Customer Service
Quality Assurance Program. The purpose of the program is for the State Auditor to
monitor the performance of State agencies from the perspective of the consumer. In
such role, the State Auditor's office may act as a consumer of services or permit
applicant before State agencies to verify the quality of services. The State Auditor shall
report quarterly to the Joint Legislative Commission on Governmental Operations on
the positive and negative aspects of the review. In the case of deficiencies, the State
Auditor shall note whether the deficiencies are the result of inadequate resources or
training being provided to State employees providing the services or from the
performance of the employee. The State Auditor shall also report on positive service
experiences."

SECTION 2. This act is effective when it becomes law.



HB 94: Quality Assurance Program

BILL ANALYSIS

Committee: House State Government
Date: March 15, 2001
Version: 1st Edition

Introduced by: Rep. Owens
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

House Bill 94 would establish a new program in the Office of the State Auditor to be known as the Customer Service Quality Assurance Program. The purpose of the program is to monitor the performance of State agencies from the perspective of the consumer.

The bill provides that the State Auditor's office may act as a consumer of services or a permit applicant at State agencies to determine the quality of services. The positive and negative aspects of the review shall be reported quarterly to Gov. Ops. The report shall include an assessment as to the cause of the deficiencies. Positive or negative information may be placed in the State employee's personnel file.

The act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 94 (First Edition)

SHORT TITLE: Quality Assurance Program

SPONSOR(S): Rep. Bill Owens

FISCAL IMPACT

	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>
REVENUES	\$0	\$0	\$0	\$0	\$0
EXPENDITURES	R \$250,342	\$261,070	\$273,060	\$285,923	\$299,472
	NR \$29,988	\$0	\$0	\$0	\$0
POSITIONS:	4	4	4	4	4

**PRINCIPAL DEPARTMENT(S) &
PROGRAM(S) AFFECTED:** Office of the State Auditor

EFFECTIVE DATE: When it becomes law.

BILL SUMMARY: This bill establishes a Customer Service Quality Assurance Program within the Office of the State Auditor (OSA) to ensure that persons receive quality services from State agencies. It authorizes OSA to act as a consumer of services or to permit applicants before State agencies to verify the quality of services. The bill requires OSA to report quarterly to the Joint Legislative Commission on Governmental Operations.

ASSUMPTIONS AND METHODOLOGY: This bill gives the Office of the State Auditor the authority to monitor the performance of State agencies from the perspective of the consumer. Because this program would be a new initiative and there is no experience upon which to determine the true staffing needs, OSA has based its estimate of the staffing needs on its current staffing pattern. Under the current structure, teams of auditors that are led by audit supervisors and that usually have at least three assistant state auditors complete field audit work. Assuming the monitoring function would be staffed with the same staffing pattern, OSA based the cost on a four-person audit team that would consist of an assistant

state auditor supervisor (grade 80), an assistant state auditor III (grade 78) and two assistant state auditors II (grade 76). Their recurring cost for the audit team is estimated to be \$246,205 for personal services and \$28,600 for operating for a total recurring cost of \$274,805. Their nonrecurring cost is estimated to \$38,4000 for computers, software, office equipment and furniture.

The Fiscal Research Division believes a four-person audit team is reasonable. However, their estimate for personal services is based on salaries that are higher than the minimum salaries for the positions as noted in the State salary schedule for fiscal year 2000-2001. Therefore, we have adjusted their estimate based on the minimum salaries and we believe the personal services cost to be \$211,040. Their estimate for nonrecurring cost includes \$18,000 for office furniture, specifically, a calculator, canvas bag, desk, return, bookcase, file cabinet, chair and 2 side chairs for each of the four positions. We do not believe that a full office outfit is necessary for each position because their positions require them to perform a substantial amount of their duties in the field. Thus, we have reduced the furniture cost to \$9,000 to outfit one office for the supervisor and to provide limited office furniture for the other three positions on the assumption that their field audit schedules will allow them to share office space. We believe their recurring operating cost of \$28,600, which is based on OSA's actual expenditures, and their nonrecurring cost of \$20,400 for the software and equipment for four are reasonable.

Our total estimate for a four-person audit team for fiscal year 2001-2002 *adjusted for inflation based on forecasts by Data Resources, Inc.* is \$250,342 recurring for personal services (\$211,040 from above + 4.8% inflationary increase = \$221,170) and operating (\$28,600 from above + 2.0% inflationary increase = \$29,172) and \$29,988 (\$29,400 from above + 2.0% inflationary increase) nonrecurring for office furniture and computer equipment.

Please note that OSA's utilization of a four-person audit team is based on its current pattern for staffing its existing audit functions. The Auditor's Office will also consider alternative staffing patterns such using a combination of part-time or temporary employees under the supervision of one permanent supervisor instead of employing four permanent auditors to allow more flexibility in assignments and to diminish the possibility that the quality assurance auditors would be recognized. The Fiscal Research Division believes this approach is a reasonable one and that experience with the monitoring function will reveal the true staffing needs as well as the most efficient staffing pattern.

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: Marilyn Chism

APPROVED BY: James D. Johnson



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 332

Short Title: Energy Improvement Program-AB. (Public)

Sponsors: Representatives Tolson; and Hackney.

Referred to: State Government.

March 1, 2001

A BILL TO BE ENTITLED
AN ACT TO REVISE THE BUSINESS ENERGY IMPROVEMENT PROGRAM.
The General Assembly of North Carolina enacts:
SECTION 1. Part 3 of Article 36 of Chapter 143 of the General Statutes
reads as rewritten:

"Part 3. ~~Business~~ Energy Improvement Loan Program.

"§ 143-345.16. Short title.

This Part shall be known as the ~~Business~~ Energy Improvement Loan Program.

"§ 143-345.17. Legislative findings and purpose.

The General Assembly finds and declares that it is in the best interest of the citizens of North Carolina to promote and encourage energy efficiency within the ~~State's industrial and commercial base State~~ in order to conserve energy, promote economic competitiveness, and expand employment in the State.

"§ 143-345.18. Lead agency; powers and duties.

(a) For the purposes of this Part, the Department of ~~Administration~~ Administration, State Energy Office, is designated as the lead State agency in matters pertaining to ~~industrial and commercial energy conservation~~ energy efficiency.

(b) The Department shall have the following powers and duties with respect to this Part:

- (1) To provide industrial and commercial concerns doing business in ~~North Carolina~~ North Carolina, local governments, and nonprofit organizations operating in North Carolina with information and assistance in undertaking energy conserving capital improvement projects to enhance ~~industrial and commercial capacity efficiency~~.
- (2) To establish a revolving fund within the Department for the purpose of providing secured loans in amounts not greater than five hundred thousand dollars (\$500,000) per ~~business~~ entity to install energy-efficient capital improvements (i) within businesses or

1 nonprofit organizations located within or translocating to North
2 ~~Carolina~~ Carolina, and (ii) within local governments. In providing
3 these loans, priority shall be given to businesses entities already
4 located in the State.

5 (2a) To develop and adopt rules to allow State-regulated financial
6 institutions to provide secured loans to corporate entities, nonprofit
7 organizations, and local governments in accordance with terms and
8 criteria established by the Department.

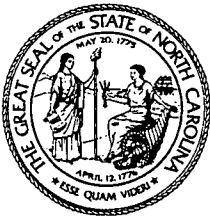
9 (3) To work with appropriate State and federal agencies to develop and
10 implement rules and regulations to facilitate this program.

11 (c) The annual interest rate charged for the use of the funds from the revolving
12 fund established pursuant to subdivision (b)(2) of this section shall be ~~one-half of the~~
13 ~~90-day rate for United States Treasury Bills, not to exceed five percent (5%) per annum,~~
14 three percent (3%) per annum, excluding other fees required for loan application review
15 and origination. The term of any loan originated under this section may not be greater
16 than ~~seven-~~ 10 years.

17 (c1) Notwithstanding subsection (c) of this section, the Department shall adopt
18 rules to allow loans to be made from the revolving loan fund and by State-regulated
19 financial institutions at interest rates as low as one percent (1%) per annum for certain
20 energy efficient and conservation projects such as recycling and renewable energy to
21 encourage their development and use.

22 (d) In accordance with the terms of the Stripper Well Settlement, administrative
23 expenses for activities under this section shall be limited to five percent (5%) of funds
24 appropriated for this purpose."

25 **SECTION 2.** This act is effective when it becomes law.



HB 332: Energy Improvement Program-AB

BILL ANALYSIS

Committee: House State Government
Date: March 15, 2001
Version: 1st Edition

Introduced by: Rep. Tolson
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

The Business Energy Improvement Program was established by the General Assembly last Session. S.L. 2000-140, §76(i). The Program is located in the Department of Administration. Its purpose is to provide information and assistance to industrial and commercial businesses in North Carolina about undertaking energy conserving capital improvement projects. The program also provides secured loans of up to \$500,000 to businesses for the installation of energy efficient capital improvements.

House Bill 332 would amend the program as follows:

- (1) The name of the Program is amended to be the "Energy Improvement Loan Program."
- (2) The Program would be expanded to include local governments and nonprofit organizations operating in North Carolina.
- (3) The Department would develop rules to allow State-regulated financial institutions to provide secured loans to businesses, local governments and nonprofits in accordance with the terms and criteria established by the Department.
- (4) The annual interest rate for such loans is decreased from 5% per annum to 3% per annum and the term of the loans is increased from 7 to 10 years.
- (5) The Department is to develop rules to allow loans to be made from the revolving loan fund and State-regulated financial institutions at interest rates as low as 1% for special projects such as recycling and renewable energy projects.

The act is effective when it becomes law.

REVISIONS IN BUSINESS ENERGY IMPROVEMENT PROGRAM

H0332 BACKGROUND

Prepared by Sharon Stroud
State Energy Office
3/6/01

Overview of the Current Program

The Business Energy Improvement Program (BEIP) provides loans for businesses and industry to make capital improvements that conserve energy or dollars spent on energy. The program has been in operation since 1990 and was initially funded at \$2.5M. With accumulated interest, the total program fund is now over \$2.6M. Loans can be made in amounts from \$100,000 to \$500,000 with repayment from energy savings within a maximum of seven years.

As of December 31, 2000, outstanding loans totaled \$141,702 among two companies. Actual balance on hand was \$2,694,852 including interest earned from earlier loans.

Energy conservation measures and improvements that could be supported through the loan program are systems for lighting, boiler efficiency, energy management, HVAC, industrial process or fabrication, alternative/renewable energy, or energy recovery. Also, on-site generation, building envelope improvements, fuel conservation projects, and efficient motors can be included.

Thirteen loans have been made through the program in amounts from \$126,000 to \$500,000. In analyzing the use of the funds, office buildings and moveable equipment have received more loans than manufacturing plants and process. Five loans were for upgrades in lighting or HVAC equipment in office buildings. Three loans were used to purchase and install peak-shaving generators. The remaining five loans in manufacturing facilities included a lighting upgrade, two heat recovery process systems, replacement of a motor with a steam turbine, and product process changes.

The loans are restitutionary and must be repaid. A letter of credit with the client's bank is required to provide collateral. Clients must have excellent standing with their bank in order to get a letter of credit. Banks appear to be more willing to provide collateral for office buildings or generators that can be rented or sold versus manufacturing process equipment or plant building improvements.

The program marketing emphasis in recent months has been through utility contacts. The NCSU Industrial Extension Service promotes the program with their audit clients. Although there are frequent inquiries about the program, few pursue a loan.

Recent inquiries for loan information include:

- peak load generator for a municipal water treatment plant;

REVISIONS IN BUSINESS ENERGY IMPROVEMENT PROGRAM

H0332 BACKGROUND

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State Energy Office
3/6/01

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Recent inquiries for loan information include:

- peak load generator for a municipal water treatment plant;

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 334 A BILL TO BE ENTITLED AN ACT AMENDING THE EMPLOYMENT
SECURITY LAWS TO EXEMPT FROM THE DEFINITION OF EMPLOYMENT
STUDENT INTERNS OF THE NORTH CAROLINA INTERNSHIP COUNCIL.

☐ With a favorable report.

☒ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☐ Finance ☒ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 334

Short Title: Exemption for Student Interns-AB.

(Public)

Sponsors: Representative Luebke.

Referred to: State Government.

March 1, 2001

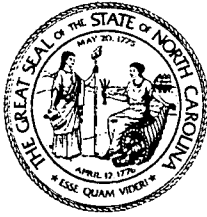
1 A BILL TO BE ENTITLED
2 AN ACT AMENDING THE EMPLOYMENT SECURITY LAWS TO EXEMPT
3 FROM THE DEFINITION OF EMPLOYMENT STUDENT INTERNS OF THE
4 NORTH CAROLINA INTERNSHIP COUNCIL.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 96-8(6)k. is amended by adding a new subdivision to
7 read:

8 "20. Service performed by an individual as a student intern
9 under the auspices of the North Carolina Internship
10 Council of the Department of Administration as provided
11 for in G.S. 143B-417."

12 SECTION 2. This act is effective when it becomes law.



HB 334: **Exemption for Student Interns-AB**

BILL ANALYSIS

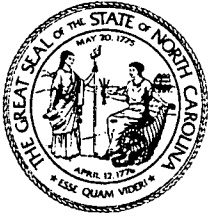
Committee: House State Government
Date: March 15, 2001
Version: 1st Edition

Introduced by: Rep. Luebke
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

House Bill 334 amends the provisions of the Employment Security Law, Chapter 96 of the General Statutes. In particular, the bill amends the definition of employment to exempt student interns of the North Carolina Internship Council. The Internship Council is established pursuant to Part 18, Article 9 of Chapter 143B of the General Statutes and is responsible for screening and placing interns in the various offices and departments of State Government.

The act is effective when it becomes law.



HB 334: **Exemption for Student Interns-AB**

BILL ANALYSIS

Committee: House State Government
Date: March 15, 2001
Version: 1st Edition

Introduced by: Rep. Luebke
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

House Bill 334 amends the provisions of the Employment Security Law, Chapter 96 of the General Statutes. In particular, the bill amends the definition of employment to exempt student interns of the North Carolina Internship Council. The Internship Council is established pursuant to Part 18, Article 9 of Chapter 143B of the General Statutes and is responsible for screening and placing interns in the various offices and departments of State Government.

The act is effective when it becomes law.

VISITOR REGISTRATION SHEET

HOUSE COMMITTEE ON STATE GOVERNMENT

3/15/01

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Rob Hillman

OSA

Vicky Young

OSA

David Clegg

ESC

BRANDON THOMAS

SEANC

Sherry Melton

SEANC

Ardis Watkins

SEANC

Carl Gordon

OSP

Doug Lassiter

Lassiter Enter.

Kathie Austin

OSBPM

Grady McElhin

N.C. Consumption Network

Marsha Glass

DOA

Pam Deardorff

DOA

VISITOR REGISTRATION SHEET

State Gov.

Name of Committee

3/15/01

Date _____

VISITORS:.. PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Margaret Westbrook

KCLH

Allice Jarland

Electricity

Emily Totham

Smith Anderson

Nellie Baker

OSP

**HOUSE COMMITTEE ON STATE GOVERNMENT
ROOM 415 LOB
March 22, 2001
10:00 A.M.**

AGENDA

CALL TO ORDER

Representative Mary Jarrell, Chair

CONSIDERATION OF BILLS

HB 85	INDIAN CULTURAL CENTER AMENDMENT (Rep. Sutton)
HB 332	ENERGY IMPROVEMENT PROGRAM (Rep. Tolson)
HB 374	STATE BOXING COMMISSION (Rep. Culpepper)
HB 382	ADOPT STRAWBERRY AS STATE FRUIT (Reps. Russell and Hill)

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON STATE GOVERNMENT
March 22, 2001

The House Committee on State Government met at 10:00 a.m. on Thursday, March 22, 2001, in Room 415 of the Legislative Office Building with the following members present: Representative Jarrell, Chair; Representative Luebke, Vice Chair; Representatives Adams, Baker, Bonner, Coates, Cox, Hensley, Holmes, McComas, Owens, Teague, and West. Barbara Riley, committee counselor, was also in attendance.

Representative Jarrell called the meeting to order and recognized members of the Committee. A visitor registration sheet is attached and made a part of the minutes.

The following bills were considered:

HB 85 – INDIAN CULTURAL CENTER AMENDMENT. Representative Sutton, sponsor of the bill, explained that HB 85 modifies the terms for a contract between the State of North Carolina and the North Carolina Indian Cultural Center, Inc. for the lease of property the State acquired for the Indian Cultural Center. Representative Bonner made a motion for a favorable report. Motion carried.

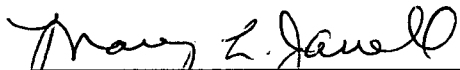
HB 382 – ADOPT STRAWBERRY AS STATE FRUIT. Representatives Russell and Hill, sponsors of the bill, explained the bill which would make the strawberry the official State fruit. There are currently seventeen (17) designations of official State items such as the State flower, tree, dog, rock, stone and beverage, and vegetable. A Resolution from the Town of Chadbourn and a newspaper article from *The Wilmington Morning Star* is attached and made a part of the minutes. Representative Baker moved for a favorable report. Motion carried.

HB 374 – STATE BOXING COMMISSION-AB. Representative Culpepper, sponsor, was called upon to explain the bill. He explained that the Boxing Commission is charged with the regulation of all persons, practices, and associations involved with live boxing events in the State. This bill would expand the authority of the Boxing Commission of the Boxing Commission to include the regulation of wrestling and mixed martial arts events. Representative Adams made a motion to adopt a committee substitute. Motion carried. Representative Cox made a motion to give the committee substitute a favorable report, unfavorable to original bill, and be re-referred to Finance.

HB 332 – ENERGY IMPROVEMENT PROGRAM-AB. Representative Tolson was recognized to explain the bill (continued from March 22, 2001 meeting) which would amend the Business Energy Improvement Program established by the General Assembly last Session. This bill would amend the Business Energy Improvement Program established by the General Assembly last Session. Copy of *Revisions in Business Energy Improvement Program* is attached. A committee substitute was offered and

Representative Baker made a motion for its adoption. Motion carried. Representative Baker made a motion to give the committee substitute a favorable report, unfavorable to original bill, and be re-referred to Finance.

The meeting adjourned at 10:35.


Rep. Mary L. Jarrell, Chair


Edna Lee Collar, Committee Assistant

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 85 A BILL TO BE ENTITLED AN ACT TO AMEND THE LAW AFFECTING THE
LEASE OF STATE PROPERTY TO THE NORTH CAROLINA INDIAN CULTURAL
CENTER, INC.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 85

Short Title: Indian Cultural Center Amendment.

(Public)

Sponsors: Representatives Sutton, Bonner, Yongue; Barefoot, Cole, Hall, and Alexander.

Referred to: Rules, Calendar, and Operations of the House.

February 8, 2001

A BILL TO BE ENTITLED

AN ACT TO AMEND THE LAW AFFECTING THE LEASE OF STATE
PROPERTY TO THE NORTH CAROLINA INDIAN CULTURAL CENTER, INC.

The General Assembly of North Carolina enacts:

SECTION 1. Subsection (a) of Section 18 of Chapter 1074 of the 1989 Session Laws, as amended by subsection (e) of Section 22 of Chapter 900 of the 1991 Session Laws, Section 1 of Chapter 88 of the 1993 Session Laws, Section 33 of Chapter 561 of the 1993 Session Laws, and Section 1 of S.L. 1997-41, reads as rewritten:

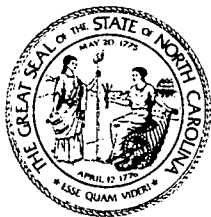
"(a) The State of North Carolina shall lease out to the North Carolina Indian Cultural Center, Inc., for a period of 99 years at a monetary consideration of \$1.00 per year all the real property it acquired for the Indian Cultural Center, except that portion containing the Riverside Golf Course, but no part of Phase I of the project may be constructed either by the State or for the lessee until an environmental impact assessment is completed on Phase I of the property, and if required pursuant to Article 1 of Chapter 113A of the General Statutes, an environmental impact statement is prepared. The State shall enter into a lease agreement in accordance with this section not later than December 31, 1993. If the State and the North Carolina Indian Cultural Center, Inc., do not enter into a lease agreement by December 31, 1993, then the property may be used for any public purpose.

Any lease agreement entered into by the State with the North Carolina Indian Cultural Center, Inc., shall include ~~but not be limited to the following terms:~~

(1) ~~An a requirement that an~~ environmental impact assessment pursuant to Article 1 of Chapter 113A of the General Statutes is be completed on Phase I of the property.

(2) ~~The lease shall include a reversionary clause stipulating that the North Carolina Indian Cultural Center, Inc., must raise funds or receive pledges totaling three million dollars (\$3,000,000) by June 1, 2001.~~

- 1 ~~(3) If the funds or pledges are not obtained by June 1, 2001, then this lease~~
2 ~~agreement will automatically terminate."~~
3 **SECTION 2.** This act is effective when it becomes law.



HB 85: Indian Cultural Center Amendment

BILL ANALYSIS

Committee: House State Government
Date: March 21, 2001
Version: 1st Edition

Introduced by: Representative Sutton
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

House Bill 85 modifies the terms required for a contract between the State of North Carolina and the North Carolina Indian Cultural Center, Inc. for the lease of property the State acquired for the Indian Cultural Center.

Provisions for the lease were originally established in the 1989 Session Laws and have been modified several times over the past 10 years. Under House Bill 85, the lease would no longer be required to include terms (1) stipulating that the N.C. Indian Cultural Center, Inc. had to raise \$3,000,000 in funding by June 1, 2001 and (2) that the lease would terminate if those funds were not obtained.

The act is effective when it becomes law.

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 332 A BILL TO BE ENTITLED AN ACT TO REVISE THE BUSINESS ENERGY
IMPROVEMENT PROGRAM.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.

☒ With a favorable report as to committee substitute bill (~~#~~), ☐ which changes the title,
unfavorable as to (original bill) (~~Committee Substitute Bill #~~), (and recommendation
that the committee substitute bill ~~#~~) be re-referred to the Committee on *Finance*.

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 332

Short Title: Energy Improvement Program-AB.

(Public)

Sponsors: Representatives Tolson; and Hackney.

Referred to: State Government.

March 1, 2001

A BILL TO BE ENTITLED
AN ACT TO REVISE THE BUSINESS ENERGY IMPROVEMENT PROGRAM.
The General Assembly of North Carolina enacts:

SECTION 1. Part 3 of Article 36 of Chapter 143 of the General Statutes reads as rewritten:

"Part 3. ~~Business~~ Energy Improvement Loan Program.
"§ 143-345.16. **Short title.**

This Part shall be known as the ~~Business~~ Energy Improvement Loan Program.
"§ 143-345.17. **Legislative findings and purpose.**

The General Assembly finds and declares that it is in the best interest of the citizens of North Carolina to promote and encourage energy efficiency within the State's ~~industrial and commercial base~~ State in order to conserve energy, promote economic competitiveness, and expand employment in the State.

"§ 143-345.18. **Lead agency; powers and duties.**

(a) For the purposes of this Part, the Department of ~~Administration~~ Administration, State Energy Office, is designated as the lead State agency in matters pertaining to ~~industrial and commercial energy conservation~~ energy efficiency.

(b) The Department shall have the following powers and duties with respect to this Part:

- (1) To provide industrial and commercial concerns doing business in North Carolina, local governments, and nonprofit organizations operating in North Carolina with information and assistance in undertaking energy conserving capital improvement projects to enhance ~~industrial and commercial capacity efficiency~~.
- (2) To establish a revolving fund within the Department for the purpose of providing secured loans in amounts not greater than five hundred thousand dollars (\$500,000) per ~~business~~ entity to install energy-efficient capital improvements (i) within businesses or

1 nonprofit organizations located within or translocating to North
2 Carolina Carolina, and (ii) within local governments. In providing
3 these loans, priority shall be given to businesses entities already
4 located in the State.

5 (2a) To develop and adopt rules to allow State-regulated financial
6 institutions to provide secured loans to corporate entities, nonprofit
7 organizations, and local governments in accordance with terms and
8 criteria established by the Department.

9 (3) To work with appropriate State and federal agencies to develop and
10 implement rules and regulations to facilitate this program.

11 (c) The annual interest rate charged for the use of the funds from the revolving
12 fund established pursuant to subdivision (b)(2) of this section shall be ~~one-half of the~~
13 ~~90-day rate for United States Treasury Bills, not to exceed five percent (5%) per annum,~~
14 three percent (3%) per annum, excluding other fees required for loan application review
15 and origination. The term of any loan originated under this section may not be greater
16 than ~~seven~~ 10 years.

17 (c1) Notwithstanding subsection (c) of this section, the Department shall adopt
18 rules to allow loans to be made from the revolving loan fund and by State-regulated
19 financial institutions at interest rates as low as one percent (1%) per annum for certain
20 energy efficient and conservation projects such as recycling and renewable energy to
21 encourage their development and use.

22 (d) In accordance with the terms of the Stripper Well Settlement, administrative
23 expenses for activities under this section shall be limited to five percent (5%) of funds
24 appropriated for this purpose."

25 **SECTION 2.** This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 332
PROPOSED COMMITTEE SUBSTITUTE H332-CSRF-6 [v.0]

3/19/2001 5:06:41 PM

Short Title: Energy Improvement Program-AB.

(Public)

Sponsors:

Referred to:

March 1, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO REVISE THE BUSINESS ENERGY IMPROVEMENT PROGRAM.
3 The General Assembly of North Carolina enacts:
4 SECTION 1. Part 3 of Article 36 of Chapter 143 of the General Statutes
5 reads as rewritten:

6 "Part 3. ~~Business~~ Energy Improvement Loan Program.

7 "§ 143-345.16. Short title.

8 This Part shall be known as the ~~Business~~ Energy Improvement Loan Program.

9 "§ 143-345.17. Legislative findings and purpose.

10 The General Assembly finds and declares that it is in the best interest of the citizens
11 of North Carolina to promote and encourage energy efficiency within the State's
12 ~~industrial and commercial base~~ State in order to conserve energy, promote economic
13 competitiveness, and expand employment in the State.

14 "§ 143-345.18. Lead agency; powers and duties.

15 (a) For the purposes of this Part, the Department of ~~Administration~~
16 Administration, State Energy Office, is designated as the lead State agency in matters
17 pertaining to ~~industrial and commercial energy conservation~~ energy efficiency.

18 (b) The Department shall have the following powers and duties with respect to
19 this Part:

- 20 (1) To provide industrial and commercial concerns doing business in
21 North Carolina ~~Carolina~~, local governmental units, and nonprofit
22 organizations operating in North Carolina with information and
23 assistance in undertaking energy conserving capital improvement
24 projects to enhance industrial and commercial capacity efficiency.
25 (2) To establish a revolving fund within the Department for the purpose of
26 providing secured loans in amounts not greater than five hundred
27 thousand dollars (\$500,000) per ~~business~~ entity to install
28 energy-efficient capital improvements (i) within businesses or
29 nonprofit organizations located within or translocating to North

Carolina Carolina, and (ii) within local governmental units. In providing these loans, priority shall be given to businesses entities already located in the State.

(2a) To develop and adopt rules to allow State-regulated financial institutions to provide secured loans to corporate entities, nonprofit organizations, and local governmental units in accordance with terms and criteria established by the Department.

(3) To work with appropriate State and federal agencies to develop and implement rules and regulations to facilitate this program.

(c) The annual interest rate charged for the use of the funds from the revolving fund established pursuant to subdivision (b)(2) of this section shall be ~~one-half of the 90-day rate for United States Treasury Bills, not to exceed five percent (5%) per annum,~~ three percent (3%) per annum, excluding other fees required for loan application review and origination. The term of any loan originated under this section may not be greater than ~~seven~~ 10 years.

(c1) Notwithstanding subsection (c) of this section, the Department shall adopt rules to allow loans to be made from the revolving loan fund and by State-regulated financial institutions at interest rates as low as one percent (1%) per annum for certain energy efficient and conservation projects such as recycling and renewable energy to encourage their development and use.

(d) In accordance with the terms of the Stripper Well Settlement, administrative expenses for activities under this section shall be limited to five percent (5%) of funds appropriated for this purpose.

(e) For purposes of this section:

(1) 'Local governmental unit' means any board or governing body of a political subdivision of the State, including any board of a community college, any school board, or an agency, commission, or authority of a political subdivision of the State.

(2) 'Nonprofit organization' means an organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code.

SECTION 2. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 332
PROPOSED COMMITTEE SUBSTITUTE H332-PCS3251-RF-6

Short Title: Energy Improvement Program-AB.

(Public)

Sponsors:

Referred to:

March 1, 2001

A BILL TO BE ENTITLED

AN ACT TO REVISE THE BUSINESS ENERGY IMPROVEMENT PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. Part 3 of Article 36 of Chapter 143 of the General Statutes reads as rewritten:

"Part 3. ~~Business~~ Energy Improvement Loan Program.

"§ 143-345.16. **Short title.**

This Part shall be known as the ~~Business~~ Energy Improvement Loan Program.

"§ 143-345.17. **Legislative findings and purpose.**

The General Assembly finds and declares that it is in the best interest of the citizens of North Carolina to promote and encourage energy efficiency within the ~~State's industrial and commercial base~~ State in order to conserve energy, promote economic competitiveness, and expand employment in the State.

"§ 143-345.18. **Lead agency; powers and duties.**

(a) For the purposes of this Part, the Department of ~~Administration~~ Administration, State Energy Office, is designated as the lead State agency in matters pertaining to ~~industrial and commercial energy conservation~~ energy efficiency.

(b) The Department shall have the following powers and duties with respect to this Part:

- (1) To provide industrial and commercial concerns doing business in ~~North Carolina~~ Carolina, local governmental units, and nonprofit organizations operating in North Carolina with information and assistance in undertaking energy conserving capital improvement projects to enhance ~~industrial and commercial capacity~~ efficiency.
- (2) To establish a revolving fund within the Department for the purpose of providing secured loans in amounts not greater than five hundred thousand dollars (\$500,000) per ~~business~~ entity to install energy-efficient capital improvements (i) within businesses or nonprofit organizations located within or translocating to North

Carolina Carolina, and (ii) within local governmental units. In providing these loans, priority shall be given to ~~businesses~~ entities already located in the State.

(2a) To develop and adopt rules to allow State-regulated financial institutions to provide secured loans to corporate entities, nonprofit organizations, and local governmental units in accordance with terms and criteria established by the Department.

(3) To work with appropriate State and federal agencies to develop and implement rules and regulations to facilitate this program.

(c) The annual interest rate charged for the use of the funds from the revolving fund established pursuant to subdivision (b)(2) of this section shall be ~~one-half of the 90-day rate for United States Treasury Bills, not to exceed five percent (5%) per annum, three percent (3%) per annum,~~ excluding other fees required for loan application review and origination. The term of any loan originated under this section may not be greater than ~~seven~~ 10 years.

(c1) Notwithstanding subsection (c) of this section, the Department shall adopt rules to allow loans to be made from the revolving loan fund and by State-regulated financial institutions at interest rates as low as one percent (1%) per annum for certain energy efficient and conservation projects such as recycling and renewable energy to encourage their development and use.

(d) In accordance with the terms of the Stripper Well Settlement, administrative expenses for activities under this section shall be limited to five percent (5%) of funds appropriated for this purpose.

(e) For purposes of this section:

(1) 'Local governmental unit' means any board or governing body of a political subdivision of the State, including any board of a community college, any school board, or an agency, commission, or authority of a political subdivision of the State.

(2) 'Nonprofit organization' means an organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code."

SECTION 2. This act is effective when it becomes law.



HB 332: Energy Improvement Program-AB

BILL ANALYSIS

Committee: House State Government
Date: March 15, 2001
Version: 1st Edition

Introduced by: Rep. Tolson
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

The Business Energy Improvement Program was established by the General Assembly last Session. S.L. 2000-140, §76(i). The Program is located in the Department of Administration. Its purpose is to provide information and assistance to industrial and commercial businesses in North Carolina about undertaking energy conserving capital improvement projects. The program also provides secured loans of up to \$500,000 to businesses for the installation of energy efficient capital improvements.

House Bill 332 would amend the program as follows:

- (1) The name of the Program is amended to be the "Energy Improvement Loan Program."
- (2) The Program would be expanded to include local governments and nonprofit organizations operating in North Carolina.
- (3) The Department would develop rules to allow State-regulated financial institutions to provide secured loans to businesses, local governments and nonprofits in accordance with the terms and criteria established by the Department.
- (4) The annual interest rate for such loans is decreased from 5% per annum to 3% per annum and the term of the loans is increased from 7 to 10 years.
- (5) The Department is to develop rules to allow loans to be made from the revolving loan fund and State-regulated financial institutions at interest rates as low as 1% for special projects such as recycling and renewable energy projects.

The act is effective when it becomes law.

REVISIONS IN BUSINESS ENERGY IMPROVEMENT PROGRAM

H0332 BACKGROUND

Prepared by Sharon Stroud
State Energy Office
3/6/01

Overview of the Current Program

The Business Energy Improvement Program (BEIP) provides loans for businesses and industry to make capital improvements that conserve energy *or* dollars spent on energy. The program has been in operation since 1990 and was initially funded at \$2.5M. With accumulated interest, the total program fund is now over \$2.6M. Loans can be made in amounts from \$100,000 to \$500,000 with repayment from energy savings within a maximum of seven years.

As of December 31, 2000, outstanding loans totaled \$141,702 among two companies. Actual balance on hand was \$2,694,852 including interest earned from earlier loans.

Energy conservation measures and improvements that could be supported through the loan program are systems for lighting, boiler efficiency, energy management, HVAC, industrial process or fabrication, alternative/renewable energy, or energy recovery. Also, on-site generation, building envelope improvements, fuel conservation projects, and efficient motors can be included.

Thirteen loans have been made through the program in amounts from \$126,000 to \$500,000. In analyzing the use of the funds, office buildings and moveable equipment have received more loans than manufacturing plants and process. Five loans were for upgrades in lighting or HVAC equipment in office buildings. Three loans were used to purchase and install peak-shaving generators. The remaining five loans in manufacturing facilities included a lighting upgrade, two heat recovery process systems, replacement of a motor with a steam turbine, and product process changes.

The loans are restitutionary and must be repaid. A letter of credit with the client's bank is required to provide collateral. Clients must have excellent standing with their bank in order to get a letter of credit. Banks appear to be more willing to provide collateral for office buildings or generators that can be rented or sold versus manufacturing process equipment or plant building improvements.

The program marketing emphasis in recent months has been through utility contacts. The NCSU Industrial Extension Service promotes the program with their audit clients. Although there are frequent inquiries about the program, few pursue a loan.

Recent inquiries for loan information include:

- peak load generator for a municipal water treatment plant;

- power generation from landfill methane;
- lighting and HVAC upgrades in public schools, high rise office buildings and a for-profit retirement home;
- solar water heating panels for a manufacturing plant;
- waste water heat reclaim system in a fabric dyeing plant.

Proposed Program Changes

In order to make the loan program more marketable and easier to administer, the State Energy Office requests statutory revision to incorporate the following revisions:

- Expand the recipient criteria in paragraph (b)(1) of GS143-345.18 to allow loans to non-profits, public schools and local governments. Currently, the Business Energy Improvement Program is directed by legislative statute for use with for-profit commercial and industrial borrowers. With this expansion, for example, landfills or waste treatment plants, etc., could then be developed by non-profits or local governments as energy generation sources for industrial or commercial operations located adjacent to the site, or possibly sold to utilities. And, public schools could then use the loan fund for energy improvements.
- Make loan funds available through all regulated lenders in the state, to be lent in accordance with State Energy Office criteria and terms. The regulated lenders will pay the State Energy Office an interest rate to be determined (3% suggested); they may charge the end borrower an *additional* 2.5% to 4%. The regulated lender will guarantee loan repayment and be responsible for ensuring that the approved work is completed as agreed with the State Energy Office. The lender can mark-up the interest rate an additional 2.5 to 4% to cover the varying credit-worthiness of different borrowers.
- Revise paragraph (c) of GS143B-345.18, changing the current complex formula to specify an interest rate of 3% per annum. This action would reduce internal administration time for recalculating the interest rate for each loan every quarter. This policy supports the intent of this program, to encourage energy efficiency and savings, while returning a conservative profit for the loan fund.
- Lower the interest rate to as low as 1% for specific types of projects such as recycling or renewable energy. Under similar programs in other states, the state's energy office has the option of discounting the interest rate in order to stimulate specific types of projects. For example, a landfill methane gas conversion to electricity project could be charged only 1% interest by the State Energy Office and up to 4% by the bank for a total of 5% to the client.

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 374 A BILL TO BE ENTITLED AN ACT TO GRANT THE STATE BOXING COMMISSION THE AUTHORITY TO REGULATE WRESTLING AND MIXED MARTIAL ARTS EVENTS, TO AMEND THE LAWS REGULATING BOXING, AND TO ALLOW THE COMMISSION TO INCREASE CERTAIN FEES.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☒ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on Finance

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

H

1

HOUSE BILL 374

Short Title: State Boxing Commission-AB.

(Public)

Sponsors: Representative Culpepper.

Referred to: State Government.

March 1, 2001

A BILL TO BE ENTITLED

AN ACT TO GRANT THE STATE BOXING COMMISSION THE AUTHORITY TO
REGULATE WRESTLING AND MIXED MARTIAL ARTS EVENTS, TO
AMEND THE LAWS REGULATING BOXING, AND TO ALLOW THE
COMMISSION TO INCREASE CERTAIN FEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-650 reads as rewritten:

"§ 143-650. Legislative findings and declarations.

The General Assembly finds and declares to be the public policy of this State that it
is in the best interest of the public ~~and of boxing that boxing that professional boxing,~~
~~kickboxing, toughman, wrestling, and mixed martial arts matches~~ should be subject to
an effective and efficient system of strict control and regulation in order to:

(1) Protect the safety and well-being of participants ~~in boxing; and~~ and the public.

(2) Promote the public confidence and trust in the regulatory process and
the conduct of ~~boxing these matches.~~

To further the public confidence and trust, the provisions of this Article are designed to
regulate all persons, practices, and associations related to the operation of any live
~~boxing—boxing, kickboxing, toughman, wrestling, or mixed martial arts~~ event,
performance, or contest held in North Carolina."

SECTION 2. G.S. 143-651 reads as rewritten:

"§ 143-651. Definitions.

The following definitions apply in this Article:

(1) Amateur. – A person who is not receiving or competing for and has
never received or competed for any purse or other article or thing of
value for participating in a match.

(2) Announcer. – Any person who engages in the act of announcing a
~~boxing~~ match.

- (3) Boxer. – Any person who engages as a participant in a boxing match.
- (4) Boxing match. – A match where the participants engage in the use of full contact boxing techniques (using the fist only), and where the object of a match is to win by decision, knockout (KO), or technical knockout (TKO).
- (5) Commission. – The North Carolina State Boxing Commission.
- (6) Contest. – A ~~boxing~~ match in which the participants strive to win.
- (7) Contestant. – Any person who engages as a participant in a ~~boxing~~ boxing, kickboxing, toughman, wrestling, or mixed martial arts match.
- (8) Exhibition. – A ~~boxing~~ match where the participants display their ~~boxing~~ skills and technique without necessarily striving to win.
- (9) Judge. – A person who has a vote in determining the winner of any match or contest.
- (10) Kickboxer. – Any person who engages as a participant in a kickboxing match.
- (11) Kickboxing match. – A match in which the participants engage in full contact martial arts fighting techniques using the hands and the feet, and where the object of the match is to win by decision, knockout (KO), or technical knockout (TKO).
- (12) Licensee. – Any person, club, corporation, organization, or association to whom a license has been issued pursuant to the provisions of this Article.
- (13) Manager. – Any person who controls or administers the ~~boxing~~ boxing, kickboxing, toughman, wrestling, or mixed martial arts affairs of any contestant, and who:
- a. By contract, agreement, or other arrangement with any person undertakes or has undertaken to represent in any way the interest of the contestant in any ~~professional boxing~~ contest in which the ~~boxer-boxer, kickboxer, wrestler, or mixed martial arts contestant~~ is to participate as a contestant, and is entitled under that contract, agreement, or arrangement to receive monetary or other compensation for his services, without regard to the sources of the compensation. The term "manager" shall not be construed to mean any attorney licensed to practice in this State whose participation in the activities is restricted solely to representing the interests of a ~~professional boxer~~ participant as a client.
 - b. Directs or controls the ~~professional boxing~~ activities of any ~~professional boxer-participant~~.
 - c. Receives or is entitled to receive a percentage of the gross purse or gross income of any ~~professional boxing contest-participant~~ in a match.
- (14) Match. – Any ~~boxing or kickboxing~~ boxing, kickboxing, toughman, wrestling, or mixed martial arts contest or exhibition, and includes any

- 1 event, engagement, sparring or practice session, show or program
2 where the public is admitted and in which there is intended to be
3 physical contact, whether an exhibition or contest. This definition does
4 not include training or practice sessions when no admission is charged.
- 5 (15) Matchmaker. – A person through whom matches are arranged for
6 participants and who otherwise assists participants in procuring
7 engagement dates for ~~boxing-a match~~.
- 8 (15a) Mixed martial arts contestant. – Any person who competes or
9 participates in a mixed martial arts match.
- 10 (15b) Mixed martial arts match. – A match where the participants engage in
11 full contact martial arts techniques and a fee for viewing the match is
12 charged or solicited or a purse or prize is awarded to the contestant.
- 13 (16) Natural person. – An individual.
- 14 (17) Participant. – Any person who engages in a ~~match or exhibition and~~
15 ~~performs as a boxer match~~.
- 16 (18) Person. – An individual, group of individuals, business, corporation,
17 limited liability company, partnership, or any other individual or
18 collective entity.
- 19 (19) Physician. – An individual licensed to practice medicine in this State.
- 20 (20) Professional. – Any person who is licensed as a professional boxer
21 under the federal Professional Boxing Safety Act of 1996.
- 22 (21) Promoter. – Any person who produces, arranges, stages, holds, or
23 gives any match in North Carolina involving a professional participant.
- 24 (22) Referee. – The official who shall enter and remain in the ring for the
25 duration of a match and shall enforce the rules and maintain order in
26 the ring.
- 27 (23) Ring official. – Any person who performs an official function for the
28 duration of a match.
- 29 (23a) Sanctioned amateur. – A person who competes in a sanctioned amateur
30 match.
- 31 (23b) Sanctioned amateur match. – Any boxing or kickboxing match
32 regulated by an amateur sports organization that has been recognized
33 and approved by the North Carolina Boxing Commission.
- 34 (24) Second. – Any person who will work or be present in the corner of a
35 participant for the duration of a match.
- 36 (25) Timekeeper. – Any person who will operate the clock or watch for the
37 duration of a match for the purpose of keeping the official time of the
38 match.
- 39 (25a) Toughman contestant. – Any person who competes in a toughman
40 event.
- 41 (25b) Toughman event. – An elimination program of matches in which (i)
42 the contestants are not professional boxers, (ii) the finalist receives a
43 purse or other article of value, (iii) the participants engage in the use of

1 full contact boxing techniques, and (iv) the object of each match is to
2 win by decision, knockout (KO), or technical knockout (TKO).

3 (25c) Wrestling contestant. – Any person who competes or participates in a
4 wrestling event.

5 (25d) Wrestling match. – A match where the participants engage in full
6 contact wrestling techniques and a fee for viewing the match is
7 charged or solicited or a purse or prize is awarded to the contestant.

8 (26) Ultimate warrior match. – A match where the participants use any
9 combination of boxing, kicking, wrestling, hitting, punching, or other
10 combative, contact techniques and which combination of techniques is
11 not specifically authorized by and conducted pursuant to this Article."

12 SECTION 3. G.S. 143-652 reads as rewritten:

13 "§ 143-652. State Boxing Commission.

14 (a) Creation. – The North Carolina State Boxing Commission is created within
15 the Department of Crime Control and Public Safety to regulate in North Carolina live
16 ~~boxing and kickboxing~~ boxing, kickboxing, wrestling, or mixed martial arts matches,
17 whether professional, amateur, sanctioned amateur, or toughman events, in which
18 admission is charged for viewing, or the contestants compete for a purse or prize of
19 value greater than twenty-five dollars (\$25.00). The Commission shall consist of six
20 voting members and two nonvoting advisory members. All the members shall be
21 residents of North Carolina and shall meet requirements for membership under the
22 Professional Boxing Safety Act of 1996. The members shall be appointed as follows:

23 (1) One voting member shall be appointed by the Governor for an initial
24 term of two years.

25 (2) One voting member shall be appointed by the General Assembly upon
26 the recommendation of the President Pro Tempore of the Senate for an
27 initial term of one year, in accordance with G.S. 120-121.

28 (3) One voting member shall be appointed by the General Assembly upon
29 the recommendation of the Speaker of the House of Representatives
30 for an initial term of one year.

31 (4) Two voting members shall be appointed by the Secretary of Crime
32 Control and Public Safety. One shall serve for an initial term of three
33 years, and the other shall serve for an initial term of two years.

34 (4a) One member shall be appointed by the Tribal Council of the Eastern
35 Band of the Cherokee for an initial term of three years.

36 (5) One nonvoting advisory member shall be appointed by the General
37 Assembly upon the recommendation of the Speaker of the House of
38 Representatives for an initial term of one year, in accordance with G.S.
39 120-121, from nominations made by the North Carolina Medical
40 Society, which shall nominate two licensed physicians for the position.

41 (6) One nonvoting advisory member shall be appointed by the General
42 Assembly upon the recommendation of the President Pro Tempore of
43 the Senate for an initial term of one year, in accordance with G.S.

120-121, from nominations made by the North Carolina Medical Society, which shall nominate two licensed physicians for the position.

The member appointed pursuant to subdivision (5) of subsection (a) of this section may serve on the Commission only if an agreement exists and remains in effect between the Tribal Council of the Eastern Band of the Cherokee and the Commission authorizing the Commission to regulate professional boxing matches within the Cherokee Indian Reservation as provided by the Professional Boxing Safety Act of 1996.

The two nonvoting advisory members appointed pursuant to subdivisions (6) and (7) of subsection (a) of this section shall advise the Commission on matters concerning the health and physical condition of boxers and health issues relating to the conduct of exhibitions and boxing matches. They may prepare and submit to the Commission for its consideration and approval any rules that in their judgment will safeguard the physical welfare of all participants engaged in boxing.

Terms for all members of the Commission except for the initial appointments shall be for three years.

The Secretary of Crime Control and Public Safety shall designate which member of the Commission is to serve as chair. A member of the Commission may be removed from office by the Secretary of Crime Control and Public Safety. Each member before entering upon the duties of a member shall take and subscribe an oath to perform the duties of the office faithfully, impartially, and justly to the best of the member's ability. A record of these oaths shall be filed in the Department of the Secretary of Crime Control and Public Safety.

(b) Vacancies. – Members shall serve until their successors are appointed and have been qualified. Any vacancy in the membership of the Commission shall be filled in the same manner as the original appointment. Vacancies for members appointed by the General Assembly shall be filled in accordance with G.S. 120-122. A vacancy in the membership of the Commission other than by expiration of term shall be filled for the unexpired term only.

(c) Meetings. – Meetings of the Commission shall be called by the chair or by any two members of the Commission, and meetings shall be held at least quarterly. Any three voting members of the Commission shall constitute a quorum at any meeting. Action may be taken and motions and resolutions adopted by the Commission at any meeting by the affirmative vote of a majority of the members of the Commission present at a meeting at which a quorum exists. Any or all members may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all members participating may simultaneously hear each other during the meeting. A member participating in the meeting by this means is deemed to be present in person at the meeting.

(d) Rule-Making Authority of the Commission. – The Commission shall have the exclusive authority to approve and issue rules for the regulation of the conduct, promotion, and performances of live boxing, kickboxing, wrestling, mixed martial arts, sanctioned amateur, amateur, and toughman matches and exhibitions in this State. The rules shall be issued pursuant to the provisions of Chapter 150B of the General Statutes and may include, without limitation, the following subjects:

- (1) Requirements for issuance of licenses and permits required by this Article.
- (2) Regulation of ticket sales.
- (3) Physical requirements for contestants, including classification by weight and skill.
- (4) Supervision of matches and exhibitions by licensed physicians and referees.
- (5) Insurance and bonding requirements.
- (6) Compensation of participants and licensees.
- (7) Contracts and financial arrangements.
- (8) Prohibition of dishonest, unethical, and injurious practices.
- (9) Facilities.
- (10) Approval of sanctioning amateur sports organizations.
- (11) Procedures and requirements for compliance with the Professional Boxing Safety Act of 1996.

(e) Compensation. – None of the members of the Commission shall receive compensation for serving on the Commission. However, members of the Commission may be reimbursed for their expenses in accordance with the provisions of Chapter 138 of the General Statutes.

(f) Staff Assistance. – The Secretary of Crime Control and Public Safety shall hire a person to serve as Executive Director of the Commission and shall provide staff assistance to the Executive Director. The Executive Director shall enforce this Article through the Department of Crime Control and Public Safety. If necessary, the Executive Director may train and contract with independent contractors for the purpose of regulating and monitoring events, issuing licenses, collecting fees, and enforcing rules of the Commission. The Executive Director may initiate and review criminal background checks on persons requesting to work as independent contractors for the Commission or persons applying to be licensed by the Commission."

SECTION 4. G.S. 143-654 reads as rewritten:

"§ 143-654. Licensing and permitting.

(a) License and Permit Required. – Except for sanctioned amateur matches, it is unlawful for any person to act in this State as an announcer, contestant, judge, manager, matchmaker, promoter, referee, timekeeper, or second unless the person is licensed to do so under this Article. It is unlawful for a promoter to present a match in this State, other than a sanctioned amateur match, unless the promoter has a permit issued under this Article to do so. The Commission has the exclusive authority to issue, deny, suspend, or revoke any license or permit provided for in this Article.

(b) License. – All licenses issued under this Article shall be valid only during the calendar year in which they are issued, except contestant licenses shall be valid for one year from the date of issuance. A license for an announcer, contestant, judge, matchmaker, referee, timekeeper, or second shall be issued only to a natural person. A natural person shall not transfer or assign a license or change it into another name. A license for a manager or promoter may be issued to a corporation or partnership; provided, however, that all officers or partners shall submit an application for individual

1 licensure, and only those officers or partners who are licensed shall be entitled to
2 negotiate or sign contracts. The addition of a new officer or partner during the license
3 period shall necessitate the filing of an application for individual licensure by the new
4 officer or partner.

5 An applicant for a license shall file with the Commission the appropriate
6 nonrefundable fee and any forms, documents, medical examinations, or exhibits the
7 Commission may require in order to properly administer this Article. The information
8 requested shall include the date of birth and social security number of each applicant as
9 well as any other personal data necessary to positively identify the applicant and may
10 include the requirement of verification of any documents the Commission deems
11 appropriate. A person may not participate under a fictitious or assumed name in any
12 match unless the person has first registered the name with the Commission. Any
13 applicant seeking licensure as a promoter shall provide major medical coverage from an
14 insurance company licensed by the State Department of Insurance to provide medical
15 insurance in this State in an amount not to exceed two thousand five hundred dollars
16 (\$2,500) for each fighter.

17 (b1) Upon payment of the required fee as provided in G.S. 143-655(a), the
18 Commission shall issue a federal identification card to each boxer. All promoters are
19 required to report to the Commission all bout agreements and payments to officials.

20 (c) Surety Bond. – An applicant for a promoter's license must submit, in addition
21 to any other forms, documents, or exhibits requested by the Commission, a surety bond
22 payable to the Commission for the benefit of any person injured or damaged by (i) the
23 promoter's failure to comply with any provision of this Article or any rules adopted by
24 the Commission or (ii) the promoter's failure to fulfill the obligations of any contract
25 related to the holding of a boxing event match. The surety bond shall be a cash bond or
26 be issued by a company licensed by the State Department of Insurance to do bond
27 business in this State in an amount to be no less than five thousand dollars (\$5,000). The
28 amount of the surety bond shall be negotiable upon the sole discretion of the
29 Commission. All surety bonds shall be upon forms approved by the Secretary of Crime
30 Control and Public Safety and supplied by the Commission.

31 (d) Permit. – A permit issued to a promoter under this Article is valid for a single
32 match. An applicant for a permit shall file with the Commission the appropriate
33 nonrefundable fee and any forms or documents the Commission may require."

34 **SECTION 5. G.S. 143-655 reads as rewritten:**

35 **"§ 143-655. Fees; State Boxing Commission Revenue Account.**

36 (a) License Fees. – The Commission shall collect the following license fees:

37		
38	Announcer	\$ 50.00
39	Contestant	\$ 25.00
40	Judge	\$ 50.00
41	Manager	\$100.00
42	Matchmaker	\$200.00
43	Promoter	\$300.00
44	Referee	\$ 50.00

Timekeeper	\$ 50.00
Second	\$ 25.00 \$ 25.00
Federal I.D. card	\$25.00

The annual license renewal fees shall not exceed the initial license fees.

(b) Permit Fees. – The Commission may establish a fee schedule for permits issued under this Article. The fees may vary depending on the seating capacity of the facility to be used to present a match. The fee may not exceed the following amounts:

Seating Capacity	Fee Amount
Less than 2,000	\$100.00 \$150.00
2,000 – 5,000	\$200.00 \$250.00
Over For each additional 5,000	\$300.00 \$350.00.

In addition to the permit fees required in this subsection, the Commission may charge a fee equal to ten percent (10%) of the total purse of each professional boxing event.

(c) State Boxing Commission Revenue Account. – There is created the State Boxing Commission Revenue Account within the Department of Crime Control and Public Safety. Monies [moneys] collected pursuant to the provisions of this Article shall be credited to the Account and applied to the administration of the Article."

SECTION 6. G.S. 143-658 reads as rewritten:

"§ 143-658. Violations.

(a) Civil Penalties. – The Secretary of Crime Control and Public Safety may issue an order against a licensee or other person who willfully violates any provision of this Article, Article or rules adopted by the Commission, imposing a civil penalty of up to five thousand dollars (\$5,000) for a single violation or of up to twenty-five thousand dollars (\$25,000) for multiple violations in a single proceeding or a series of related proceedings. No order under this subsection may be entered without giving the licensee or other person 15 days' prior notice and an opportunity for a contested case hearing conducted pursuant to Article 3 of Chapter 150B of the General Statutes.

The clear proceeds of civil penalties imposed pursuant to this subsection shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(b) Criminal Penalties. – A willful violation of any provision of this Article or rules adopted by the Commission shall constitute a Class 2 misdemeanor. The Secretary of Crime Control and Public Safety may refer any available evidence concerning violations of this Article to the proper district attorney, who may, with or without such a reference, institute the appropriate criminal proceedings.

(c) Injunction. – Whenever it appears to the Secretary of Crime Control and Public Safety that a person has engaged or is about to engage in an act or practice constituting a violation of any provision of this Article or any rule or order hereunder, the Secretary of Crime Control and Public Safety may bring an action in any court of competent jurisdiction to enjoin those acts or practices and to enforce compliance with this Article or any rule or order issued pursuant to this Article.

(d) Repealed by Session Laws 1998-212, s. 19.11(e)."

SECTION 7. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 374
PROPOSED COMMITTEE SUBSTITUTE H374-CSRF-8 [v.1]

3/21/2001 9:15:35 PM

Short Title: State Boxing Commission.-AB

(Public)

Sponsors:

Referred to:

March 1, 2001

A BILL TO BE ENTITLED

AN ACT TO GRANT THE STATE BOXING COMMISSION THE AUTHORITY TO
REGULATE WRESTLING AND MIXED MARTIAL ARTS EVENTS, TO
AMEND THE LAWS REGULATING BOXING, AND TO ALLOW THE
COMMISSION TO INCREASE CERTAIN FEES. .

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toughman, wrestling, and mixed martial arts matches should be subject to an effective
and efficient system of strict control and regulation in order to:

(1) Protect the safety and well-being of participants ~~in boxing; and~~ and the
public.

(2) Promote the public confidence and trust in the regulatory process and
the conduct of ~~boxing these matches.~~

To further the public confidence and trust, the provisions of this Article are designed to
regulate all persons, practices, and associations related to the operation of any live
~~boxing—boxing, kickboxing, toughman, wrestling, or mixed martial arts~~ event,
performance, or contest held in North Carolina."

SECTION 2. G.S. 143-651 reads as rewritten:

"§ 143-651. Definitions.

The following definitions apply in this Article:

(1) Amateur. – A person who is not receiving or competing for and has
never received or competed for any purse or other article or thing of
value for participating in a match.

(2) Announcer. – Any person who engages in the act of announcing a
~~boxing~~ match.

(3) Boxer. – Any person who engages as a participant in a boxing match.

- (4) Boxing match. – A match where the participants engage in the use of full contact boxing techniques (using the fist only), and where the object of a match is to win by decision, knockout (KO), or technical knockout (TKO).
- (5) Commission. – The North Carolina State Boxing Commission.
- (6) Contest. – A ~~boxing~~ match in which the participants strive to win.
- (7) Contestant. – Any person who engages as a participant in a ~~boxing~~ boxing, kickboxing, toughman, wrestling, or mixed martial arts match.
- (8) Exhibition. – A ~~boxing~~ match where the participants display their ~~boxing~~ skills and technique without necessarily striving to win.
- (9) Judge. – A person who has a vote in determining the winner of any match or contest.
- (10) Kickboxer. – Any person who engages as a participant in a kickboxing match.
- (11) Kickboxing match. – A match in which the participants engage in full contact martial arts fighting techniques using the hands and the feet, and where the object of the match is to win by decision, knockout (KO), or technical knockout (TKO).
- (12) Licensee. – Any person, club, corporation, organization, or association to whom a license has been issued pursuant to the provisions of this Article.
- (13) Manager. – Any person who controls or administers the ~~boxing~~ boxing, kickboxing, toughman, wrestling, or mixed martial arts affairs of any contestant, and who:
- a. By contract, agreement, or other arrangement with any person undertakes or has undertaken to represent in any way the interest of the contestant in any ~~professional boxing~~ contest in which the ~~boxer-boxer, kickboxer, wrestler, or mixed martial arts~~ contestant is to participate as a contestant, and is entitled under that contract, agreement, or arrangement to receive monetary or other compensation for his services, without regard to the sources of the compensation. The term "manager" shall not be construed to mean any attorney licensed to practice in this State whose participation in the activities is restricted solely to representing the interests of a ~~professional boxer~~ participant as a client.
 - b. Directs or controls the ~~professional boxing~~ activities of any ~~professional boxer~~ participant.
 - c. Receives or is entitled to receive a percentage of the gross purse or gross income of any ~~professional boxing contest~~ participant in a match.
- (14) Match. – Any ~~boxing or kickboxing~~ boxing, kickboxing, toughman, wrestling, or mixed martial arts contest or exhibition, and includes any

- event, engagement, sparring or practice session, show or program where the public is admitted and in which there is intended to be physical contact, whether an exhibition or contest. This definition does not include training or practice sessions when no admission is charged.
- (15) Matchmaker. – A person through whom matches are arranged for participants and who otherwise assists participants in procuring engagement dates for boxing a match.
- (15a) Mixed martial arts contestant. – Any person who competes or participates in a mixed martial arts match.
- (15b) Mixed martial arts match. – A match where the participants engage in full contact martial arts techniques and a fee for viewing the match is charged or solicited or a purse or prize is awarded to the contestant.
- (16) Natural person. – An individual.
- (17) Participant. – Any person who engages in a ~~match or exhibition and performs as a boxer match~~.
- (18) Person. – An individual, group of individuals, business, corporation, limited liability company, partnership, or any other individual or collective entity.
- (19) Physician. – An individual licensed to practice medicine in this State.
- (20) Professional. – Any person who is licensed as a professional boxer under the federal Professional Boxing Safety Act of 1996.
- (21) Promoter. – Any person who produces, arranges, stages, holds, or gives any match in North Carolina involving a professional participant.
- (22) Referee. – The official who shall enter and remain in the ring for the duration of a match and shall enforce the rules and maintain order in the ring.
- (23) Ring official. – Any person who performs an official function for the duration of a match.
- (23a) Sanctioned amateur. – A person who competes in a sanctioned amateur match.
- (23b) Sanctioned amateur match. – Any boxing or kickboxing match regulated by an amateur sports organization that has been recognized and approved by the North Carolina State Boxing Commission.
- (24) Second. – Any person who will work or be present in the corner of a participant for the duration of a match.
- (25) Timekeeper. – Any person who will operate the clock or watch for the duration of a match for the purpose of keeping the official time of the match.
- (25a) Toughman contestant. – Any person who competes in a toughman event.
- (25b) Toughman event. – An elimination program of matches in which (i) the contestants are not professional boxers, (ii) the finalist receives a purse or other article of value, (iii) the participants engage in the use of

full contact boxing techniques, and (iv) the object of each match is to win by decision, knockout (KO), or technical knockout (TKO).

(25c) Wrestling contestant. – Any person who competes or participates in a wrestling event.

(25d) Wrestling match. – A match where the participants engage in full contact wrestling techniques and a fee for viewing the match is charged or solicited or a purse or prize is awarded to the contestant.

(26) Ultimate warrior match. – A match where the participants use any combination of boxing, kicking, wrestling, hitting, punching, or other combative, contact techniques and which combination of techniques is not specifically authorized by and conducted pursuant to this Article."

SECTION 3. G.S. 143-652 reads as rewritten:

"§ 143-652. State Boxing Commission.

(a) Creation. – The North Carolina State Boxing Commission is created within the Department of Crime Control and Public Safety to regulate in North Carolina live ~~boxing and kickboxing~~ boxing, kickboxing, toughman, wrestling, or mixed martial arts matches, whether professional, amateur, sanctioned amateur, or toughman events, in which admission is charged for viewing, or the contestants compete for a purse or prize of value greater than twenty-five dollars (\$25.00). The Commission shall consist of six voting members and two nonvoting advisory members. All the members shall be residents of North Carolina and shall meet requirements for membership under the Professional Boxing Safety Act of 1996. The members shall be appointed as follows:

- (1) One voting member shall be appointed by the Governor for an initial term of two years.
- (2) One voting member shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate for an initial term of one year, in accordance with G.S. 120-121.
- (3) One voting member shall be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives for an initial term of one year.
- (4) Two voting members shall be appointed by the Secretary of Crime Control and Public Safety. One shall serve for an initial term of three years, and the other shall serve for an initial term of two years.
- (4a) One member shall be appointed by the Tribal Council of the Eastern Band of the Cherokee for an initial term of three years.
- (5) One nonvoting advisory member shall be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives for an initial term of one year, in accordance with G.S. 120-121, from nominations made by the North Carolina Medical Society, which shall nominate two licensed physicians for the position.
- (6) One nonvoting advisory member shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate for an initial term of one year, in accordance with G.S.

120-121, from nominations made by the North Carolina Medical Society, which shall nominate two licensed physicians for the position.

The member appointed pursuant to subdivision (5) of subsection (a) of this section may serve on the Commission only if an agreement exists and remains in effect between the Tribal Council of the Eastern Band of the Cherokee and the Commission authorizing the Commission to regulate professional boxing matches within the Cherokee Indian Reservation as provided by the Professional Boxing Safety Act of 1996.

The two nonvoting advisory members appointed pursuant to subdivisions (6) and (7) of subsection (a) of this section shall advise the Commission on matters concerning the health and physical condition of boxers and health issues relating to the conduct of exhibitions and boxing matches. They may prepare and submit to the Commission for its consideration and approval any rules that in their judgment will safeguard the physical welfare of all participants engaged in boxing.

Terms for all members of the Commission except for the initial appointments shall be for three years.

The Secretary of Crime Control and Public Safety shall designate which member of the Commission is to serve as chair. A member of the Commission may be removed from office by the Secretary of Crime Control and Public Safety. Each member before entering upon the duties of a member shall take and subscribe an oath to perform the duties of the office faithfully, impartially, and justly to the best of the member's ability. A record of these oaths shall be filed in the Department of the Secretary of Crime Control and Public Safety.

(b) Vacancies. – Members shall serve until their successors are appointed and have been qualified. Any vacancy in the membership of the Commission shall be filled in the same manner as the original appointment. Vacancies for members appointed by the General Assembly shall be filled in accordance with G.S. 120-122. A vacancy in the membership of the Commission other than by expiration of term shall be filled for the unexpired term only.

(c) Meetings. – Meetings of the Commission shall be called by the chair or by any two members of the Commission, and meetings shall be held at least quarterly. Any three voting members of the Commission shall constitute a quorum at any meeting. Action may be taken and motions and resolutions adopted by the Commission at any meeting by the affirmative vote of a majority of the members of the Commission present at a meeting at which a quorum exists. Any or all members may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all members participating may simultaneously hear each other during the meeting. A member participating in the meeting by this means is deemed to be present in person at the meeting.

(d) Rule-Making Authority of the Commission. – The Commission shall have the exclusive authority to approve and issue rules for the regulation of the conduct, promotion, and performances of live boxing, kickboxing, wrestling, mixed martial arts, sanctioned amateur, amateur, and toughman matches and exhibitions in this State. The

rules shall be issued pursuant to the provisions of Chapter 150B of the General Statutes and may include, without limitation, the following subjects:

- (1) Requirements for issuance of licenses and permits required by this Article.
- (2) Regulation of ticket sales.
- (3) Physical requirements for contestants, including classification by weight and skill.
- (4) Supervision of matches and exhibitions by licensed physicians and referees.
- (5) Insurance and bonding requirements.
- (6) Compensation of participants and licensees.
- (7) Contracts and financial arrangements.
- (8) Prohibition of dishonest, unethical, and injurious practices.
- (9) Facilities.
- (10) Approval of sanctioning amateur sports organizations.
- (11) Procedures and requirements for compliance with the Professional Boxing Safety Act of 1996.

(e) Compensation. – None of the members of the Commission shall receive compensation for serving on the Commission. However, members of the Commission may be reimbursed for their expenses in accordance with the provisions of Chapter 138 of the General Statutes.

(f) Staff Assistance. – The Secretary of Crime Control and Public Safety shall hire a person to serve as Executive Director of the Commission and shall provide staff assistance to the Executive Director. The Executive Director shall enforce this Article through the Department of Crime Control and Public Safety. If necessary, the Executive Director may train and contract with independent contractors for the purpose of regulating and monitoring events, issuing licenses, collecting fees, and enforcing rules of the Commission. The Executive Director may initiate and review criminal background checks on persons requesting to work as independent contractors for the Commission or persons applying to be licensed by the Commission."

SECTION 4. G.S. 143-653 reads as rewritten:

"§ 143-653. Ultimate warrior matches prohibited.

Ultimate warrior matches, whether the participants are professionals or amateurs, are prohibited. No person shall promote, conduct, or engage in ultimate warrior matches. This section shall not preclude ~~boxing and kickboxing~~ boxing, kickboxing, toughman, wrestling or mixed martial arts as regulated in this ~~Article or professional wrestling Article.~~"

SECTION 5. G.S. 143-654 reads as rewritten:

"§ 143-654. Licensing and permitting.

(a) License and Permit Required. – Except for sanctioned amateur matches, it is unlawful for any person to act in this State as an announcer, contestant, judge, manager, matchmaker, promoter, referee, timekeeper, or second unless the person is licensed to do so under this Article. It is unlawful for a promoter to present a match in this State,

1 other than a sanctioned amateur match, unless the promoter has a permit issued under
2 this Article to do so. The Commission has the exclusive authority to issue, deny,
3 suspend, or revoke any license or permit provided for in this Article.

4 (b) License. – All licenses issued under this Article shall be valid only during the
5 calendar year in which they are issued, except contestant licenses shall be valid for one
6 year from the date of issuance. A license for an announcer, contestant, judge,
7 matchmaker, referee, timekeeper, or second shall be issued only to a natural person. A
8 natural person shall not transfer or assign a license or change it into another name. A
9 license for a manager or promoter may be issued to a corporation or partnership;
10 provided, however, that all officers or partners shall submit an application for individual
11 licensure, and only those officers or partners who are licensed shall be entitled to
12 negotiate or sign contracts. The addition of a new officer or partner during the license
13 period shall necessitate the filing of an application for individual licensure by the new
14 officer or partner.

15 An applicant for a license shall file with the Commission the appropriate
16 nonrefundable fee and any forms, documents, medical examinations, or exhibits the
17 Commission may require in order to properly administer this Article. The information
18 requested shall include the date of birth and social security number of each applicant as
19 well as any other personal data necessary to positively identify the applicant and may
20 include the requirement of verification of any documents the Commission deems
21 appropriate. A person may not participate under a fictitious or assumed name in any
22 match unless the person has first registered the name with the Commission. Any
23 applicant seeking licensure as a promoter shall provide major medical coverage from an
24 insurance company licensed by the State Department of Insurance to provide medical
25 insurance in this State in an amount not less than two thousand five hundred dollars
26 (\$2,500) for each fighter.

27 (b1) Upon payment of the required fee as provided in G.S. 143-655(a), the
28 Commission shall issue a federal identification card to each boxer as required by the
29 federal Professional Boxing Safety Act of 1996.

30 (b2) All promoters shall report all bout agreements and payments to officials to
31 the Commission.

32 (c) Surety Bond. – An applicant for a promoter's license must submit, in addition
33 to any other forms, documents, or exhibits requested by the Commission, a surety bond
34 payable to the Commission for the benefit of any person injured or damaged by (i) the
35 promoter's failure to comply with any provision of this Article or any rules adopted by
36 the Commission or (ii) the promoter's failure to fulfill the obligations of any contract
37 related to the holding of a boxing event match. The surety bond shall be a cash bond or
38 be issued by a company licensed by the State Department of Insurance to do bond
39 business in this State in an amount to be no less than five thousand dollars (\$5,000). The
40 amount of the surety bond shall be negotiable upon the sole discretion of the
41 Commission. All surety bonds shall be upon forms approved by the Secretary of Crime
42 Control and Public Safety and supplied by the Commission.

(d) Permit. – A permit issued to a promoter under this Article is valid for a single match. An applicant for a permit shall file with the Commission the appropriate nonrefundable fee and any forms or documents the Commission may require."

SECTION 6. G.S. 143-655 reads as rewritten:

"§ 143-655. Fees; State Boxing Commission Revenue Account.

(a) License Fees. – The Commission shall collect the following license fees:

Announcer	\$ 50.00
Contestant	\$ 25.00
Judge	\$ 50.00
Manager	\$100.00
Matchmaker	\$200.00
Promoter	\$300.00
Referee	\$ 50.00
Timekeeper	\$ 50.00
Second	\$25.00 \$ 25.00
Federal I.D. card	\$25.00.

The annual license renewal fees shall not exceed the initial license fees.

(b) Permit Fees. – The Commission may establish a fee schedule for permits issued under this Article. The fees may vary depending on the seating capacity of the facility to be used to present a match. The fee may not exceed the following amounts:

Seating Capacity	Fee Amount
Less than 2,000	\$100.00 \$150.00
2,000 – 5,000	\$200.00 \$250.00
OverFor each additional 5,000	\$300.00 \$350.00.

In addition to the permit fees required in this subsection, the Commission may charge a fee equal to ten percent (10%) of the total purse of each professional boxing event.

(c) State Boxing Commission Revenue Account. – There is created the State Boxing Commission Revenue Account within the Department of Crime Control and Public Safety. Monies [moneys] collected pursuant to the provisions of this Article shall be credited to the Account and applied to the administration of the Article."

SECTION 7. G.S. 143-658 reads as rewritten:

"§ 143-658. Violations.

(a) Civil Penalties. – The Secretary of Crime Control and Public Safety may issue an order against a licensee or other person who willfully violates any provision of this ~~Article~~, Article or rules adopted by the Commission, imposing a civil penalty of up to five thousand dollars (\$5,000) for a single violation or of up to twenty-five thousand dollars (\$25,000) for multiple violations in a single proceeding or a series of related proceedings. No order under this subsection may be entered without giving the licensee or other person 15 days' prior notice and an opportunity for a contested case hearing conducted pursuant to Article 3 of Chapter 150B of the General Statutes.

1 The clear proceeds of civil penalties imposed pursuant to this subsection shall be
2 remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

3 (b) Criminal Penalties. – A willful violation of any provision of this Article or
4 rules adopted by the Commission shall constitute a Class 2 misdemeanor. The Secretary
5 of Crime Control and Public Safety may refer any available evidence concerning
6 violations of this Article to the proper district attorney, who may, with or without such a
7 reference, institute the appropriate criminal proceedings.

8 (c) Injunction. – Whenever it appears to the Secretary of Crime Control and
9 Public Safety that a person has engaged or is about to engage in an act or practice
10 constituting a violation of any provision of this Article or any rule or order hereunder,
11 the Secretary of Crime Control and Public Safety may bring an action in any court of
12 competent jurisdiction to enjoin those acts or practices and to enforce compliance with
13 this Article or any rule or order issued pursuant to this Article.

14 (d) Repealed by Session Laws 1998-212, s. 19.11(e)."

15 **SECTION 8.** This act is effective when it becomes law.
16

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 374
PROPOSED COMMITTEE SUBSTITUTE H374-PCS3250-RF-8

Short Title: State Boxing Commission-AB.

(Public)

Sponsors:

Referred to:

March 1, 2001

A BILL TO BE ENTITLED

AN ACT TO GRANT THE STATE BOXING COMMISSION THE AUTHORITY TO
REGULATE WRESTLING AND MIXED MARTIAL ARTS EVENTS, TO
AMEND THE LAWS REGULATING BOXING, AND TO ALLOW THE
COMMISSION TO INCREASE CERTAIN FEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-650 reads as rewritten:

"§ 143-650. Legislative findings and declarations.

The General Assembly finds and declares to be the public policy of this State that it
is in the best interest of the public ~~and of boxing that boxing that boxing, kickboxing,~~
~~toughman, wrestling, and mixed martial arts matches~~ should be subject to an effective
and efficient system of strict control and regulation in order to:

(1) Protect the safety and well-being of participants ~~in boxing; and~~ and the public.

(2) Promote the public confidence and trust in the regulatory process and
the conduct of ~~boxing these matches.~~

To further the public confidence and trust, the provisions of this Article are designed to
regulate all persons, practices, and associations related to the operation of any live
~~boxing boxing, kickboxing, toughman, wrestling, or mixed martial arts~~ event,
performance, or contest held in North Carolina."

SECTION 2. G.S. 143-651 reads as rewritten:

"§ 143-651. Definitions.

The following definitions apply in this Article:

(1) Amateur. – A person who is not receiving or competing for and has
never received or competed for any purse or other article or thing of
value for participating in a match.

(2) Announcer. – Any person who engages in the act of announcing a
~~boxing~~ match.

(3) Boxer. – Any person who engages as a participant in a boxing match.

- 1 (4) Boxing match. – A match where the participants engage in the use of
2 full contact boxing techniques (using the fist only), and where the
3 object of a match is to win by decision, knockout (KO), or technical
4 knockout (TKO).
- 5 (5) Commission. – The North Carolina State Boxing Commission.
- 6 (6) Contest. – A ~~boxing~~ match in which the participants strive to win.
- 7 (7) Contestant. – Any person who engages as a participant in a ~~boxing~~
8 boxing, kickboxing, toughman, wrestling, or mixed martial arts match.
- 9 (8) Exhibition. – A ~~boxing~~ match where the participants display their
10 ~~boxing~~ skills and technique without necessarily striving to win.
- 11 (9) Judge. – A person who has a vote in determining the winner of any
12 match or contest.
- 13 (10) Kickboxer. – Any person who engages as a participant in a kickboxing
14 match.
- 15 (11) Kickboxing match. – A match in which the participants engage in full
16 contact martial arts fighting techniques using the hands and the feet,
17 and where the object of the match is to win by decision, knockout
18 (KO), or technical knockout (TKO).
- 19 (12) Licensee. – Any person, club, corporation, organization, or association
20 to whom a license has been issued pursuant to the provisions of this
21 Article.
- 22 (13) Manager. – Any person who controls or administers the ~~boxing~~
23 boxing, kickboxing, toughman, wrestling, or mixed martial arts affairs
24 of any contestant, and who:
- 25 a. By contract, agreement, or other arrangement with any person
26 undertakes or has undertaken to represent in any way the
27 interest of the contestant in any ~~professional boxing~~ contest in
28 which the ~~boxer-boxer, kickboxer, wrestler, or mixed martial~~
29 arts contestant is to participate as a contestant, and is entitled
30 under that contract, agreement, or arrangement to receive
31 monetary or other compensation for his services, without regard
32 to the sources of the compensation. The term "manager" shall
33 not be construed to mean any attorney licensed to practice in
34 this State whose participation in the activities is restricted solely
35 to representing the interests of a ~~professional boxer~~participant
36 as a client.
- 37 b. Directs or controls the ~~professional boxing~~ activities of any
38 ~~professional boxer~~participant.
- 39 c. Receives or is entitled to receive a percentage of the gross purse
40 or gross income of any ~~professional boxing contest~~participant
41 in a match.
- 42 (14) Match. – Any ~~boxing or kickboxing~~boxing, kickboxing, toughman,
43 wrestling, or mixed martial arts contest or exhibition, and includes any

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3 physical contact, whether an exhibition or contest. This definition does
4 not include training or practice sessions when no admission is charged.
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6 participants and who otherwise assists participants in procuring
7 engagement dates for boxing a match.
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9 participates in a mixed martial arts match.
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11 full contact martial arts techniques, and a fee for viewing the match is
12 charged or solicited, or a purse or prize is awarded to the contestant.
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17 limited liability company, partnership, or any other individual or
18 collective entity.
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- 24 (22) Referee. – The official who shall enter and remain in the ring for the
25 duration of a match and shall enforce the rules and maintain order in
26 the ring.
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30 match.
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32 regulated by an amateur sports organization that has been recognized
33 and approved by the North Carolina State Boxing Commission.
- 34 (24) Second. – Any person who will work or be present in the corner of a
35 participant for the duration of a match.
- 36 (25) Timekeeper. – Any person who will operate the clock or watch for the
37 duration of a match for the purpose of keeping the official time of the
38 match.
- 39 (25a) Toughman contestant. – Any person who competes in a toughman
40 event.
- 41 (25b) Toughman event. – An elimination program of matches in which (i)
42 the contestants are not professional boxers, (ii) the finalist receives a
43 purse or other article of value, (iii) the participants engage in the use of

1 full contact boxing techniques, and (iv) the object of each match is to
2 win by decision, knockout (KO), or technical knockout (TKO).

3 (25c) Wrestling contestant. – Any person who competes or participates in a
4 wrestling event.

5 (25d) Wrestling match. – A match where the participants engage in full
6 contact wrestling techniques, and a fee for viewing the match is
7 charged or solicited, or a purse or prize is awarded to the contestant.

8 (26) Ultimate warrior match. – A match where the participants use any
9 combination of boxing, kicking, wrestling, hitting, punching, or other
10 combative, contact techniques and which combination of techniques is
11 not specifically authorized by and conducted pursuant to this Article."

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18 which admission is charged for viewing, or the contestants compete for a purse or prize
19 of value greater than twenty-five dollars (\$25.00). The Commission shall consist of six
20 voting members and two nonvoting advisory members. All the members shall be
21 residents of North Carolina and shall meet requirements for membership under the
22 Professional Boxing Safety Act of 1996. The members shall be appointed as follows:

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24 term of two years.

25 (2) One voting member shall be appointed by the General Assembly upon
26 the recommendation of the President Pro Tempore of the Senate for an
27 initial term of one year, in accordance with G.S. 120-121.

28 (3) One voting member shall be appointed by the General Assembly upon
29 the recommendation of the Speaker of the House of Representatives
30 for an initial term of one year.

31 (4) Two voting members shall be appointed by the Secretary of Crime
32 Control and Public Safety. One shall serve for an initial term of three
33 years, and the other shall serve for an initial term of two years.

34 (4a) One member shall be appointed by the Tribal Council of the Eastern
35 Band of the Cherokee for an initial term of three years.

36 (5) One nonvoting advisory member shall be appointed by the General
37 Assembly upon the recommendation of the Speaker of the House of
38 Representatives for an initial term of one year, in accordance with G.S.
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40 Society, which shall nominate two licensed physicians for the position.

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The member appointed pursuant to subdivision (5) of subsection (a) of this section may serve on the Commission only if an agreement exists and remains in effect between the Tribal Council of the Eastern Band of the Cherokee and the Commission authorizing the Commission to regulate professional boxing matches within the Cherokee Indian Reservation as provided by the Professional Boxing Safety Act of 1996.

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The Secretary of Crime Control and Public Safety shall designate which member of the Commission is to serve as chair. A member of the Commission may be removed from office by the Secretary of Crime Control and Public Safety. Each member before entering upon the duties of a member shall take and subscribe an oath to perform the duties of the office faithfully, impartially, and justly to the best of the member's ability. A record of these oaths shall be filed in the Department of the Secretary of Crime Control and Public Safety.

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(c) Meetings. – Meetings of the Commission shall be called by the chair or by any two members of the Commission, and meetings shall be held at least quarterly. Any three voting members of the Commission shall constitute a quorum at any meeting. Action may be taken and motions and resolutions adopted by the Commission at any meeting by the affirmative vote of a majority of the members of the Commission present at a meeting at which a quorum exists. Any or all members may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all members participating may simultaneously hear each other during the meeting. A member participating in the meeting by this means is deemed to be present in person at the meeting.

(d) Rule-Making Authority of the Commission. – The Commission shall have the exclusive authority to approve and issue rules for the regulation of the conduct, promotion, and performances of live boxing, kickboxing, wrestling, mixed martial arts, sanctioned amateur, amateur, and toughman matches and exhibitions in this State. The

rules shall be issued pursuant to the provisions of Chapter 150B of the General Statutes and may include, without limitation, the following subjects:

- (1) Requirements for issuance of licenses and permits required by this Article.
- (2) Regulation of ticket sales.
- (3) Physical requirements for contestants, including classification by weight and skill.
- (4) Supervision of matches and exhibitions by licensed physicians and referees.
- (5) Insurance and bonding requirements.
- (6) Compensation of participants and licensees.
- (7) Contracts and financial arrangements.
- (8) Prohibition of dishonest, unethical, and injurious practices.
- (9) Facilities.
- (10) Approval of sanctioning amateur sports organizations.
- (11) Procedures and requirements for compliance with the Professional Boxing Safety Act of 1996.

(e) Compensation. – None of the members of the Commission shall receive compensation for serving on the Commission. However, members of the Commission may be reimbursed for their expenses in accordance with the provisions of Chapter 138 of the General Statutes.

(f) Staff Assistance. – The Secretary of Crime Control and Public Safety shall hire a person to serve as Executive Director of the Commission and shall provide staff assistance to the Executive Director. The Executive Director shall enforce this Article through the Department of Crime Control and Public Safety. If necessary, the Executive Director may train and contract with independent contractors for the purpose of regulating and monitoring events, issuing licenses, collecting fees, and enforcing rules of the Commission. The Executive Director may initiate and review criminal background checks on persons requesting to work as independent contractors for the Commission or persons applying to be licensed by the Commission."

SECTION 4. G.S. 143-653 reads as rewritten:

"§ 143-653. Ultimate warrior matches prohibited.

Ultimate warrior matches, whether the participants are professionals or amateurs, are prohibited. No person shall promote, conduct, or engage in ultimate warrior matches. This section shall not preclude ~~boxing and kickboxing~~ boxing, kickboxing, toughman, wrestling, or mixed martial arts as regulated in this Article ~~or professional wrestling Article.~~"

SECTION 5. G.S. 143-654 reads as rewritten:

"§ 143-654. Licensing and permitting.

(a) License and Permit Required. – Except for sanctioned amateur matches, it is unlawful for any person to act in this State as an announcer, contestant, judge, manager, matchmaker, promoter, referee, timekeeper, or second unless the person is licensed to do so under this Article. It is unlawful for a promoter to present a match in this State,

1 other than a sanctioned amateur match, unless the promoter has a permit issued under
2 this Article to do so. The Commission has the exclusive authority to issue, deny,
3 suspend, or revoke any license or permit provided for in this Article.

4 (b) License. – All licenses issued under this Article shall be valid only during the
5 calendar year in which they are issued, except contestant licenses shall be valid for one
6 year from the date of issuance. A license for an announcer, contestant, judge,
7 matchmaker, referee, timekeeper, or second shall be issued only to a natural person. A
8 natural person shall not transfer or assign a license or change it into another name. A
9 license for a manager or promoter may be issued to a corporation or partnership;
10 provided, however, that all officers or partners shall submit an application for individual
11 licensure, and only those officers or partners who are licensed shall be entitled to
12 negotiate or sign contracts. The addition of a new officer or partner during the license
13 period shall necessitate the filing of an application for individual licensure by the new
14 officer or partner.

15 An applicant for a license shall file with the Commission the appropriate
16 nonrefundable fee and any forms, documents, medical examinations, or exhibits the
17 Commission may require in order to properly administer this Article. The information
18 requested shall include the date of birth and social security number of each applicant as
19 well as any other personal data necessary to positively identify the applicant and may
20 include the requirement of verification of any documents the Commission deems
21 appropriate. A person may not participate under a fictitious or assumed name in any
22 match unless the person has first registered the name with the Commission. Any
23 applicant seeking licensure as a promoter shall provide major medical coverage from an
24 insurance company licensed by the State Department of Insurance to provide medical
25 insurance in this State in an amount not less than two thousand five hundred dollars
26 (\$2,500) for each fighter.

27 (b1) Upon payment of the required fee as provided in G.S. 143-655(a), the
28 Commission shall issue a federal identification card to each boxer as required by the
29 federal Professional Boxing Safety Act of 1996.

30 (b2) All promoters shall report all bout agreements and payments to officials to
31 the Commission.

32 (c) Surety Bond. – An applicant for a promoter's license must submit, in addition
33 to any other forms, documents, or exhibits requested by the Commission, a surety bond
34 payable to the Commission for the benefit of any person injured or damaged by (i) the
35 promoter's failure to comply with any provision of this Article or any rules adopted by
36 the Commission or (ii) the promoter's failure to fulfill the obligations of any contract
37 related to the holding of a ~~boxing event match~~. The surety bond shall be a cash bond or
38 be issued by a company licensed by the State Department of Insurance to do bond
39 business in this State in an amount to be no less than five thousand dollars (\$5,000). The
40 amount of the surety bond shall be negotiable upon the sole discretion of the
41 Commission. All surety bonds shall be upon forms approved by the Secretary of Crime
42 Control and Public Safety and supplied by the Commission.

(d) Permit. – A permit issued to a promoter under this Article is valid for a single match. An applicant for a permit shall file with the Commission the appropriate nonrefundable fee and any forms or documents the Commission may require."

SECTION 6. G.S. 143-655 reads as rewritten:

"§ 143-655. Fees; State Boxing Commission Revenue Account.

(a) License Fees. – The Commission shall collect the following license fees:

Announcer	\$ 50.00
Contestant	\$ 25.00
Judge	\$ 50.00
Manager	\$100.00
Matchmaker	\$200.00
Promoter	\$300.00
Referee	\$ 50.00
Timekeeper	\$ 50.00
Second	\$25.00 \$ 25.00
Federal I.D. card	<u>\$25.00.</u>

The annual license renewal fees shall not exceed the initial license fees.

(b) Permit Fees. – The Commission may establish a fee schedule for permits issued under this Article. The fees may vary depending on the seating capacity of the facility to be used to present a match. The fee may not exceed the following amounts:

Seating Capacity	Fee Amount
Less than 2,000	\$100.00 <u>\$150.00</u>
2,000 – 5,000	\$200.00 <u>\$250.00</u>
Over For each additional 5,000	\$300.00 <u>\$350.00.</u>

In addition to the permit fees required in this subsection, the Commission may charge a fee equal to ten percent (10%) of the total purse of each professional boxing event.

(c) State Boxing Commission Revenue Account. – There is created the State Boxing Commission Revenue Account within the Department of Crime Control and Public Safety. Monies [moneys] collected pursuant to the provisions of this Article shall be credited to the Account and applied to the administration of the Article."

SECTION 7. G.S. 143-658 reads as rewritten:

"§ 143-658. Violations.

(a) Civil Penalties. – The Secretary of Crime Control and Public Safety may issue an order against a licensee or other person who willfully violates any provision of this Article, Article or rules adopted by the Commission, imposing a civil penalty of up to five thousand dollars (\$5,000) for a single violation or of up to twenty-five thousand dollars (\$25,000) for multiple violations in a single proceeding or a series of related proceedings. No order under this subsection may be entered without giving the licensee or other person 15 days' prior notice and an opportunity for a contested case hearing conducted pursuant to Article 3 of Chapter 150B of the General Statutes.

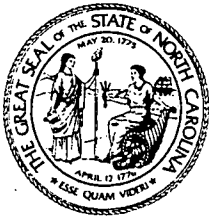
1 The clear proceeds of civil penalties imposed pursuant to this subsection shall be
2 remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

3 (b) Criminal Penalties. – A willful violation of any provision of this Article or
4 rules adopted by the Commission shall constitute a Class 2 misdemeanor. The Secretary
5 of Crime Control and Public Safety may refer any available evidence concerning
6 violations of this Article to the proper district attorney, who may, with or without such a
7 reference, institute the appropriate criminal proceedings.

8 (c) Injunction. – Whenever it appears to the Secretary of Crime Control and
9 Public Safety that a person has engaged or is about to engage in an act or practice
10 constituting a violation of any provision of this Article or any rule or order hereunder,
11 the Secretary of Crime Control and Public Safety may bring an action in any court of
12 competent jurisdiction to enjoin those acts or practices and to enforce compliance with
13 this Article or any rule or order issued pursuant to this Article.

14 (d) Repealed by Session Laws 1998-212, s. 19.11(e)."

15 **SECTION 8.** This act is effective when it becomes law.



HB 374: State Boxing Commission-AB

BILL ANALYSIS

Committee: House State Government
Date: March 21, 2001
Version: PCS

Introduced by: Representative Culpepper
Summary by: Barbara Riley
Committee Counsel

BILL ANALYSIS:

The North Carolina State Boxing Commission was established in 1995 to regulate boxing and kickboxing. Article 68, Chapter 143 of the General Statutes. The Boxing Commission is charged with the regulation of all persons, practices, and associations involved with live boxing events in the State.

Sections 1 through 3 of House Bill 374 expand the authority of the Boxing Commission to include the regulation of wrestling and mixed martial arts events. A "wrestling match" is defined as a match where the contestants engage in full contact wrestling techniques and a fee for viewing the match is charged or a purse is awarded to the contestants. "Mixed martial arts match" means a match where the participants engage in full contact martial arts techniques and a fee for viewing the match is charged or a purse awarded the contestant.

Section 4 of the bill amends G.S. 143-654, Licensing and permitting, to require that persons seeking licensure as a "promoter" must provide a minimum of \$2,500 in major medical coverage for each fighter that the promoter handles. A "promoter" is any person who produces, arranges, stages, holds, or gives any match in the State involving professional participants. Section 4 of the bill also adds a new subsection (b1) providing for the issuance of a federal identification card to each boxer and requiring all promoters to report all bout agreements and payments to officials.

Section 5 of the bill amends G.S. 143-655 and provides for a new fee for a federal I.D. card of \$25.00. Permit fees, which are set according to the seating capacity of the facility used for an event, are increased by \$50 at each level. In addition, the Commission is authorized to charge a fee equal to 10% of the total purse of each professional boxing event.

Section 6 amends G.S. 143-658 and provides for civil penalties for violations of the rules of the State Boxing Commission as well as for violations of the statute.

The act is effective when it becomes law.

Boxing Commission Legislative Request

1) Increase Event Permit fees (GS 143-655).

Currently Event Permit fees are based solely on seating capacity of the facility in which the event is held. Due to changes in the industry revenue sources, major events are now held in relatively small facilities. Other states have adopted policies that also tie event fees to the size of the total boxer purse as a more accurate gage of event level. The Commission recommends: a) Fee equal to 10% of the total purse be assessed on each professional boxing event. b) Current event fee schedule be increase by \$50 per category

Fiscal Impact- Revenue Increase of \$14,000-\$18,000 per year

2) Change civil penalty (GS 143-658)

Currently the statute allows for civil penalties for violation of the statute only. There are numerous other fines that are common in the boxing industry and important to the regulation of the industry.

Fiscal Impact-Additional \$1,000 -\$2,500 in fines per year.

3) Define that Surety Bond must be issued by a company licensed in NC by the DOI (GS 143-654)

The statute needs state that if the bond requirement is satisfied by a bond from a surety company, that company should be duly licensed by the Department of Insurance to do bond business in North Carolina. This has already been part of our bond form, however experience has indicated this would be a prudent addition to the statute.

Fiscal Impact-No Significant Impact

4) Require Promoters provide major medical coverage (G.S. 143-654)

The rules already require coverage to a level of \$2,500 however the Commission feels this needs to be incorporated into the statute and that the statute require the coverage to be provided by an insurance company licensed for medical insurance business by the NC Dept of Insurance.

Fiscal Impact-No Significant Impact

5) Amend regulatory authority to include Wrestling and Mixed Martial Arts (MMA) events.(GS 143-650, 651,654, 655)

The Commission feels it is time to ask the General Assembly to review the concept of regulating commercial wrestling and mixed martial arts events both for the safety of the contestants and the public. Due to the evolution of both industries and demand for more extreme events in the quest for market share, the Commission feels these events have a real potential for physical injury to both the spectators and contestants. In addition, the highly transient nature of the promoters results in a significant risk to the integrity of the business practices employed by the industry.

Fiscal Impact- FY2001-2002 Increase in revenues due to licensing (less than \$25,000) no new staff requirement, FY2002-2003 increase in license fees of \$50,000 -\$85,000

6) Addition of Federal Law Requirements statute

Changes in federal law should be incorporated into the statute.

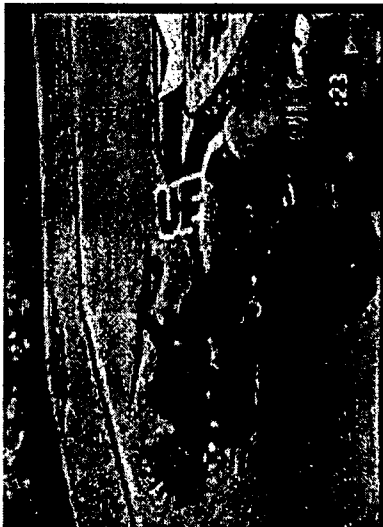
- Federal Identification card and \$25 fee for issuance
- Requirement of reporting bout agreements
- Requirement of reporting payments to officials

Fiscal Impact-No Significant Impact

UFC - Ultimate Fighting Challenge

No Rules Fighting Section

UFC - the Ultimate Fighting Championship, the number one no rules, bare fist fighting championship. It has been going on for a number of years and is banned in many States and some places in Canada. Although there can be a lot of blood, fights usually end with joint locks or choke holds see below and it is generally the more skilled opponent that wins. Size is an advantage, but skill in ending the fights with a finishing move (choke out, joint locks, etc.) are the best.



Arm Lock .. A well executed arm lock with the legs around the head and body, forearm well locked and elbow hyperextended through pelvic pressure. OUCH!!!!



Knee Lock .. Legs hooked locking body movement. Both hands clasped behind heel and pelvic pressure hyperextending the knee backwards A definite finishing move!!

State's Name	Regulates			
	Toughman	Proboxing	Wrestling	MMA
Alaska		No Response		
Alabama		No Response		
Arizona	x	x	x	x
Arkansas	x	x		
California		x		
Colorado		x		
Connecticut		x		
Delaware		No Response		
Florida		x		
Georgia	x	x		x
Hawaii		No Response		
Idaho	x	x	x	x
Illinois	x	x	x	x
Indiana		x		
Iowa		x	x	x
Kansas		No Response		
Kentucky	x	x	x	x
Louisiana		x	x	
Maine	x	x	x	x
Maryland		x	x	
Massachusetts		x		
Michigan		x		
Minnesota		x		x
Mississippi		x	x	
Missouri	x	x	x	x
Montana	x		x	x
Nebraska		x	x	
Nevada	x	x	x	x
New Hampshire		No Response		
New Jersey		x		
New Mexico	x	x	x	
New York	x	x	x	
North Carolina	x	x		
North Dakota		No Response		
Ohio	x	x	x	
Oklahoma	x	x	x	x
Oregon		x		
Pennsylvania		x	x	
Rhode Island		x		
South Carolina	x	x	x	x
South Dakota		No Response		
Tennessee	x	x		
Texas	x	x	x	x
Utah	x	x	x	
Vermont		No Response		
Virginia		x	x	x
Washington		x	x	x
West Virginia	x	x		x
Wisconsin	x	x		
Wyoming		No Response		
San Juan	x	x	x	x
Washington DC		x	x	
Ratio	22/41	41/41	25/41	18/41

Fan's lawsuit takes extreme wrestling to the mat

An injured fan says that the ECW wrestler who collided with him while flipping out of the ring was using drugs.

ANDREA WEIGL
STAFF WRITER

After throwing their opponents, the Dudley Boys, out of the wrestling ring, tag-team partners Rob Van Dam and Sabu moved in for the kill.

As Sabu stepped out of the ring, Van Dam climbed to the top rope. A hush fell over the crowd as they

waited to see which of his moves Van Dam would use. Would it be his corkscrew legdrop? A split-legged moonsault? A five-star frog splash?

Van Dam's flip off the top rope didn't take out the Dudley Boys but it did send spectator Michael Anthony Murray to the hospital. Now, the 44-year-old Clayton resi-

dent is suing Van Dam, Paul Heyman, president of Extreme Championship Wrestling, and Donald Ray Carroll, owner of The Ritz Theatre, where the match was held Feb. 7, 1999.

Not only does Murray's lawsuit claim the collision with the 6-foot 227-pound wrestler left him with permanent back and leg injuries, but he also claims the wrestler was under the influence of drugs at the time.

The complaint alleges that Van Dam's "mental and physical im-

pairment from the ingestion of controlled substances caused him to miss his target" and hit Murray, who was seated in the second row.

"We believe Van Dam's conduct on the night in question was indeed extreme," said Murray's attorney, William Plyler of McMillan, Smith & Plyler in Raleigh. Murray's suit also says the ECW promoted the use of marijuana and LSD among its wrestlers.

The complaint alleges that ECW condones Van Dam urging audiences at wrestling events to chant "Rob smokes pot!" and "LSD! LSD! LSD!" It notes that there is an ECW wrestling move called the "Acid Drop." ECW and the Ritz should have known that spectators were being put at risk, the complaint says.

Van Dam's agent, Greg Price, said the wrestler didn't want to comment about a pending lawsuit. Heyman, who used to wrestle as

WRESTLING

CONTINUED FROM PAGE 1B

Paul E. Dangerously, could not be reached for comment. The Ritz owner, Carroll, said he also could not comment.

In the wide world of wrestling, the ECW bills itself as "the lewdest and

crudest" wrestling company. ECW, which changed its name from Eastern Championship Wrestling in 1993, is the lesser-known competitor of the World Wrestling Federation and World Championship Wrestling, which currently dominate the cable television and pay-per-view markets.

Van Dam, who was the ECW

SEE WRESTLING, PAGE 5B

World Television Champion for nearly two years, is known for his high-flying, martial-arts-inspired style of wrestling. He returned to the ring in July after a broken leg kept him out for three and a half months.

Staff writer Andrea Weigl can be reached at 829-4848 or aweigl@nando.com

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 382 A BILL TO BE ENTITLED AN ACT ADOPTING THE STRAWBERRY AS
THE OFFICIAL FRUIT OF NORTH CAROLINA.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☐ Finance ☐ .

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ .

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 382

Short Title: Adopt Strawberry as State Fruit.

(Public)

Sponsors: Representatives Russell, Hill; Coates, Hilton, and Underhill.

Referred to: State Government.

March 1, 2001

A BILL TO BE ENTITLED
AN ACT ADOPTING THE STRAWBERRY AS THE OFFICIAL FRUIT OF NORTH
CAROLINA.

Whereas, strawberries are a good source of vitamins A, C, and B6 as well as a number of life-sustaining minerals; and

Whereas, there are over 1,600 acres of strawberries grown in North Carolina; and

Whereas, in 1999, strawberry growers across the State produced 17,600,000 pounds of strawberries, yielding \$14,080,000 in revenues; and

Whereas, the State of North Carolina does not have an official fruit; Now, therefore,

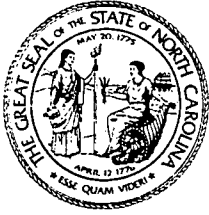
The General Assembly of North Carolina enacts:

SECTION 1. Chapter 145 of the General Statutes is amended by adding a new section to read:

"§ 145-18. State fruit.

The strawberry is adopted as the official fruit of the State of North Carolina."

SECTION 2. This act is effective when it becomes law.



HB 382: **Adopt Strawberry as State Fruit**

BILL ANALYSIS

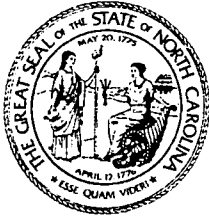
Committee: House State Government
Date: March 21, 2001
Version: 1st Edition

Introduced by: Representative Russell
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

House Bill 362 would make the strawberry the official State fruit. Under Chapter 145 of the General Statutes, there are currently 17 designations of official State items such as the State flower, tree, dog, rock, stone, and beverage. The most recent addition, the State vegetable (Sweet Potato), was adopted in 1995.

The act is effective when it becomes law.



HB 332: Energy Improvement Program-AB

BILL ANALYSIS

Committee: House State Government
Date: March 15, 2001
Version: Proposed Committee Sub

Introduced by: Rep. Tolson
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

The Business Energy Improvement Program was established by the General Assembly last Session. S.L. 2000-140, §76(i). The Program is located in the Department of Administration. Its purpose is to provide information and assistance to industrial and commercial businesses in North Carolina about undertaking energy conserving capital improvement projects. The program also provides secured loans of up to \$500,000 to businesses for the installation of energy efficient capital improvements.

House Bill 332 would amend the program as follows:

- (1) The name of the Program is amended to be the "Energy Improvement Loan Program."
- (2) The Program would be expanded to include local governments and nonprofit organizations operating in North Carolina.
- (3) The Department would develop rules to allow State-regulated financial institutions to provide secured loans to businesses, local governments and nonprofits in accordance with the terms and criteria established by the Department.
- (4) The annual interest rate for such loans is decreased from 5% per annum to 3% per annum and the term of the loans is increased from 7 to 10 years.
- (5) The Department is to develop rules to allow loans to be made from the revolving loan fund and State-regulated financial institutions at interest rates as low as 1% for special projects such as recycling and renewable energy projects.

The act is effective when it becomes law.

PROPOSED COMMITTEE SUBSTITUTE:

The proposed committee substitute makes two changes to the bill. First, it amends the phrase "local governments" to "local governmental units" and defines the new term to mean "any board or governing body of a political subdivision of the state, including any board of a community college, any school board, or an agency, commission, or authority of a political subdivision of the State. The second change defines "nonprofit organization" to mean a organization exempt from taxation under Section 501(c)(3).

TOWN OF CHADBOURN

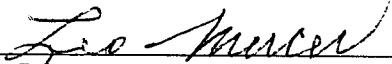
RESOLUTION

THE TOWN OF CHADBOURN, by and through the Town Council, upon motion duly made, seconded, and unanimously approved, does hereby resolve to support House Bill 382 at the 2001 session of the North Carolina State Legislator wherein it is requested that the strawberry be declared the official state fruit and, therefore,

BE IT RESOLVED, that the Town of Chadbourn, known since the turn of the century as 'The Strawberry Capital of the World', does hereby support House Bill 382 introduced on the 1st day of March, 2001, in the North Carolina General Assembly, wherein a request is made that the strawberry be adopted as the official State fruit; and

BE IT FURTHER RESOLVED, that the Town of Chadbourn does hereby encourage the Legislature to take all steps necessary to expedite the process wherein the above referenced bill shall be made into law thus adopting the strawberry as the official fruit of the State of North Carolina prior to the 69th Annual North Carolina Festival to be held in May in the Town of Chadbourn, "The Strawberry Capital of the World".

This the 6th day of March, 2001.



Leo Mercer, Mayor, Town of Chadbourn

Attested By:



Bobbie J. Jordan, Town Clerk

LOCAL/STATI

Wilmington Morning Star, Saturday, March 17, 2001

APPLES OR BERRIES?



Staff photos / LOGAN WALLACE

L.C. Greene, who placed second at the N.C. Strawberry Festival in Chadbourne last year, stands next to this year's crop in his two-acre field in Cerro Gordo. Below, two strawberry blossoms grow in Mr. Greene's field. Two state lawmakers have introduced a bill to make the strawberry the state fruit. Two other fruits, blueberries and apples, generate more revenue.

Bill would make strawberries the state fruit

By **SHERRY JONES**

Staff Writer

CERRO GORDO — Ask L.C. Greene about his strawberries and he'll tell you how they made it all the way to the state capital for a legislative dinner.

Now, some of those same lawmakers want to make the strawberry the state fruit.

"I'll support anything that'll help us farmers," said Mr. Greene, who has 2 acres of strawberries growing on his Columbus County farm.

Rep. Dewey Hill, D-Columbus, has joined Rep. Carolyn Russell, R-Wayne, in sponsoring a bill that would make the strawberry the state fruit. Rep. Hill says he's supporting the strawberry because "it has a lot of possibilities."

Mr. Greene, who has been growing strawberries for about seven years, said he can't think of any better fruit to represent North Carolina.

"It might as well be the strawberry," he said.

Rep. Hill said Rep. Russell asked him to co-sponsor the bill because of the abundance of strawberries in his district.

For instance, Chadbourne was once known as the "strawberry capital of the world" and is home to

the N.C. Strawberry Festival. In many parts of Columbus County, farmers devote part of their land to growing strawberries, and numerous roadside stands have strawberries available beginning in April.

Strawberry decorations also can be spotted throughout the county. At Edmund Farms on U.S. 76, there's an old hog feed tower painted like a strawberry. In the town of Chadbourne, the street signs have red strawberries on them. Many residents have strawberry cutouts hanging on the fronts of their houses.

Rep. Hill said Rep. Russell decided on the strawberry after learning about the research a group of students in Wayne County did. They learned that North Carolina is the fourth-largest producer of strawberries in the country.

According to the bill, strawberry growers across the state produced 17.6 million pounds of strawberries in 1999, yielding \$14.1 million. State agriculture officials have said strawberries are grown in more than 70 of the state's 100 counties.

Bill Edmund, who owns Edmund Farms with his brother, Joe, and his father, Weldon, said he doesn't understand the importance of making the strawberry the state



fruit because other fruits seem more popular. Nonetheless, he said he would support the idea.

If the mere mention of strawberries makes your mouth water, growers expect their berries to ripen by early to mid-April. Strawberries are high in vitamins C and A, and are a good source of iron.

Two other fruits — apples and blueberries — generate more revenue than strawberries. The N.C. Department of Agriculture and Consumer Services reports that in 1999, North Carolina apples made \$18.3 million, while blueberries brought in \$18.1 million.

And interestingly enough, Rep. Hill introduced a bill in 1998 to make the Red-N-Gold Delicious

apple the state fruit. State lawmakers have designated an official state bird, tree, dog breed and other items.

Also in 1998, Sen. Patrick Balantine, R-New Hanover County, sponsored a bill proposing that a generic apple be adopted as the official state fruit. Neither bill was successful.

Rep. Hill said the fate of the strawberry seems more promising.

"I think everybody will be happy about it," he said. "It is important to have a state fruit."

On the Web:

www.agr.state.nc.us

VISITOR REGISTRATION SHEET

HOUSE COMMITTEE ON STATE GOVERNMENT

3-22-01

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

JEANETTE KING	CCPS - BOXING COMMISSION
SHAWN LEMMOND	CCPS - BOXING COMMISSION
ESTHERINE DAVIS	ELECTRICITIES
MURDER GUN	DOD
SHARON STRAUD	STATE ENERGY OFFICE
MICHAEL HUGHES	STATE CONSTRUCTION OFFICE
LARRY SHIRLEY	STATE ENERGY OFFICE
PAUL MEYER	NCAAC
STEVE HOFFMAN	NCSBA
DONG CANT	NCSTA
JOHN BOODISH	ALLEY ASSOCIATES

**HOUSE COMMITTEE ON STATE GOVERNMENT
ROOM 415 LOB
March 29, 2001
10:00 A.M.**

AGENDA

CALL TO ORDER

Representative Mary Jarrell, Chair

CONSIDERATION OF BILLS

- | | |
|---------------|---|
| HB 429 | AUDITS FOR LOCAL GOVERNMENTS-AB.
(Representatives Jeffus and Sherrill) |
| HB 435 | GOVERNOR MOREHEAD SCHOOL STAFFING
CHANGES-AB. (Representative Weiss) |
| HB 445 | CODE OFFICIALS PROFESSIONALISM.
(Representative Gibson) |
| HB 740 | LOB SNACK BAR OPERATED BY LSC.
(Representative Morgan) |

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON STATE GOVERNMENT
March 29, 2001

The House Committee on State Government met at 10:00 a.m. on Thursday, March 29, 2001, in Room 415 of the Legislative Office Building with the following members present: Representative Jarrell, Chair; Representative Luebke, Vice Chair; Representatives Adams, Baker, Brubaker, Church, Coates, Cox, Gibson, McComas, Owens, Preston and West. Barbara Riley, committee counselor, was also in attendance.

Representative Jarrell called the meeting to order and recognized members of the Committee, pages, and staff. A visitor registration sheet is attached and made a part of the minutes.

The following bills were considered:

HB 435 – GOVERNOR MOREHEAD SCHOOL STAFFING CHANGES-AB.

Representative Weiss, sponsor, explained that this bill provides the Board of Directors of the Governor Morehead School with the authority to encourage the establishment of private, nonprofit corporations to support the School and, if the sole purpose of the nonprofit corporation is to support the School, to assign employees to assist with the establishment and operation of the nonprofit and make available office space, equipment and other resources. Representative Adams asked if there would be an annual audit. Representative replied in the affirmative.

Representative McComas moved for a favorable report of HB 435. Motion carried.

HB 429 – AUDITS OF LOCAL GOVERNMENTS-AB. Representative Jeffus, sponsor of HB 429, explained that the State Auditor's Office approves the documents describing standards of compliance and suggested audit procedures that are provided to assist independent auditors with the conduct of the compliance portion of the audit. House Bill 429 amends G.S. 159-34 to transfer the authority to approve these documents from the State Auditor's Office to the Local Government Commission.

Rob Hillman of the State Auditor's Office and Joseph Sansom of the State Treasurer's Office were available to answer questions of the Committee.

No action was taken on HB 429. It will be considered at the next meeting of State Government.

HB 445 – CODE OFFICIALS PROFESSIONALISM-AB. Representative Gibson, sponsor of the bill, explained that this bill establishes a required program of continuing education for building code enforcement officials. HB 445 authorizes the North Carolina Code Officials Qualifications Board to develop continuing education requirements as a condition of renewal or reactivation of a certificate. Annual continuing education requirements may not exceed 6 credit hours.


Representative Baker moved to give the bill a favorable report and be re-referred to Appropriations. Motion carried.

HB 740 – LOB SNACK BAR OPERATED BY LSC. Representative Morgan, sponsor, explained that House Bill 740 would remove the statutory restrictions prohibiting the Legislative Services Commission from operating a snack bar in the Legislative Office Building.

Representative Baker asked if the bill would suffer as a result of the passage of this bill. Representative Morgan stated that that he was not aware that the Legislative Services Commission would make a change. However, they would have oversight if persons were not performing adequately.

Representative Adams moved for a favorable report. Motion carried.

The meeting adjourned at 10:45.


Rep. Mary L. Jarrell, Chair


Edna Lee Collar, Committee Assistant

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 429

Short Title: Audits for Local Governments-AB.

(Public)

Sponsors: Representatives Jeffus and Sherrill.

Referred to: State Government.

March 1, 2001

A BILL TO BE ENTITLED

AN ACT TO TRANSFER FROM THE STATE AUDITOR TO THE LOCAL
GOVERNMENT COMMISSION THE RESPONSIBILITY FOR APPROVING
COMPLIANCE SUPPLEMENTS FOR AUDITS OF LOCAL GOVERNMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 159-34(c) reads as rewritten:

"(c) Notwithstanding any other provision of law, except for Article 5A of Chapter 147 of the General Statutes pertaining to the State Auditor, all State departments and agencies shall rely upon the single audit accepted by the secretary as the basis for compliance with applicable federal and State regulations. All State departments and agencies which provide funds to local governments and public authorities shall provide the Commission with documents ~~approved by the State Auditor in a~~ that the Commission finds are in the prescribed format describing standards of compliance and suggested audit procedures sufficient to give adequate direction to independent auditors retained by local governments and public authorities to conduct a single audit as required by this section. The secretary shall be responsible for the annual distribution of all such standards of compliance and suggested audit procedures proposed by State departments and agencies and any amendments thereto. Further, the Commission with the cooperation of all affected State departments and agencies shall be responsible for the following:

- (1) Procedures for the timely distribution of compliance standards developed by State departments and agencies, reviewed and approved by the ~~State Auditor-Commission~~ to auditors retained by local governments and public authorities.
- (2) Procedures for the distribution of single audits for local governments and public authorities such that they are available to all State departments and agencies which provide funds to local units.

1 (3) The acceptance of single audits on behalf of all State departments and
2 agencies; provided that, the secretary may subsequently revoke such
3 acceptance for cause, whereupon affected State departments and
4 agencies shall no longer rely upon such audit as the basis for
5 compliance with applicable federal and State regulations."
6

SECTION 2. This act is effective when it becomes law.



HB 429: Audits for Local Governments- AB

BILL ANALYSIS

Committee: House State Government
Date: March 28, 2001
Version: 1st Edition

Introduced by: Reps. Jeffus & Sherrill
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

G.S. 139-34 requires local governments to have an annual independent audit of their accounts. If required by the secretary of the Local Government Commission, the audit is also to evaluate the performance of a local government unit with respect to compliance with applicable federal and State regulations. The financial and compliance audits are considered a single audit.

Currently the State Auditor's Office approves the documents describing standards of compliance and suggested audit procedures that are provided to assist independent auditors with the conduct of the compliance portion of the audit. House Bill 429 amends G.S. 159-34 to transfer the authority to approve these documents from the State Auditor's Office to the Local Government Commission.

The act is effective when it becomes law.

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 435 A BILL TO BE ENTITLED AN ACT TO ALLOW THE GOVERNOR
MOREHEAD SCHOOL TO PROVIDE STAFF AND OTHER ASSISTANCE TO A
NONPROFIT CORPORATION ESTABLISHED TO SUPPORT THE SCHOOL.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 435*

Short Title: Governor Morehead School Staffing Changes-AB. (Public)

Sponsors: Representative Weiss.

Referred to: State Government.

March 1, 2001

A BILL TO BE ENTITLED

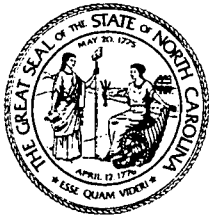
AN ACT TO ALLOW THE GOVERNOR MOREHEAD SCHOOL TO PROVIDE
STAFF AND OTHER ASSISTANCE TO A NONPROFIT CORPORATION
ESTABLISHED TO SUPPORT THE SCHOOL.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143B-164.11 is amended by adding a new subsection to
read:

"(c) The Board of Directors of the Governor Morehead School may encourage the establishment of private, nonprofit corporations to support the institution. If the sole purpose of a corporation is to support the Governor Morehead School, the Department of Health and Human Services may, with the approval of the Board of Directors, assign employees to assist with the establishment and operation of the corporation and may make available to the corporation office space, equipment, supplies, and other related resources. The limitation on hours of service by an employee provided in G.S. 143B-139.4 does not apply to employees assisting a nonprofit corporation pursuant to this section. The board of directors of each private, nonprofit corporation that obtains assistance under this subsection shall secure and pay for the services of the State Auditor or employ a certified public accountant to conduct an annual audit of the financial accounts of the corporation. The board of directors of the corporation shall transmit to the Department of Health and Human Services a copy of the annual financial audit report of the corporation."

SECTION 2. This act is effective when it becomes law.



HB 435: Gov. Morehead School Staffing Changes -AB

BILL ANALYSIS

Committee: House State Government
Date: March 28, 2001
Version: 1st Edition

Introduced by: Representative Weiss
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

House Bill 435 provides the Board of Directors of the Governor Morehead School with the authority to encourage the establishment of private, nonprofit corporations to support the School and, if the sole purpose of the nonprofit corporation is to support the School, to assign employees to assist with the establishment and operation of the nonprofit and make available office space, equipment and other resources.

CURRENT LAW:

Similar provisions currently exist in the General Statutes allowing agencies to permit employees to provide services to nonprofit corporations whose sole purpose is to support that agency. G.S. 143-139.4 gives the Secretary of the Department of Health and Human Services the authority to allow employees of the Department to assist private nonprofit organizations whose sole purpose is to support the services and programs of the Department. Department employees allowed to work with such nonprofits are limited to 20 hours of work per month. An exception to this limitation is allowed for the Office of Rural Health and Resource Development where the Office may assign employees to serve as an in-kind match to the nonprofits working to establish certain health care programs.

Pursuant to G.S. 115D-7, the State Board of Community Colleges may encourage the establishment of private nonprofit corporations to support the community college system and assign employees and provide space, equipment and other resources to nonprofit corporations whose sole purpose is to support the community college system. This authority is also provided to the Presidents of the individual community colleges, with the approval of their respective boards of trustees. G.S. 115D-20(9).

BILL ANALYSIS:

House Bill 435 provides the Board of Directors of the Governor Morehead School the authority to assign employees to assist with the establishment and operation of a nonprofit corporation whose sole purpose is to support the Governor Morehead School. The Board may also make office space, equipment, supplies and other resources available to the nonprofit corporation. Employees assigned by the School's Board of Trustees are not subject to the 20 hour per month limitation placed on other employees of the Department of Health and Human Services working with nonprofit corporations. The board of directors of any nonprofit corporation that obtains the assistance of employees of the School must conduct an annual financial audit the corporation and provide the Department of Health and Human Services with a copy of the audit.

The act is effective when it becomes law.

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 445 A BILL TO BE ENTITLED AN ACT TO ESTABLISH A PROFESSIONAL DEVELOPMENT PROGRAM FOR CODE-ENFORCEMENT OFFICIALS, TO AUTHORIZE THE USE OF FUNDS FROM THE DEPARTMENT OF INSURANCE FUND FOR PROFESSIONAL DEVELOPMENT OF CODE-ENFORCEMENT OFFICIALS, AND TO APPROPRIATE FUNDS FROM THE DEPARTMENT OF INSURANCE FUND FOR THAT PURPOSE.

☐ With a favorable report.

☒ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☒ Finance ☐ ~~_____~~ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report as to committee substitute bill (# _____), ☐ which changes the title, unfavorable as to (original bill) (Committee Substitute Bill # _____), (and recommendation that the committee substitute bill # _____) be re-referred to the Committee on _____.)

☐ With a favorable report as to House committee substitute bill (# _____), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

H

1

HOUSE BILL 445

Short Title: Code Officials Professionalism-AB.

(Public)

Sponsors: Representative Gibson.

Referred to: State Government, if favorable, Appropriations.

March 1, 2001

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A PROFESSIONAL DEVELOPMENT PROGRAM FOR CODE-ENFORCEMENT OFFICIALS, TO AUTHORIZE THE USE OF FUNDS FROM THE DEPARTMENT OF INSURANCE FUND FOR PROFESSIONAL DEVELOPMENT OF CODE-ENFORCEMENT OFFICIALS, AND TO APPROPRIATE FUNDS FROM THE DEPARTMENT OF INSURANCE FUND FOR THAT PURPOSE.

The General Assembly of North Carolina enacts:

SECTION 1. Article 9C of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-151.13A. Professional development program for officials.

(a) As used in this section, 'official' means a qualified Code-enforcement official, as defined in G.S. 143-151.8.

(b) The Board may establish professional development requirements for officials as a condition of the renewal or reactivation of their certificates. The purposes of these professional development requirements are to assist officials in maintaining professional competence in their enforcement of the Code and to assure the health, safety, and welfare of the citizens of North Carolina. An official subject to this section shall present evidence to the Board at each certificate renewal after initial certification, that during the 12 months before the certificate expiration date, the official has completed the required number of credit hours in courses approved by the Board. Annual continuing education hour requirements shall be determined by the Board but shall not be more than six credit hours.

(c) The Board may require an individual who earns a standard certificate under the prequalification program established in G.S. 143-151.13(d) to complete professional development courses, not to exceed six hours in each technical area of certification, within one year after that individual is first employed by a city or county inspection department.

1 (d) As a condition of reactivating a standard or limited certificate, the Board may
2 require the completion of professional development courses within one year after
3 reemployment as an official as follows:

4 (1) An individual who has been on inactive status for more than two years
5 and who has not been continuously employed by a city or county
6 inspection department during the period of inactive status shall
7 complete professional development courses not to exceed 12 hours for
8 each technical area in which the individual is certified.

9 (2) An individual who has been on inactive status for more than two years
10 but who has been continuously employed by a city or county
11 inspection department during the period of inactive status shall
12 complete professional development courses not to exceed six hours for
13 each technical area in which the individual is certified.

14 (3) An individual who has been on inactive status for two years or less and
15 who has been continuously employed by a city or county inspection
16 department during the period of inactive status shall complete
17 professional development courses not to exceed four hours for each
18 technical area in which the individual is certified.

19 (e) The Board may, for good cause shown, grant extensions of time to officials to
20 comply with these requirements. An official who, after obtaining an extension under
21 this subsection, offers evidence satisfactory to the Board that the official has
22 satisfactorily completed the required professional development courses, is in
23 compliance with this section.

24 (f) The Board may adopt rules to give purpose and effect to the professional
25 development requirements, including rules that govern:

26 (1) The content and subject matter of professional development courses.

27 (2) The criteria, standards, and procedures for the approval of courses,
28 course sponsors, and course instructors.

29 (3) The methods of instruction.

30 (4) The computation of course credit.

31 (5) The ability to carryforward course credit from one year to another.

32 (6) The waiver of or variance from the professional development
33 requirement for hardship or other reasons.

34 (7) The procedures for compliance and sanctions for noncompliance."

35 **SECTION 2. G.S. 58-6-25(d) reads as rewritten:**

36 "(d) Use of Proceeds. – The Insurance Regulatory Fund is created in the State
37 treasury, under the control of the Office of State Budget and Management. The proceeds
38 of the charge levied in this section and all fees collected under Articles 69 through 71 of
39 this Chapter and under Articles 9 and 9C of Chapter 143 of the General Statutes shall be
40 credited to the Fund. The Fund shall be placed in an interest-bearing account and any
41 interest or other income derived from the Fund shall be credited to the Fund. Moneys in
42 the Fund may be spent only pursuant to appropriation by the General Assembly and in
43 accordance with the line item budget enacted by the General Assembly. The Fund is
44 subject to the provisions of the Executive Budget Act, except that no unexpended

1 surplus of the Fund shall revert to the General Fund. All money credited to the Fund
2 shall be used to reimburse the General Fund for the following:

- 3 (1) Money appropriated to the Department of Insurance to pay its
4 expenses incurred in regulating the insurance industry and other
5 industries in this State.
6 (2) Money appropriated to State agencies to pay the expenses incurred in
7 regulating the insurance industry, in certifying statewide data
8 processors under Article 11A of Chapter 131E of the General Statutes,
9 and in purchasing reports of patient data from statewide data
10 processors certified under that Article.
11 (3) Money appropriated to the Department of Revenue to pay the expenses
12 incurred in collecting and administering the taxes on insurance
13 companies levied in Article 8B of Chapter 105 of the General Statutes.
14 (4) Money appropriated to the Department of Insurance for the Code-
15 enforcement officials professional development requirements under
16 G.S. 143-151.13A."

17 **SECTION 3.** There is appropriated from the Department of Insurance Fund,
18 established in G.S. 58-6-25, to the Department of Insurance the sum of one hundred
19 thousand dollars (\$100,000) for the 2001-2002 fiscal year for the Code Officials
20 Qualification Board for the purpose of developing and implementing the Code officials
21 professional development program established in G.S. 143-151.13A.

22 **SECTION 4.** Section 1 of this act applies to certificates issued or renewed
23 on and after October 1, 2001. Section 3 of this act becomes effective July 1, 2001. The
24 appropriation in Section 3 of this act is contingent upon the implementation of the
25 program by the Code Officials Qualification Board and may be used only for the
26 purpose of developing and implementing the program. The remainder of this act is
27 effective when it becomes law.



HB 445: Code Officials Professionalism -AB

BILL ANALYSIS

Committee: House State Government
Date: March 28, 2001
Version: 1st Edition

Introduced by: Representative Gibson
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

House Bill 445 establishes a required program of continuing education for building code enforcement officials

CURRENT LAW:

Article 9C of Chapter 143 of the General Statutes establishes the North Carolina Code Officials Qualifications Board. The Board is authorized to set minimum standards for employment as a Code-enforcement official (building inspections under the NC State Building Code) and to certify persons as being qualified for such employment. G.S. 143-151.12. All persons engaged in Code enforcement must be certified by the Board. G.S. 143-151.13 The certificate issued is valid as long as the person certified is employed by the State or a political subdivision of the State as a Code-enforcement official. It must be surrendered upon the termination of employment as a Code-enforcement official. G.S. 143-151.15. Currently there are no continuing education requirements for Code enforcement officials in the statutes.

BILL ANALYSIS:

House Bill 445 authorizes the North Carolina Code Officials Qualifications Board to develop continuing education requirements as a condition of renewal or reactivation of a certificate. Annual continuing education requirements may not exceed 6 credit hours.

Newly employed or promoted Code-enforcement officials who have been issued a temporary or probationary "standard certificate" because they lack the prerequisite qualifications for a standard certificate, may be required to complete professional development courses, not to exceed 6 credit hours in each technical area of certification. The courses must be completed within one year of the individual's first employment with a local government inspection department.

Professional development courses may also be required for reactivation of a certificate. For those who have been inactive for more than 2 years and who have not been continuously employed in a local government inspection department, up to 12 hours professional development may be required in each technical area of certification. For those inactive for more than 2 years who have been continuously employed in an inspection department, the professional development requirement is 6 hours per technical area of certification. Those persons who have been inactive for less than 2 years and continuously employed with an inspection department are required to take 4 hours of professional development per technical area of certification.

The Board is authorized to grant extensions of time to individuals to comply with the professional development requirements and to adopt rules regarding the requirements including the content and subject matter of the required courses, computation of credit and procedures for compliance and sanctions for noncompliance.

HB 445

Page 2

Section 2 of the bill amends the Insurance Regulatory Fund to provide that the Fund may be used to reimburse the General Fund for money appropriated to the Department of Insurance for Code-enforcement officials professional development requirements. Section 3 transfers \$100,000 from the Insurance Regulatory Fund to the Department of Insurance for 2001-2002 for the purpose of developing and implementing the professional development program.

The Section 1 of the act applies to certificates issued or renewed on and after October 1, 2001. Section 3 becomes effective July 1, 2001. The balance of the act is effective when it becomes law.

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 740 A BILL TO BE ENTITLED AN ACT AUTHORIZING THE LEGISLATIVE SERVICES COMMISSION TO OPERATE THE SNACK BAR IN THE LEGISLATIVE OFFICE BUILDING.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ .

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ .

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 740*

Short Title: LOB Snack Bar Operated by LSC.

(Public)

Sponsors: Representative Morgan.

Referred to: State Government.

March 22, 2001

1 A BILL TO BE ENTITLED
2 AN ACT AUTHORIZING THE LEGISLATIVE SERVICES COMMISSION TO
3 OPERATE THE SNACK BAR IN THE LEGISLATIVE OFFICE BUILDING.
4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 111-42 reads as rewritten:

6 "§ 111-42. Definitions as used in this Article.

7 (a) "Regular vending facility" means a vending facility where food preparation or
8 cooking is not done on the State property.

9 (b) "State agency" means department, commission, agency or instrumentality of
10 the State.

11 (c) "State property or State building" means building and land owned, leased, or
12 otherwise controlled by the State, exclusive of schools, colleges and universities, the
13 North Carolina State Fair, the Legislative Office Building, and the State Legislative
14 Building.

15 (d) "Vending facility" includes a snack bar, cafeteria, restaurant, cafe, concession
16 stand, vending stand, cart service, or other facilities at which food, drinks, novelties,
17 newspapers, periodicals, confections, souvenirs, tobacco products or related items are
18 regularly sold.

19 (e) Repealed by Session Laws 2000-121, s. 21."

20 SECTION 2. G.S. 66-58 (c) reads as rewritten:

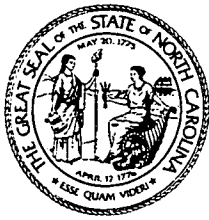
21 "(c) The provisions of subsection (a) shall not prohibit:

22 ...

23 (5) The operation of a snack bar and cafeteria in the State Legislative
24 Building, Building, and a snack bar in the Legislative Office Building.

25"

26 SECTION 3. This act is effective when it becomes law.



BILL ANALYSIS

HOUSE BILL 740: Authorizing the Legislative Services Commission to Operate LOB Snack Bar

Committee: House State Government
Date: March 28, 2001
Version: 1st Edition

Introduced by: Morgan
Summary by: Terrence D. Sullivan
Director of Research

SUMMARY: *House Bill 740, identical as introduced to SB 539 (Sen. Rand, introducer), would remove the statutory restrictions prohibiting the Legislative Services Commission from operating a snack bar in the Legislative Office Building as the Commission operates the snack bar and cafeteria in the State Legislative Building.*

CURRENT LAW: Article 3 of General Statute Chapter 111 (G.S. 111-41 *et seq.*) gives a preference for the operation of vending facilities by visually handicapped persons on State property. *G.S. 111-44, Location and services provided by State agencies*, requires that, if the Department of Health and Human Services finds that a location is suitable for a vending facility by a visually handicapped person, the State agency having control over that location shall provide proper space and utilities for that purpose. G.S. 111-42(c) excludes schools, colleges, universities, the North Carolina State Fair, and the State Legislative Building (SLB) from the operation of this Article. Visually handicapped individuals presently operate the snack bar in the Legislative Office Building (LOB).

Subsection (a) of *G.S. 66-58, Sale of merchandise or services by governmental units*, prohibits, among other matter, State agencies from engaging in the operations of restaurants, cafeterias or other eating places in any building State-owned by or State-leased building in competition with private enterprise. Subsection (c)(5) excludes the operation of a snack bar and cafeteria in the SLB from the provisions of subsection (a).

The Legislative Services Commission under authority of G.S. 120-32(4) presently operates the snack bar and cafeteria in the SLB

BILL ANALYSIS: If this bill were to pass, the Legislative Office Building would be excluded from the statutory provisions:

- requiring preference for visually handicapped persons in the operation of food service facilities (**Section 1 of the bill**); and
- against a State operated snack bar competing with private individuals and businesses (**Section 2 of the bill**).

The bill would be effective when it becomes law.

VISITOR REGISTRATION SHEET

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Vicky Young	OSA
Rob Hillman	OSA
Ardis Watkins	SEANC
BRANDON THOMAS	SEANC
Joseph M. Sansom	TREAS. DEPT
Vivian Sansom	Rep Luebke's intern
Jim Bradley	NC DOI
Etherine Davis	Electric Cities
R A Stone	
Clay Popc	Services for the Blind
Dabbe Jackson	" " " "
Pat Faller	Ch. & MS BD - J. P. W. & T. P. S.
Bill Hale	NC Dept of Insurance
Dascheil Prope3	NC DOI
David Anders	PFFPNC

**HOUSE COMMITTEE ON STATE GOVERNMENT
ROOM 415 LOB
April 5, 2001
10:00 A.M.**

AGENDA

CALL TO ORDER

Representative Mary Jarrell, Chair

CONSIDERATION OF BILLS

- | | |
|---------------|---|
| HB 429 | AUDITS FOR LOCAL GOVERNMENTS-AB.
(Representatives Jeffus and Sherrill) |
| HB 355 | STATE BUILDING CODE CHANGES.
(Representatives Dockham and Hurley) |
| HB 409 | REVIEW STATE GOVERNMENT EMPLOYMENT.
(Representative Earle) |
| HB 709 | ADOPT CAROLINA LILY AS STATE WILDFLOWER.
(Representative Baker) |

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON STATE GOVERNMENT
April 5, 2001

The House Committee on State Government met at 10:00 a.m. on Thursday, April 5, 2001 in Room 415 of the Legislative Office Building with the following members present: Representative Jarrell, Chair; Representative Paul Luebke, Vice Chair; Representatives Adams, Baker, Bonner, Brubaker, Church, Coates, Cox, Preston, and West. Barbara Riley, committee counselor, was also in attendance.

Representative Jarrell called the meeting to order and recognized members of the Committee, staff, and page, Catherine Oast. A visitor registration sheet is attached and made a part of the minutes.

The following bills were considered:

HB 429 – AUDITS FOR LOCAL GOVERNMENTS-AB. Representative Jeffus, sponsor, was recognized to explain the bill. Currently the State Auditor's Office approves the documents describing standards of compliance and suggested audit procedures that are provided to assist independent auditors with the conduct of the compliance portion of the audit. HB 429 amends G.S. 159-34 to transfer the authority to approve these documents from the State Auditor's Office to the Local Government Commission.

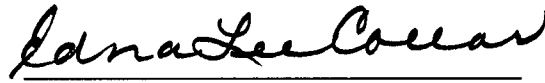
Representative Bonner made a motion to give HB 429 a favorable report. Motion carried.

HB 709 – ADOPT CAROLINA LILY AS STATE WILDFLOWER. Representative Baker explained HB 709 which would adopt the Carolina Lily as the Official Wildflower of North Carolina. Information is attached describing the Carolina Lily. Alice Zawadzki, Vice President of the North Carolina Wild Flower Preservation Society, spoke concerning the flower. There are concerns for placing this uncommon plant at greater risk because of the possibility of the public poaching them. She recommended a research period where botanists and nursery growers could be asked questions relating to nursery-propagated sources for the Carolina Lily (see attached copy).

A committee substitute was offered and Representative Bonner moved for its adoption. Representative Church made a motion to give committee substitute for HB 709 a favorable report, unfavorable to original bill. Motion carried.

There being no further business, the meeting adjourned at 10:30 A.M.


Rep. Mary L. Jarrell, Chair


Edna Lee Collar, Committee Assistant

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 429 A BILL TO BE ENTITLED AN ACT TO TRANSFER FROM THE STATE AUDITOR TO THE LOCAL GOVERNMENT COMMISSION THE RESPONSIBILITY FOR APPROVING COMPLIANCE SUPPLEMENTS FOR AUDITS OF LOCAL GOVERNMENTS.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

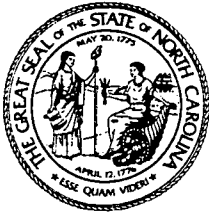
☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01



HB 429: Audits for Local Governments- AB

BILL ANALYSIS

Committee: House State Government
Date: March 28, 2001
Version: 1st Edition

Introduced by: Reps. Jeffus & Sherrill
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

G.S. 139-34 requires local governments to have an annual independent audit of their accounts. If required by the secretary of the Local Government Commission, the audit is also to evaluate the performance of a local government unit with respect to compliance with applicable federal and State regulations. The financial and compliance audits are considered a single audit.

Currently the State Auditor's Office approves the documents describing standards of compliance and suggested audit procedures that are provided to assist independent auditors with the conduct of the compliance portion of the audit. House Bill 429 amends G.S. 159-34 to transfer the authority to approve these documents from the State Auditor's Office to the Local Government Commission.

The act is effective when it becomes law.

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 709 A BILL TO BE ENTITLED AN ACT ADOPTING THE CAROLINA LILY AS
THE OFFICIAL WILDFLOWER OF NORTH CAROLINA.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.

☒ With a favorable report as to committee substitute bill (# _____), ☐ which changes the title,
unfavorable as to (original bill) (~~Committee Substitute Bill # _____~~), (and recommendation
~~that the committee substitute bill # _____ be re-referred to the Committee on _____~~)

☐ With a favorable report as to House committee substitute bill (# _____), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

H

D

HOUSE BILL 709

PROPOSED COMMITTEE SUBSTITUTE H709-CSLG-5 [v.0]

3/27/2001 5:53:23 PM

Short Title: Adopt Carolina Lily as State Wildflower.

(Public)

Sponsors:

Referred to:

March 21, 2001

1 A BILL TO BE ENTITLED
2 AN ACT ADOPTING THE CAROLINA LILY AS THE OFFICIAL WILDFLOWER
3 OF NORTH CAROLINA.

4 Whereas, North Carolina is blessed with an abundance of wildflowers from
5 the mountains to the coast; and

6 Whereas, the Carolina Lily is a scarce and beautiful flower that is found
7 throughout North Carolina, in upland pine-oak woods and pocosins; and

8 Whereas, the Carolina Lily (*Lilium michauxii*) is named for the distinguished
9 French botanist, Andre Michaux, who traveled widely in the Southeastern United
10 States; and

11 Whereas, this magnificent flower bears the name of our great State; and

12 Whereas, the State of North Carolina does not have an official wildflower;

13 Now, therefore,

14 The General Assembly of North Carolina enacts:

15 SECTION 1. Chapter 145 of the General Statutes is amended by adding a
16 new section to read:

17 "§ 145-18. State wildflower.

18 The Carolina Lily (*Lilium michauxii*) is adopted as the official wildflower of the
19 State of North Carolina."

20 SECTION 2. The title of Chapter 145 of the General Statutes reads as
21 rewritten:

22 "Chapter 145.

23 State Flower, Bird, Tree, Shell, Mammal, Fish, Insect, Stone, ~~Reptile and Reptile,~~
24 Rock, Beverage, Historical Boat, Language, Dog, Military Academy, Tartan, and
25 Watermelon Festival ~~Festivals,~~ and Wildflower."

26 SECTION 3. This act is effective when it becomes law.
27

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

H

D

HOUSE BILL 709

PROPOSED COMMITTEE SUBSTITUTE H709-PCS6202-LG-5

Short Title: Adopt Carolina Lily as State Wildflower.

(Public)

Sponsors:

Referred to:

March 21, 2001

A BILL TO BE ENTITLED

AN ACT ADOPTING THE CAROLINA LILY AS THE OFFICIAL WILDFLOWER
OF NORTH CAROLINA.

Whereas, North Carolina is blessed with an abundance of wildflowers from
the mountains to the coast; and

Whereas, the Carolina Lily is a scarce and beautiful flower that is found
throughout North Carolina, in upland pine-oak woods and pocosins; and

Whereas, the Carolina Lily (*Lilium michauxii*) is named for the distinguished
French botanist, Andre Michaux, who traveled widely in the Southeastern United
States; and

Whereas, this magnificent flower bears the name of our great State; and

Whereas, the State of North Carolina does not have an official wildflower;
Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 145 of the General Statutes is amended by adding a
new section to read:

"§ 145-18. State wildflower.

The Carolina Lily (*Lilium michauxii*) is adopted as the official wildflower of the
State of North Carolina."

SECTION 2. The title of Chapter 145 of the General Statutes reads as
rewritten:

"Chapter 145.

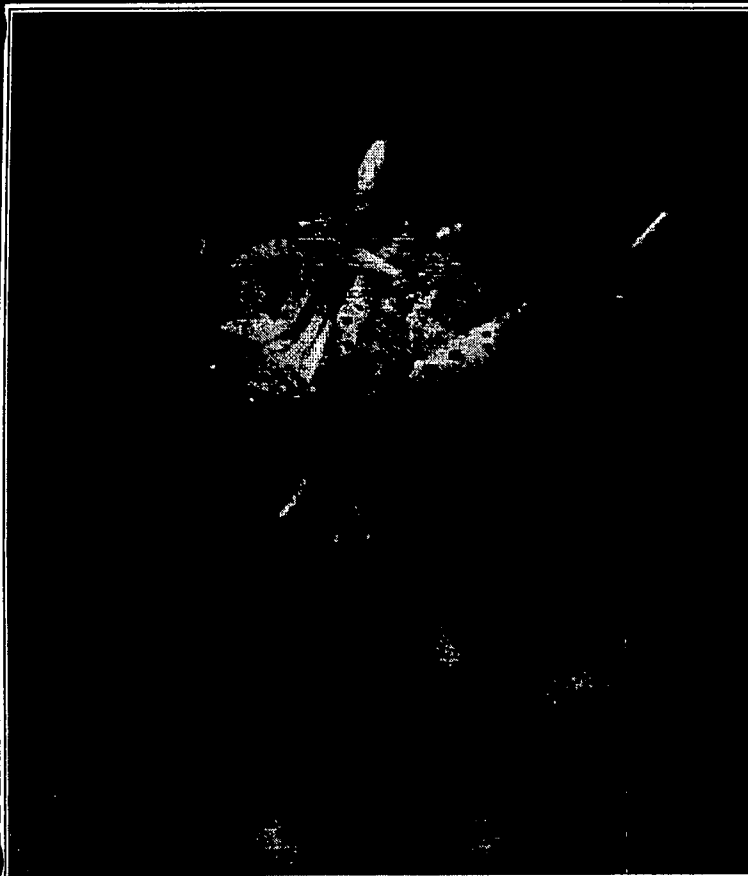
State Flower, Bird, Tree, Shell, Mammal, Fish, Insect, Stone, ~~Reptile and Reptile~~, Rock,
Beverage, Historical Boat, Language, Dog, Military Academy, Tartan, ~~and~~ Watermelon
Festival ~~Festivals~~, and Wildflower."

SECTION 3. This act is effective when it becomes law.

Virtual Trail



BOULDER TRAIL #7

**Carolina Lily**

The Carolina Lily (*Lilium michauxii*) is locally a plant of upland habitats. It is very similar to the Turk's-cap Lily and is often called by this name. However, the Carolina Lily is a bit smaller than the Turk's-cap which is mostly a plant preferring a moist or wet habitat. Carolina lilies in our trail area seem to grow as widely scattered individuals. They show up in unexpected places such as woodland edges or third growth cut-over woodlands. As a late summer flower, its beauty is in surprising contrast to most of the late summer Asters.

It must be considered a rare August treat.

[PCS Home](#)[Vtrail Home](#)[Search](#)[Email Bill](#)[Trail A](#)

ECLIPSE

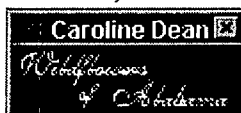
Carolina Lily (*Lilium michauxii*)

The Carolina Lily is a scarce and exciting flower that can be found in dry woods in July and August. It has one to six blossoms at the summit of its stem. This magnificent flower is yellow to reddish-orange, spotted with brown. The six tepals (3 petals and 3 sepals) are strongly reflexed (bent back), and six slender filaments topped by brown anthers protrude from the center of the flower, as does a long style with a three-lobed stigma. Each nodding flower is about three inches in diameter.

The fleshy leaves have smooth margins and occur in whorls along the sturdy 1 to 4 foot stem. Each leaf is about 3 inches long and 1/2 to 3/4 inches wide, broadest above the middle.

The lily comes from a scaly bulb and can be propagated by scale division or by seed. It is an attractive plant and worthy of cultivation. Plant in a well-prepared soil with plenty of organic matter worked into it. Several hours a day of sunlight are necessary for blooms.

It was named for the French botanist, Andre Michaux, who traveled widely in the southeastern United States.



North Carolina Wild Flower Preservation Society

Promoting enjoyment and conservation of native plants and their habitats through education, protection and propagation since 1951.

Good morning. I am Alice Zawadzki, vice president of the North Carolina Wild Flower Preservation Society, retired science and math chair from Saint Mary's College, volunteer for North Carolina Botanical Garden in Chapel Hill, Sarah P. Duke Gardens in Durham, J.C. Raulston Arboretum in Raleigh, and the North Carolina Plant Conservation Program in the NC Department of Agriculture & Consumer Services.

I am delighted and very supportive of Representative Rex Baker's suggestion that we have a state wildflower. I am so pleased that he and his wife Helen are lifetime wildflower enthusiasts and passionate advocates for protecting our native plants. Our 5000 native plants are blessed to have such dedicated enthusiasts.

During my six years of retirement and volunteering especially with native plants, I have begun to learn about the many pressures on our native plant populations. There is a tremendous need for recruiting volunteers across the state to help in the stewardship of native plant communities and increasing funding for endangered plant protection.

The Carolina lily (*Lilium michauxii*) is a beautiful rare wildflower that I have not yet had the blessing of seeing. It occurs in counties across the state but it is not often seen. It is often confused with a similar native plant from our mountains, Turk's cap lily (*Lilium superbum*). It would be a beautiful flower as our state wildflower.

As an enthusiastic wildflower advocate myself, I have serious concerns for placing this uncommon plant at greater risk. Unfortunately, once the public learns about a beautiful plant, they may poach every one of them from the wild. Representative Baker shared with me his concerns that he has learned that the public will go on wildflower walks in our state parks, see where the native plants are, and then come back and dig them up. This is my concern for the Carolina lily if it were designated as our state wildflower.

I would greatly appreciate your considering a 30-day comment and research period where we could ask our botanists and nursery growers these questions:

- If the rare Carolina lily were designated as our state wildflower would there be pressures on it that could easily make it a threatened or endangered species?
- Are nursery-propagated sources for Carolina lily currently available?
- Is the Carolina lily easily propagated so that it would be readily available for mass highway plantings for the NC DOT and for the enthusiastic public who would want to have this beautiful plant in their gardens?
- Is there a more common, showy, easily propagated wildflower worthy of this designation with less of a threat to its existence or a rare one only occurring in the Carolinas like the Venus fly trap that can be propagated by tissue culture which they might suggest as an alternate choice for our state wildflower?

Happy wildflowering! Alice Zawadzki 919-834-4172 alice@ncwildflower.org

North Carolina Wild Flower Preservation Society
c/o North Carolina Botanical Garden, Totten Center, 3375 UNC-CH, Chapel Hill, NC 27599-3375
1.919.838.8363 or visit us at: www.ncwildflower.org

State Government
Name of Committee

4/5/2001
Date

NAME _____

FIRM OR AGENCY AND ADDRESS[illegible]

**HOUSE COMMITTEE ON STATE GOVERNMENT
ROOM 415 LOB
April 12, 2001
10:00 A.M.**

AGENDA

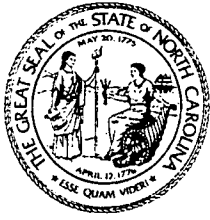
CALL TO ORDER

Representative Mary Jarrell, Chair

CONSIDERATION OF BILLS

- | | |
|---------------|--|
| HB 143 | WETLANDS REIMBURSEMENT/LOCAL TAX BASE.
(Representative Tucker) |
| HB 355 | STATE BUILDING CODE CHANGES.
(Representatives Dockham and Hurley) |
| HB 623 | BUILDING COMM. VOTE ON PUBLIC CONTRACTS.
(Representative McMahan) |
| SB 264 | REQUIRE STATE REPORTS DOUBLE-SIDED.
(Senator Kinnaird) |
| SB 434 | AUDITS FOR LOCAL GOVERNMENTS-AB.
(Senator Rand) |

ADJOURNMENT



HB 355: State Building Code Changes - AB

BILL ANALYSIS

Committee: House State Government
Date: April 5, 2001
Version: Proposed Committee Substitute

Introduced by: Representative Dockham
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

The Proposed Committee Substitute for House Bill 355 provides that the Department of Insurance is not liable for costs incurred for the preparation by persons outside of the Department or the Building Code Council of fiscal notes that are required for changes to the State Building Code unless the Department or the Council contracts with a third party for the preparation of the fiscal note, having a substantial economic impact. The bill also updates references to organizations whose standards may be used in adopting Building Code provisions.

CURRENT LAW:

Pursuant to G.S. 143-138(a) the Building Code Council is required to request that the Office of State Budget, Planning, and Management prepare a fiscal note for proposed changes to the State Building Code if the change (1) has a substantial economic impact as defined in G.S. 150B-21.4 or (2) increases the cost of residential housing by \$80 or more per unit. A "substantial economic impact" is defined as an aggregate financial impact on all persons affected of at least \$5,000,000 in a 12 month period.

BILL ANALYSIS:

Section 1 of House Bill 355 provides that neither the Department of Insurance nor the Building Code Council are required to pay for the preparation of a fiscal note by anyone outside of the Department or Council unless the Department or Council contracts with the third party preparer for the fiscal note.

Section 2 of the bill amends G.S. 143-138(c) to update references to the organizations whose standards may be used by the Building Code Council in adopting the State Building Code and gives specific authority for the use of the standards of international agencies.

The act is effective when it becomes law.

VISITOR REGISTRATION SHEET

HOUSE COMMITTEE ON STATE GOVERNMENT

4-12-01

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Ed Regan	N.C.A.C.C
LARRY MEADOWS	JONES COUNTY
PAMEL Meyer	NCALL
Mary Crumley	REBIC
Natalie English	Charlotte Chamber
Brian Francis	Mecklenburg County
Bill Gandy	N.C. Dept of Revenue
John Phelps	League of Municipalities
Vicky Young	OSA
Don Holman	CUMTF
Leanne Winner	NCSPA
Jon Carr	Jordan Price
David Schiller	NC DOT

VISITOR REGISTRATION SHEET

Name of Committee

Date _____

VISITORS:.. PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Ruth Salpino
Tim Mink

NCDOT
N.C. Home Bldg. 10/15 1532

David Ferrell

Apartment Assoc of NC

Chad White

AC deposit - 49 Insurance

Dascheil Prozess

111

By Paul Wilms

NCMBA

Fatima Raza

hence

Lauren DeVivo

DENV2

406875

DEPR

James

MRA

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

H

1

HOUSE BILL 355*

Short Title: State Building Code Changes-AB.

(Public)

Sponsors: Representatives Dockham and Hurley (Primary Sponsors).

Referred to: State Government.

March 1, 2001

A BILL TO BE ENTITLED

AN ACT TO REPEAL THE FISCAL NOTE REQUIREMENT FOR CHANGES IN THE STATE BUILDING CODE; TO UPDATE REFERENCES TO ORGANIZATIONS WHOSE STANDARDS MAY BE USED IN ADOPTING CODE PROVISIONS; AND TO GIVE THE BUILDING CODE COUNCIL EXPLICIT AUTHORITY TO USE STANDARDS OF INTERNATIONAL AGENCIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-138(a) reads as rewritten:

"(a) Preparation and Adoption. – The Building Code Council ~~is hereby empowered to~~ may prepare and adopt, in accordance with the provisions of this Article, a North Carolina State Building Code. ~~Prior to~~ Before the adoption of ~~this the~~ Code, or any part thereof, of the Code, the Council shall hold at least one public hearing. A notice of ~~such the~~ public hearing shall be given once a week for two successive calendar weeks in a newspaper published in Raleigh, ~~said notice to be published the first time not less Raleigh. The first publication of the notice shall not occur fewer than 15 days prior to before the date fixed for said of the~~ hearing. The Council may hold such other public hearings and give such other notice as it may deem the Council considers necessary.

~~The Council shall request the Office of State Budget, Planning, and Management to prepare a fiscal note for a proposed Code change that has a substantial economic impact, as defined in G.S. 150B-21.4(b1), or that increases the cost of residential housing by eighty dollars (\$80.00) or more per housing unit. The Council shall not take final action on a proposed Code change that has a substantial economic impact or that increases the cost of residential housing by eighty dollars (\$80.00) or more per housing unit until at least 60 days after the fiscal note has been prepared. The change can become effective only in accordance with G.S. 143-138(d)."~~

SECTION 2. G.S. 143-138(c) reads as rewritten:

1 "(c) Standards to Be Followed in Adopting the Code. – All regulations contained
2 in the North Carolina State Building Code shall have a reasonable and substantial
3 connection with the public health, safety, morals, or general welfare, and their
4 provisions shall be construed reasonably to those ends. Requirements of the Code shall
5 conform to good engineering practice. The Council may use as guidance, but is not
6 required to adopt, the requirements of the ~~National Building Code of the American~~
7 ~~Insurance Association, formerly the National Board of Fire Underwriters, the Southern~~
8 ~~International Building Code of the International Code Council, the Standard Building~~
9 ~~Code of the Southern Building Code Congress, Congress International, Inc., the~~
10 ~~Uniform Building Code of the Pacific Coast Building Officials Conference,~~
11 ~~International Conference of Building Officials, the Basic National Building Code of the~~
12 ~~Building Officials Conference of America, Inc., and Code Administrators, Inc., the~~
13 ~~National Electric Code, the Life Safety Code Code, the National Fuel Gas Code, and the~~
14 ~~Fire Prevention Code of the National Fire Protection Association, the American~~
15 ~~Standard Safety Code for Elevators, Dumbwaiters, Elevators and Escalators, and the~~
16 ~~Boiler and Pressure Vessel Code of the American Society of Mechanical Engineers,~~
17 ~~Standards of the American Insurance Association for the Installation of Gas Piping and~~
18 ~~Gas Appliances in Buildings, and standards promulgated by the United States of~~
19 ~~America American National Standards Institute, formerly the American Standards~~
20 ~~Association, Underwriters' Laboratories, Inc., and similar national or international~~
21 agencies engaged in research concerning strength of materials, safe design, and other
22 factors bearing upon health and safety."

23 **SECTION 3.** This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 355*
PROPOSED COMMITTEE SUBSTITUTE H355*-PCS6239-RF-11

Short Title: State Building Code Changes-AB.

(Public)

Sponsors:

Referred to:

March 1, 2001

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT THE DEPARTMENT OF INSURANCE IS NOT
LIABLE FOR COSTS INCURRED IN SATISFYING THE FISCAL NOTE
REQUIREMENT FOR CHANGES IN THE STATE BUILDING CODE; TO
UPDATE REFERENCES TO ORGANIZATIONS WHOSE STANDARDS MAY
BE USED IN ADOPTING CODE PROVISIONS; AND TO GIVE THE
BUILDING CODE COUNCIL EXPLICIT AUTHORITY TO USE STANDARDS
OF INTERNATIONAL AGENCIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-138(a) reads as rewritten:

"(a) Preparation and Adoption. – The Building Code Council is hereby
~~empowered to~~ may prepare and adopt, in accordance with the provisions of this Article,
a North Carolina State Building Code. ~~Prior to~~ Before the adoption of this Code, or
any part thereof, of the Code, the Council shall hold at least one public hearing. A notice
of such the public hearing shall be given once a week for two successive calendar weeks
in a newspaper published in Raleigh, ~~said notice to be published the first time not~~
~~less~~ Raleigh. The first publication of the notice shall not occur fewer than 15 days prior
~~to before~~ the date fixed for said of the hearing. The Council may hold such other public
hearings and give such other notice as it may deem the Council considers necessary.

The Council shall request the Office of State Budget, Planning, and Management to
prepare a fiscal note for a proposed Code change that has a substantial economic
impact, as defined in G.S. 150B-21.4(b1), or that increases the cost of residential
housing by eighty dollars (\$80.00) or more per housing unit. The Council shall not take
final action on a proposed Code change that has a substantial economic impact or that
increases the cost of residential housing by eighty dollars (\$80.00) or more per housing
unit until at least 60 days after the fiscal note has been prepared. The change can
become effective only in accordance with G.S. 143-138(d). Neither the Department of
Insurance nor the Council shall be required to expend any monies to pay for the
preparation of any fiscal note under this section by any person outside of the

1 Department or Council unless the Department or Council contracts with a third-party
2 vendor to prepare the fiscal note."

3 **SECTION 2.** G.S. 143-138(c) reads as rewritten:

4 "(c) Standards to Be Followed in Adopting the Code. – All regulations contained
5 in the North Carolina State Building Code shall have a reasonable and substantial
6 connection with the public health, safety, morals, or general welfare, and their
7 provisions shall be construed reasonably to those ends. Requirements of the Code shall
8 conform to good engineering practice. The Council may use as guidance, but is not
9 required to adopt, the requirements of the ~~National Building Code of the American~~
10 ~~Insurance Association, formerly the National Board of Fire Underwriters, the~~
11 ~~Southern~~ International Building Code of the International Code Council, the Standard
12 Building Code of the Southern Building Code Congress, Congress International, Inc., the
13 Uniform Building Code of the Pacific Coast Building Officials Conference, International
14 Conference of Building Officials, the Basic National Building Code of the Building
15 Officials Conference of America, Inc., and Code Administrators, Inc., the National
16 Electric Code, the Life Safety Code, the National Fuel Gas Code, and the Fire
17 Prevention Code of the National Fire Protection Association, the American Standard
18 Safety Code for Elevators, Dumbwaiters, Elevators and Escalators, and the Boiler and
19 Pressure Vessel Code of the American Society of Mechanical Engineers, Standards of
20 ~~the American Insurance Association for the Installation of Gas Piping and Gas~~
21 ~~Appliances in Buildings, and standards promulgated by the United States of~~
22 ~~America~~ American National Standards Institute, formerly the American Standards
23 Association, Underwriters' Laboratories, Inc., and similar national or international
24 agencies engaged in research concerning strength of materials, safe design, and other
25 factors bearing upon health and safety."

26 **SECTION 3.** This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

H

D

HOUSE BILL 355*

PROPOSED COMMITTEE SUBSTITUTE H355-CSR-11 [v.1]

4/11/2001 3:43:51 PM

Short Title: State Building Code Changes-AB.

(Public)

Sponsors:

Referred to:

March 1, 2001

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT THE DEPARTMENT OF INSURANCE IS NOT
LIABLE FOR COSTS INCURRED IN SATISFYING THE FISCAL NOTE
REQUIREMENT FOR CHANGES IN THE STATE BUILDING CODE; TO
UPDATE REFERENCES TO ORGANIZATIONS WHOSE STANDARDS MAY
BE USED IN ADOPTING CODE PROVISIONS; AND TO GIVE THE
BUILDING CODE COUNCIL EXPLICIT AUTHORITY TO USE STANDARDS
OF INTERNATIONAL AGENCIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-138(a) reads as rewritten:

"(a) Preparation and Adoption. - The Building Code Council is hereby
empowered to may prepare and adopt, in accordance with ~~the provisions of this Article,~~
a North Carolina State Building Code. ~~Prior to~~ Before the adoption of ~~this the~~ Code, or
any part thereof, of the Code, the Council shall hold at least one public hearing. A
notice of ~~such the~~ public hearing shall be given once a week for two successive calendar
weeks in a newspaper published in Raleigh, ~~said notice to be published the first time not~~
~~less Raleigh.~~ The first publication of the notice shall not occur fewer than 15 days prior
to before the date fixed for said of the hearing. The Council may hold such other public
hearings and give such other notice ~~as it may deem the Council considers~~ necessary.

The Council shall request the Office of State Budget, Planning, and
Management to prepare a fiscal note for a proposed Code change that has a substantial
economic impact, as defined in G.S. 150B-21.4(b1), or that increases the cost of
residential housing by eighty dollars (\$80.00) or more per housing unit. The Council
shall not take final action on a proposed Code change that has a substantial economic
impact or that increases the cost of residential housing by eighty dollars (\$80.00) or
more per housing unit until at least 60 days after the fiscal note has been prepared. The
change can become effective only in accordance with G.S. 143-138(d). Neither the
Department of Insurance nor the Council shall be required to expend any monies to pay
for the preparation of any fiscal note under this section by any person outside of the

1 Department or Council unless the Department or Council contracts with a third party
2 vendor to prepare the fiscal note."

3 **SECTION 2.** G.S. 143-138(c) reads as rewritten:

4 "(c) Standards to Be Followed in Adopting the Code. – All regulations contained
5 in the North Carolina State Building Code shall have a reasonable and substantial
6 connection with the public health, safety, morals, or general welfare, and their
7 provisions shall be construed reasonably to those ends. Requirements of the Code shall
8 conform to good engineering practice. The Council may use as guidance, but is not
9 required to adopt, the requirements of the ~~National Building Code of the American~~
10 ~~Insurance Association, formerly the National Board of Fire Underwriters, the Southern~~
11 ~~International Building Code of the International Code Council, the Standard Building~~
12 ~~Code of the Southern Building Code Congress, Congress International, Inc., the~~
13 ~~Uniform Building Code of the Pacific Coast Building Officials Conference,~~
14 ~~International Conference of Building Officials, the Basic National Building Code of the~~
15 ~~Building Officials Conference of America, Inc., and Code Administrators, Inc., the~~
16 ~~National Electric Code, the Life Safety Code Code, the National Fuel Gas Code, and the~~
17 ~~Fire Prevention Code of the National Fire Protection Association, the American~~
18 ~~Standard Safety Code for Elevators, Dumbwaiters, Elevators and Escalators, and the~~
19 ~~Boiler and Pressure Vessel Code of the American Society of Mechanical Engineers,~~
20 ~~Standards of the American Insurance Association for the Installation of Gas Piping and~~
21 ~~Gas Appliances in Buildings, and standards promulgated by the United States of~~
22 ~~America American National Standards Institute, formerly the American Standards~~
23 ~~Association, Underwriters' Laboratories, Inc., and similar national or international~~
24 agencies engaged in research concerning strength of materials, safe design, and other
25 factors bearing upon health and safety."

26 **SECTION 3.** This act is effective when it becomes law.
27

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**

☐ Committee Substitute for

H.B. 143 A BILL TO BE ENTITLED AN ACT TO REQUIRE STATE AND LOCAL GOVERNMENT AGENCIES THAT ACQUIRE LAND FOR WETLANDS MITIGATION TO REIMBURSE THE COUNTY IN WHICH THE LAND IS LOCATED FOR ITS LOST TAXES DUE TO THE ACQUISITION.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☒ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to (original bill) (~~Committee Substitute Bill #~~), (and recommendation that the committee substitute bill #) be re-referred to the Committee on *Finance*.

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 143

Short Title: Wetlands Reimbursement/Local Tax Base. (Public)

Sponsors: Representatives Tucker, Allen, Hill, Jarrell, Luebke, Pope; Gillespie, Hurley, Justus, Wainwright, and Walend.

Referred to: State Government.

February 15, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE STATE AND LOCAL GOVERNMENT AGENCIES THAT
3 ACQUIRE LAND FOR WETLANDS MITIGATION TO REIMBURSE THE
4 COUNTY IN WHICH THE LAND IS LOCATED FOR ITS LOST TAXES DUE
5 TO THE ACQUISITION.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. Article 2 of Chapter 153A of the General Statutes is amended
8 by adding a new section to read:

9 "§ 153A-15.1. Agreement to make payment in lieu of future ad valorem taxes
10 required before wetlands acquisition by a unit of local government.

11 (a) Condemnation. – Notwithstanding the provisions of G.S. 153A-15, Chapter
12 40A of the General Statutes, or any other general law or local act conferring the power
13 of eminent domain, before a final judgment may be entered or a final condemnation
14 resolution adopted in an action of condemnation initiated by a unit of local government
15 whose property is exempt from tax under Section 2(3) of Article V of the North
16 Carolina Constitution, whereby the condemnor seeks to acquire land for the purpose of
17 wetlands mitigation, the condemnor shall agree in writing to pay to the county where
18 the land is located a sum equal to the estimated amount of ad valorem taxes that would
19 have accrued to the county for the next 10 years had the land not been acquired by the
20 condemnor.

21 (b) Purchase. – Notwithstanding the provisions of G.S. 130A-55, 153A-15,
22 153A-158, 160A-240.1, or any other general law or local act conferring the power to
23 acquire real property, before any unit of local government whose property is exempt
24 from tax under Section 2(3) of Article V of the North Carolina Constitution purchases
25 any land for the purpose of wetlands mitigation, the unit shall agree in writing to pay to
26 the county where the land is located a sum equal to the estimated amount of ad valorem

1 taxes that would have accrued to the county for the next 10 years had the land not been
2 acquired by the acquiring unit.

3 (c) Definition. – For purposes of this section, the "estimated amount of ad
4 valorem taxes that would have accrued for the next 10 years" means the total assessed
5 value of the acquired land excluded from the county's tax base multiplied by the tax rate
6 set by the board of commissioners in its most recent budget ordinance adopted under
7 Chapter 159 of the General Statutes, and then multiplied by 10.

8 (d) Exception. – This section does not apply to any condemnation or acquisition
9 of land by a city if the land to be condemned or acquired is within the corporate limits
10 of that city or within the county where the city is located.

11 (e) Application. – This section applies only to land acquired in counties
12 designated as an enterprise tier one area or enterprise tier two area under G.S. 105-
13 129.3."

14 **SECTION 2.** G.S. 143-214.11 is amended by adding a new subsection to
15 read:

16 "(g) Payment for Taxes. – A State agency acquiring land to restore, enhance,
17 preserve, or create wetlands must also pay a sum in lieu of ad valorem taxes lost by the
18 county in accordance with G.S. 146-22.3."

19 **SECTION 3.** G.S. 143-214.12(a) reads as rewritten:

20 "(a) Wetlands Restoration Fund. – The Wetlands Restoration Fund is established
21 as a nonreverting fund within the Department. The Fund shall be treated as a special
22 trust fund and shall be credited with interest by the State Treasurer pursuant to G.S.
23 147-69.2 and G.S. 147-69.3. The Wetlands Restoration Fund shall provide a repository
24 for monetary contributions and donations or dedications of interests in real property to
25 promote projects for the restoration, enhancement, preservation, or creation of wetlands
26 and riparian areas and for payments made in lieu of compensatory mitigation as
27 described in subsection (b) of this section. No funds shall be expended from this Fund
28 for any purpose other than those directly contributing to the acquisition, perpetual
29 maintenance, enhancement, restoration, or creation of wetlands and riparian areas in
30 accordance with the basinwide plan as described in G.S. 143-214.10. The cost of
31 acquisition includes a payment in lieu of ad valorem taxes required under G.S. 146-22.3
32 when the Department is the State agency making the acquisition."

33 **SECTION 4.** Article 6 of Chapter 146 of the General Statutes is amended by
34 adding a new section to read:

35 **"§ 146-22.3. Acquisition of land to be used to restore, enhance, preserve, or create**
36 **wetlands.**

37 (a) Payment. – A State agency that acquires land by purchase for the purpose of
38 restoring, enhancing, preserving, or creating wetlands as required by a permit or an
39 authorization issued by the United States Army Corps of Engineers under 33 U.S.C. §
40 1344 must pay to the county in which the land is located, as reimbursement, a sum equal
41 to the estimated amount of ad valorem taxes that would have accrued to the county for
42 the next 10 years had the land not been acquired by the State agency.

43 (b) Exception. – This section does not apply when the land purchased by the
44 State agency and the wetlands permitted to be lost are located in the same county. In

1 other circumstances, the governing body of the county and the State agency may enter
2 into a written agreement to waive payment.

3 (c) Amount. – The estimated amount of ad valorem taxes that would have
4 accrued for the next 10 years is the total assessed value of the acquired land excluded
5 from the county's tax base multiplied by the tax rate set by the board of commissioners
6 in its most recent budget ordinance adopted under Chapter 159 of the General Statutes,
7 and then multiplied by 10.

8 (d) Application. – This section applies only to land acquired in counties
9 designated as an enterprise tier one area or enterprise tier two area under G.S. 105-
10 129.3."

11 **SECTION 5.** Article 6 of Chapter 146 of the General Statutes is amended by
12 adding a new section to read:

13 **"§ 146-22.4. Acquisition of wetlands from private mitigation banking companies.**

14 (a) Payment for Taxes. – A State agency that acquires wetlands from a private
15 mitigation banking company must pay a sum in lieu of ad valorem taxes to the county
16 where the wetlands are located. The sum is equal to the estimated amount of ad valorem
17 taxes that would have accrued for the next 10 years as computed in G.S. 146-22.3(c).

18 (b) Requirement for Acquisition. – A State agency may require, as a condition of
19 accepting a donation of wetlands by a private mitigation banking company, that the
20 company make adequate provisions for the long-term maintenance and management of
21 the wetlands. These provisions may include reimbursement to the agency for payment
22 of a sum in lieu of ad valorem taxes.

23 (c) Application. – This section applies only to land acquired in counties
24 designated as an enterprise tier one area or enterprise tier two area under G.S. 105-
25 129.3."

26 **SECTION 6.** This act is effective when it becomes law and applies to
27 transfers made on or after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 143
PROPOSED COMMITTEE SUBSTITUTE H143-PCS7189-LA-3

Short Title: Wetlands Reimburse/Local Tax Base.

(Public)

Sponsors:

Referred to:

February 15, 2001

A BILL TO BE ENTITLED

AN ACT TO REQUIRE STATE AND LOCAL GOVERNMENT AGENCIES THAT
ACQUIRE LAND FOR WETLANDS MITIGATION TO REIMBURSE THE
COUNTY IN WHICH THE LAND IS LOCATED FOR ITS LOST TAXES DUE
TO THE ACQUISITION.

The General Assembly of North Carolina enacts:

SECTION 1. Article 2 of Chapter 153A of the General Statutes is amended
by adding a new section to read:

**"§ 153A-15.1. Agreement to make payment in lieu of future ad valorem taxes
required before wetlands acquisition by a unit of local government.**

(a) Condemnation. – Notwithstanding the provisions of G.S. 153A-15, Chapter
40A of the General Statutes, or any other general law or local act conferring the power
of eminent domain, before a final judgment may be entered or a final condemnation
resolution adopted in an action of condemnation initiated by a unit of local government
whose property is exempt from tax under Section 2(3) of Article V of the North
Carolina Constitution, whereby the condemnor seeks to acquire land for the purpose of
wetlands mitigation, the condemnor shall agree in writing to pay to the county where
the land is located a sum equal to the estimated amount of ad valorem taxes that would
have accrued to the county for the next 10 years had the land not been acquired by the
condemnor.

(b) Purchase. – Notwithstanding the provisions of G.S. 130A-55, 153A-15,
153A-158, 160A-240.1, or any other general law or local act conferring the power to
acquire real property, before any unit of local government whose property is exempt
from tax under Section 2(3) of Article V of the North Carolina Constitution purchases
any land for the purpose of wetlands mitigation, the unit shall agree in writing to pay to
the county where the land is located a sum equal to the estimated amount of ad valorem
taxes that would have accrued to the county for the next 10 years had the land not been
acquired by the acquiring unit.

(c) Definition. – For purposes of this section, the "estimated amount of ad valorem taxes that would have accrued for the next 10 years" means the total assessed value of the acquired land excluded from the county's tax base multiplied by the tax rate set by the board of commissioners in its most recent budget ordinance adopted under Chapter 159 of the General Statutes, and then multiplied by 10.

(d) Exception. – This section does not apply to any condemnation or acquisition of land by a city or special district if the land to be condemned or acquired is within the corporate limits of that city or special district or within the county where the city or special district is located.

(e) Application. – This section applies only to land acquired in counties designated as an enterprise tier one area or enterprise tier two area under G.S. 105-129.3."

SECTION 2. G.S. 143-214.11 is amended by adding a new subsection to read:

"(g) Payment for Taxes. – A State agency acquiring land to restore, enhance, preserve, or create wetlands must also pay a sum in lieu of ad valorem taxes lost by the county in accordance with G.S. 146-22.3."

SECTION 3. G.S. 143-214.12(a) reads as rewritten:

"(a) Wetlands Restoration Fund. – The Wetlands Restoration Fund is established as a nonreverting fund within the Department. The Fund shall be treated as a special trust fund and shall be credited with interest by the State Treasurer pursuant to G.S. 147-69.2 and G.S. 147-69.3. The Wetlands Restoration Fund shall provide a repository for monetary contributions and donations or dedications of interests in real property to promote projects for the restoration, enhancement, preservation, or creation of wetlands and riparian areas and for payments made in lieu of compensatory mitigation as described in subsection (b) of this section. No funds shall be expended from this Fund for any purpose other than those directly contributing to the acquisition, perpetual maintenance, enhancement, restoration, or creation of wetlands and riparian areas in accordance with the basinwide plan as described in G.S. 143-214.10. The cost of acquisition includes a payment in lieu of ad valorem taxes required under G.S. 146-22.3 when the Department is the State agency making the acquisition."

SECTION 4. Article 6 of Chapter 146 of the General Statutes is amended by adding a new section to read:

"§ 146-22.3. Acquisition of land to be used to restore, enhance, preserve, or create wetlands.

(a) Payment. – A State agency that acquires land by purchase for the purpose of restoring, enhancing, preserving, or creating wetlands as required by a permit or an authorization issued by the United States Army Corps of Engineers under 33 U.S.C. § 1344 must pay to the county in which the land is located, as reimbursement, a sum equal to the estimated amount of ad valorem taxes that would have accrued to the county for the next 10 years had the land not been acquired by the State agency.

(b) Exception. – This section does not apply when the land purchased by the State agency and the wetlands permitted to be lost are located in the same county. In

1 other circumstances, the governing body of the county and the State agency may enter
2 into a written agreement to waive payment.

3 (c) Amount. – The estimated amount of ad valorem taxes that would have
4 accrued for the next 10 years is the total assessed value of the acquired land excluded
5 from the county's tax base multiplied by the tax rate set by the board of commissioners
6 in its most recent budget ordinance adopted under Chapter 159 of the General Statutes,
7 and then multiplied by 10.

8 (d) Application. – This section applies only to land acquired in counties
9 designated as an enterprise tier one area or enterprise tier two area under G.S. 105-
10 129.3."

11 **SECTION 5.** Article 6 of Chapter 146 of the General Statutes is amended by
12 adding a new section to read:

13 **"§ 146-22.4. Acquisition of wetlands from private mitigation banking companies.**

14 (a) Payment for Taxes. – A State agency that acquires wetlands from a private
15 mitigation banking company must pay a sum in lieu of ad valorem taxes to the county
16 where the wetlands are located. The sum is equal to the estimated amount of ad valorem
17 taxes that would have accrued for the next 10 years as computed in G.S. 146-22.3(c).

18 (b) Requirement for Acquisition. – A State agency may require, as a condition of
19 accepting a donation of wetlands by a private mitigation banking company, that the
20 company make adequate provisions for the long-term maintenance and management of
21 the wetlands. These provisions may include reimbursement to the agency for payment
22 of a sum in lieu of ad valorem taxes.

23 (c) Application. – This section applies only to land acquired in counties
24 designated as an enterprise tier one area or enterprise tier two area under G.S. 105-
25 129.3."

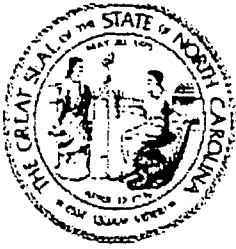
26 **SECTION 6.** Article 6 of Chapter 146 of the General Statutes is amended by
27 adding a new section to read:

28 **"§ 146-22.5. Reimbursement of payment in lieu of future ad valorem taxes.**

29 (a) If a State agency acquires land under G.S. 146-22.3 or G.S. 146-22.4 and
30 later uses this land to mitigate wetlands permitted to be lost in the same county, then the
31 county shall reimburse the State agency for a percentage of the estimated amount of ad
32 valorem taxes paid for the land in accordance with G.S. 146-22.3 minus ten percent
33 (10%) of this amount times the number of years the State agency held the land before
34 the wetlands were lost.

35 (b) Application. – This section applies only to land acquired in counties
36 designated as an enterprise tier one area or enterprise tier two area under G.S. 105-
37 129.3."

38 **SECTION 7.** This act is effective when it becomes law and applies to
39 transfers made on or after that date.



BILL ANALYSIS

HOUSE BILL 143: Wetlands Reimburse/Local Tax Base

Committee: House State Government
Date: April 11, 2001
Version: Proposed Committee
Substitute

Sponsor: Rep. Tucker
Analysis by: Martha Walston
Staff Attorney

SUMMARY: *House Bill 143 requires a unit of local government that purchases or condemns land for the purpose of wetlands mitigation to pay to the county where the land is located a sum equal to the estimated amount of ad valorem taxes that would have accrued to the county for the next 10 years had the land not been acquired. The bill also requires a State agency that purchases land for wetlands mitigation to pay the lost taxes to the county where the land is located. The bill sets out exemptions from required payment. The bill applies only to land acquired in Tier one and Tier two counties. The original bill is a recommendation of the Revenue Laws Study Committee. The proposed committee substitute adds another exemption to the bill and requires a county to reimburse a State agency for the payment if the State purchased land in a county for wetlands mitigation and at a later time used this land to mitigate wetlands permitted to be lost in the same county.*

CURRENT LAW: The Wetlands Restoration Program and Fund were established by the General Assembly in 1996 for two purposes: restoring wetlands lost or impaired through human activities and assisting those who must meet wetlands mitigation requirements imposed by the U.S. Army Corps of Engineers as a condition of obtaining Section 404 permits for wetlands alteration. (Section 404 of the U.S. Clean Water Act, which controls the placement of dredged or fill materials in the waters of the U.S. and adjoining wetlands, is the nearest thing to a national wetlands law.) Under the current federal environmental regulations, when wetlands are lost or impaired, other land in the same river basin or sub river basin must be set aside to "make up" for the lost wetlands. This practice is referred to as compensatory wetland mitigation, and the State is subject to these federal permitting requirements.

When wetlands are acquired by a State agency or local government for wetlands mitigation, this land is removed from the tax base of the county or city where the land is located. (State and local governments are exempt from property taxes.) This loss particularly affects Tier 1 and Tier 2 counties, those counties that are considered most in need of economic development because of high unemployment, low per capita income, and low population growth.

Wetlands include pocosins, freshwater marshes, swamp forests, and bottomland hardwood forests. In the past two decades, wetlands have been altered because of development and agricultural and timber operations.

HOUSE BILL 143: The bill is a proposal of the Revenue Laws Committee after meeting with representatives of the League of Municipalities, Association of County Commissioners, DENR, DOT, Jones County, and Tyrrell County.

Section 1 requires a unit of local government that has acquired land by condemnation or purchase for the purpose of wetlands mitigation, to pay the county where the land is located a sum that is equal to the estimated amount of property taxes that would have accrued to the county for the next 10 years had the land not been acquired by the local government.

Exception: This section does not apply to the condemnation or acquisition of land by a city or special district if the land is located in the corporate limits of the city or special district or within the county where the city or special district is located.

"Estimated amount of ad valorem taxes that would have accrued for the next 10 years" means the total assessed value of the acquired land excluded from the county's tax base multiplied by the tax rate set by the board of commissioners in its most recent budget ordinance adopted under Chapter 159 of the General Statutes, and then multiplied by 10.

Sections 2 and 4 require a State agency that is acquiring land for wetlands mitigation to pay to the county where the land is located a sum in lieu of property taxes lost by the county.

Exception: The payment is not required by a State agency when the land purchased by the State agency and the wetlands permitted to be lost are located in the same county. Also the governing board of the county and the State agency may agree in writing to waive the payment.

Section 3 provides that if DENR is the State agency acquiring property in a county for wetlands mitigation, then DENR may use money in the Wetlands Restoration Fund to pay the amount of lost property taxes. (The Wetlands Restoration Fund is a nonreverting fund.)

Section 5 provides that if a State agency acquires wetlands from a private mitigation banking company, the State agency must pay a sum in lieu of property tax to the county where the wetlands are located. However, as a condition of accepting the donation from the private mitigation banking company, the State agency may require the company to make adequate provisions for the long-term maintenance and management of wetlands. These provisions may include reimbursement to the agency for payment of a sum in lieu of property taxes. A private mitigation banking company is a business which trades in properties that may be eligible as mitigation lands.

Section 6 requires a county to reimburse a State agency for the payment made in lieu of property taxes if the State agency purchased land in a county for future wetlands mitigation and later used this land to mitigate wetlands permitted to be lost in the same county. The amount reimbursed to the State agency is a percentage based upon the number of years the State agency held the land before the wetlands were lost.

Section 7 makes the act effective when it becomes law and applicable to transfers made on or after that date.

Subject: Impact of State Acquisition of Land for Conservation Purposes on Local Government Property Tax Revenue, Revenues Law Committee: Request from Senator Russel: Summary of Mitigation for Tyrrell County

Date: Fri, 20 Oct 2000 10:06:50 -0400

From: "Charles Bruton, Ph.D." <cbruton@dot.state.nc.us>

Organization: North Carolina Department of Transportation

To: Ruth Sappie <rsappie@dot.state.nc.us>

CC: Danny Rogers <drovers@dot.state.nc.us>

The following summary is prepared for Senator Russel following today's discussion on the Tyrrell County Palmetto-Peartree Preserve Mitigation site.

In April 1999 the NCDOT provided \$16.3 million to The Conservation Fund (TCF), which used the funds to purchase a 9,732 acre tract of land in Tyrrell County (the land will serve as a sanctuary for the Red Cockaded Woodpecker and will also be used for wetland mitigation pending approval by the regulatory agencies). The Conservation Fund then conveyed a conservation easement to the NCDOT. The NCDOT also provided \$ 250,000 to offset the anticipated management cost. The deed will be conveyed to the USFWS following stabilization of the RCW population and maximization of mitigation credits.

As part of the mitigation package for this project The Conservation Fund will

- ...pay \$ 25,000 a year to the County of Tyrrell during the life of the Memorandum of Agreement (currently 5 years) . If the MOU is extended to eight years as is currently being proposed , NCDOT will provide 1 million dollars for additional management to the TCF, and the TCF will continue to pay the county \$25,000 for lost tax revenue.

- ...maintain an office in the Town of Columbia which will serve as meeting place and house education displays information about the Preserve. Taxes will be paid on this office building on Main Street in Columbia, N. C.

- ...provide a Timber Manager for the site. Future plans call for additional jobs to be created to maintain the site. These jobs will generate tax revenue to the County.

- ...Explore and develop ecotourism options that stress the connection between natural resource protection and economic opportunity. The Palmetto-Peartree Preserve will include hiking trails, canoeing, camping and picnicking facilities, boardwalks, hunting and fishing opportunities.

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TIER 1	TIER 2	TIER 3	TIER 4	TIER 5
ALLEGHANY	ANSON	AVERY	ALEXANDER	ALAMANCE
ASHE	BLADEN	CASWELL	BRUNSWICK	BUNCOMBE
BEAUFORT	HOKE	CHOWAN	BURKE	CABARRUS
BERTIE	MADISON	CLEVELAND	CALDWELL	CATAWBA
CAMDEN	MITCHELL	CUMBERLAND	CARTER	CHATHAM
CHEROKEE	MONTGOMERY	CURRITUCK	CAVEN	DAVIE
CLAY	ONSLow	DARE	DAVIDSON	DURHAM
COLUMBUS	PAMLICO	DUPLIN	FRANKLIN	FORSYTH
EDGEcombe	PASQUOTANK	GATES	GASTON	GUILFORD
GRAHAM	ROBESON	GREENE	GRANVILLE	HENDERSON
HALIFAX	RUTHERFORD	HAYWOOD	HARNETT	IREDELL
HERTFORD	VANCE	JACKSON	LINCOLN	JOHNSTON
HYDE		LENOIR	NASH	LEE
JONES		MACON	PENDER	MECKLENBURG
MARTIN		MCDOWELL	PERSON	MOORE
NORTHAMPTON		POLK	PITT	NEW HANOVER
PERQUIMANS		ROCKINGHAM	ROWAN	ORANGE
RICHMOND		SAMPSON	SURRY	RANDOLPH
SCOTLAND		STANLY	WILKES	STOKES
SWAIN		WATAUGA		TRANSYLVANIA
TYRRELL		WAYNE		UNION
WARREN		WILSON		WAKE
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NC Department of Commerce

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Raleigh, NC 27699-4501

MINUTES
HOUSE COMMITTEE ON STATE GOVERNMENT
April 12, 2001

The House Committee on State Government met at 10:00 a.m. on Thursday, April 12, 2001 in Room 415 of the Legislative Office Building with the following members present: Representative Jarrell, Chair; Representative Paul Luebke, Vice Chair; Representatives Adams, Baker, Bonner, Brubaker, Coates, Cox, Crawford, Gibson, Holmes, McComas, Preston, Teague, and West. Barbara Riley, committee counselor, was also in attendance.

Representative Jarrell called the meeting to order and recognized members of the Committee, staff, and pages, Mary Ellen Nelms, Jessica Morgan, and Page McKinney. A visitor registration sheet is attached and made a part of the minutes.

The following bills were considered:

HB 143 – WETLANDS REIMBURSEMENT/LOCAL TAX BASE. Representative Tucker, sponsor, explained the bill which requires a unit of local government that purchases or condemns land for the purposes of wetlands mitigation to pay to the county where the land is located a sum equal to the estimated amount of ad valorem taxes that would have accrued to the county for the new 10 years had the land not been acquired. The bill also requires a State agency that purchases land for wetlands mitigation to pay the lost taxes to the county where the land is located. The bill sets out exemptions from required payment. The bill applies only to land acquired in Tier one and Tier two counties. The original bill is a recommendation of the Revenue Laws Study Committee. A proposed committee substitute was offered and Representative Cox moved for its adoption. The proposed committee substitute adds another exemption to the bill and requires a county to reimburse a State agency for the payment if the State purchased land in a county for wetlands mitigation and at a later time used this land to mitigate wetlands permitted to be lost in the same county.

Ruth Sappie of the NC Department of Transportation spoke on the bill. The Department of Transportation does not oppose the bill in its current form. Notes attached.

Representative Baker made a motion for a favorable report to committee substitute, unfavorable to original bill, to be re-referred to Finance. Motion carried.

HB 355 – STATE BUILDING CODE CHANGES-AB. Representative Dockham, sponsor, recognized Bill Hale, Department of Insurance, to explain the bill. A Proposed Committee Substitute was offered and Representative Holmes moved for its adoption. Bill Hale then explained that the Proposed Committee Substitute for House Bill 355

provides that the Department of Insurance is not liable for costs incurred for the preparation by persons outside of the Department or the Building Code Council of fiscal notes that are required for changes to the State Building Code unless the Department or the Council contracts with a third party for the preparation of the fiscal note.

Representative Luebke moved for a favorable report to committee substitute, unfavorable to original bill. Motion carried.

SB 434 – AUDITS FOR LOCAL GOVERNMENTS-AB. Senator Rand, sponsor, was recognized to explain the bill. Senate Bill 434 is the companion bill to House Bill 429 which received a favorable report in the State Government Committee on April 5, 2001. See attached.

Representative Brubaker made a motion for a favorable report. Motion carried.

The meeting adjourned at 10:35 A.M.


Rep. Mary L. Jarrell, Chair


Edna Lee Collar, Committee Assistant

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 355 A BILL TO BE ENTITLED AN ACT TO REPEAL THE FISCAL NOTE REQUIREMENT FOR CHANGES IN THE STATE BUILDING CODE; TO UPDATE REFERENCES TO ORGANIZATIONS WHOSE STANDARDS MAY BE USED IN ADOPTING CODE PROVISIONS; AND TO GIVE THE BUILDING CODE COUNCIL EXPLICIT AUTHORITY TO USE STANDARDS OF INTERNATIONAL AGENCIES.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☒ With a favorable report as to committee substitute bill (# _____), ☒ which changes the title, unfavorable as to (original bill) (~~Committee Substitute Bill # _____~~), (~~and recommendation that the committee substitute bill # _____ be re-referred to the Committee on _____~~).

☐ With a favorable report as to House committee substitute bill (# _____), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 355 A BILL TO BE ENTITLED AN ACT TO REPEAL THE FISCAL NOTE REQUIREMENT FOR CHANGES IN THE STATE BUILDING CODE; TO UPDATE REFERENCES TO ORGANIZATIONS WHOSE STANDARDS MAY BE USED IN ADOPTING CODE PROVISIONS; AND TO GIVE THE BUILDING CODE COUNCIL EXPLICIT AUTHORITY TO USE STANDARDS OF INTERNATIONAL AGENCIES.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐.

☒ With a favorable report as to committee substitute bill (# _____), ☒ which changes the title, unfavorable as to (original bill) (Committee Substitute Bill # _____), (and recommendation that the committee substitute bill # _____) be re-referred to the Committee on _____.)

☐ With a favorable report as to House committee substitute bill (# _____), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

S.B. 434 A BILL TO BE ENTITLED AN ACT TO TRANSFER FROM THE STATE AUDITOR TO THE LOCAL GOVERNMENT COMMISSION THE RESPONSIBILITY FOR APPROVING COMPLIANCE SUPPLEMENTS FOR AUDITS OF LOCAL GOVERNMENTS.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

1

SENATE BILL 434*

Short Title: Audits for Local Governments-AB.

(Public)

Sponsors: Senator Rand.

Referred to: Finance.

March 13, 2001

A BILL TO BE ENTITLED

AN ACT TO TRANSFER FROM THE STATE AUDITOR TO THE LOCAL
GOVERNMENT COMMISSION THE RESPONSIBILITY FOR APPROVING
COMPLIANCE SUPPLEMENTS FOR AUDITS OF LOCAL GOVERNMENTS.

The General Assembly of North Carolina enacts:

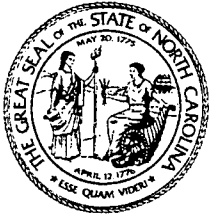
SECTION 1. G.S. 159-34(c) reads as rewritten:

"(c) Notwithstanding any other provision of law, except for Article 5A of Chapter 147 of the General Statutes pertaining to the State Auditor, all State departments and agencies shall rely upon the single audit accepted by the secretary as the basis for compliance with applicable federal and State regulations. All State departments and agencies which provide funds to local governments and public authorities shall provide the Commission with documents ~~approved by the State Auditor in a~~ that the Commission finds are in the prescribed format describing standards of compliance and suggested audit procedures sufficient to give adequate direction to independent auditors retained by local governments and public authorities to conduct a single audit as required by this section. The secretary shall be responsible for the annual distribution of all such standards of compliance and suggested audit procedures proposed by State departments and agencies and any amendments thereto. Further, the Commission with the cooperation of all affected State departments and agencies shall be responsible for the following:

- (1) Procedures for the timely distribution of compliance standards developed by State departments and agencies, reviewed and approved by the ~~State Auditor~~ Commission to auditors retained by local governments and public authorities.
- (2) Procedures for the distribution of single audits for local governments and public authorities such that they are available to all State departments and agencies which provide funds to local units.

1 (3) The acceptance of single audits on behalf of all State departments and
2 agencies; provided that, the secretary may subsequently revoke such
3 acceptance for cause, whereupon affected State departments and
4 agencies shall no longer rely upon such audit as the basis for
5 compliance with applicable federal and State regulations."

6 **SECTION 2.** This act is effective when it becomes law.



SB 434: Audits for Local Governments- AB

BILL ANALYSIS

Committee: House State Government
Date: April 11, 2001
Version: 1st Edition

Introduced by: Senator Rand
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

Senate Bill 434 is the companion bill to House Bill 429 which received a favorable report in this Committee on April 5, 2001.

G.S. 139-34 requires local governments to have an annual independent audit of their accounts. If required by the secretary of the Local Government Commission, the audit is also to evaluate the performance of a local government unit with respect to compliance with applicable federal and State regulations. The financial and compliance audits are considered a single audit.

Currently the State Auditor's Office approves the documents describing standards of compliance and suggested audit procedures that are provided to assist independent auditors with the conduct of the compliance portion of the audit. House Bill 429 amends G.S. 159-34 to transfer the authority to approve these documents from the State Auditor's Office to the Local Government Commission.

The act is effective when it becomes law.

**HOUSE COMMITTEE ON STATE GOVERNMENT
ROOM 415 LOB
April 19, 2001
10:00 A.M.**

AGENDA

CALL TO ORDER

Representative Mary Jarrell, Chair

CONSIDERATION OF BILLS

- | | |
|----------------|--|
| HB 623 | BUILDING COMM. VOTE ON PUBLIC CONTRACTS.
(Rep. McMahan) |
| HB 1060 | ENV. REMEDIATION NOT CAPITAL IMPROVEMENT.
(Rep. Gibson) |
| HB 1272 | ENERGY CONSERVATION/PILOT PROGRAM.
(Rep. Tolson) |
| HB 1295 | STATE EMPLOYEES PAY PERIODS.
(Rep. Luebke) |

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON STATE GOVERNMENT
April 19, 2001

The House Committee on State Government met at 10:00 a.m. on Thursday, April 19, 2001, in Room 415 of the Legislative Office Building with the following members present: Representative Jarrell, Chair; Representative Luebke, Vice Chair; Representatives Adams, Baker, Bonner, Brubaker, Coates, Cox, Crawford, Gibson, Hensley, Holmes, McComas, Owens, Preston, and West. Barbara Riley, committee counselor, was also in attendance.

Representative Jarrell called the meeting to order and recognized members of the Committee. Staff and pages were also recognized. A visitor registration sheet is attached and made a part of the minutes.

The following bills were considered:

HB 1272 - ENERGY CONSERVATION/PILOT PROGRAM. Representative Tolson, sponsor, was recognized to explain the bill which requires State agencies to use life-cycle cost analyses in the design and construction of State facilities and the purchase of equipment, and creates a pilot program using the Triangle J Council of Government's High Performance Guidelines in the construction of State facilities. An amendment was offered and Representative Luebke moved for its adoption. Motion carried.

Representative Luebke moved to incorporate the amendment into a committee substitute with a favorable report, unfavorable to original bill. Motion carried.

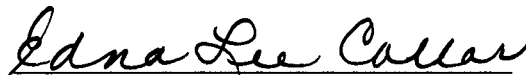
HB 1295 – STATE EMPLOYEE PAY PERIODS. Representative Luebke, sponsor, was recognized to explain HB 1295 which amends the provisions of the State Personnel Act, Chapter 126 of the General Statutes, to require that State employees earning less than \$20,000 per year be paid every two weeks. State employees earning more than \$20,000 shall be paid every two weeks. State employees earning more than \$20,000 shall be paid on a monthly basis. The provisions of the act are to apply to all State employees, including exempt personnel. Representative Baker moved for a favorable report to be re-referred to Appropriations. Motion carried.

HB 623 – BUILDING COMM. VOTE ON PUBLIC CONTRACTS. Representative McMahan, sponsor, was recognized to explain the bill. HB 623 allows the State Building Commission to authorize alternative contracting methods under G.S. 143-135.26(9) by a majority vote of its members. Representative McMahan knows of no opposition to this bill. Representative Owens made a motion for a favorable report. Motion carried.

HB 1060 – ENV. REMEDIATION NOT CAPITAL IMPROVEMENT. Representative Gibson, sponsor, called upon Robin Smith, Assistant Secretary of Natural Resources, to explain the bill. HB 1060 excludes environmental remediation, cleanup, mitigation, and restoration projects from the definition of a State capital improvement project and from the definition of a State building. It exempts these activities from standard State procedures for the advertisement and letting of public contracts. Under current law, the State Building Commission has oversight of State capital improvement projects and establishes the procedures for selection and review of qualified consultants and designers. Representative Gibson knows of no opposition to this bill. Representative Owens made a motion for a favorable report. Motion carried.

The meeting adjourned at 10:55 a.m.


Rep. Mary L. Jarrell, Chair


Edna Lee Collar, Committee Assistant

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 623 A BILL TO BE ENTITLED AN ACT TO ALLOW THE STATE BUILDING COMMISSION TO AUTHORIZE ALTERNATIVE CONTRACTING METHODS FOR PUBLIC CONTRACTS BY A MAJORITY VOTE OF ITS MEMBERS.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ .

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ .

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 623

Short Title: Building Comm. Vote on Public Contracts.

(Public)

Sponsors: Representatives McMahan; Arnold, Baddour, Bowie, Daughtry,
Dockham, Holmes, Johnson, McCombs, Morris, Owens, and Pope.

Referred to: State Government.

March 15, 2001

A BILL TO BE ENTITLED

AN ACT TO ALLOW THE STATE BUILDING COMMISSION TO AUTHORIZE
ALTERNATIVE CONTRACTING METHODS FOR PUBLIC CONTRACTS BY
A MAJORITY VOTE OF ITS MEMBERS.

The General Assembly of North Carolina enacts:

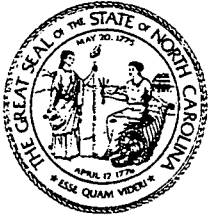
SECTION 1. G.S. 143-135.26(9) reads as rewritten:

"(9) Effective July 1, 1996, to authorize a State agency, a local governmental unit, or any other entity subject to the provisions of G.S. 143-129 to use a method of contracting not authorized under G.S. 143-128, including the use of the single-prime contracting system without soliciting bids under both the single and separate prime contract systems. An authorization under this subdivision for an alternative contracting method shall be granted only under the following conditions:

- a. An authorization shall apply only to a single project.
- b. The entity seeking authorization must demonstrate to the Commission that the alternative contracting method is necessary because the project cannot be reasonably completed under the methods authorized under G.S. 143--128 or for such other reasons as the Commission, pursuant to its rules and criteria, deems appropriate and in the public's interest.
- c. The authorization must be approved by ~~two-thirds~~ a majority of the members of the Commission present and voting.

The Commission shall not waive the requirements of G.S. 143-129 or G.S. 143-132 for public contracts unless otherwise authorized by law."

SECTION 2. This act is effective when it becomes law.



HB 623: Building Commission Vote on Public Contracts

BILL ANALYSIS

Committee: House State Government
Date: April 11, 2001
Version: 1st Edition

Introduced by: Representative McMahan
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

House Bill 623 allows the State Building Commission to authorize alternative contracting methods under G.S. 143-135.26(9) by a majority vote of its members.

BILL ANALYSIS:

The State Building Commission was created to develop procedures to direct and guide the State's capital facilities development and management program. G.S. 143-135.25. Among the powers and duties of the Commission is the power to authorize a State agency or local governmental unit to use an alternative method of contracting not authorized under G.S. 143-128. An example of such would be the use of the single prime contracting system without obtaining bids under the single and separate prime contract systems. An alternate contracting method may be used only when it meets all the conditions for authorization including approval by 2/3 of the members of the Building Commission present and voting.

House Bill 623 would change the voting requirement for the approval of an alternative method of contracting from 2/3 to a majority of the members of the Building Commission present and voting.

The act is effective when it becomes law.

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 1060 A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT
ENVIRONMENTAL REMEDIATION AND RESTORATION ACTIVITIES ARE NOT
STATE CAPITAL IMPROVEMENT PROJECTS.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

H

1

HOUSE BILL 1060*

Short Title: Env. Remediation Not Capital Improvement.

(Public)

Sponsors: Representative Gibson.

Referred to: State Government.

April 10, 2001

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT ENVIRONMENTAL REMEDIATION AND RESTORATION ACTIVITIES ARE NOT STATE CAPITAL IMPROVEMENT PROJECTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-135.27 reads as rewritten:

"§ 143-135.27. Definition of capital improvement project.

As used in this Article, 'State capital improvement project' means the construction of and any alteration, renovation, or addition to State buildings, as defined in G.S. 143-336, for which State funds, as defined in G.S. 143-1, are used and which is required by G.S. 143-129 to be publicly advertised. 'State capital improvement project' does not include:

(1) Remediation or cleanup of contaminated soil, surface water, or groundwater.

(2) Mitigation or restoration of damage to natural resources, including a wetlands restoration or creation project that is intended to mitigate the impact of a State capital improvement project."

SECTION 2. G.S. 143-64.34 reads as rewritten:

"§ 143-64.34. (Effective until July 1, 2001) Exemption of certain projects.

(a) State Capital Improvement Projects under the jurisdiction of the State Building Commission where the estimated expenditure of public money is less than one hundred thousand dollars (\$100,000) are exempt from the provisions of this Article.

(b) A capital improvement project of The University of North Carolina under G.S. 116-31.11 where the estimated expenditure of public money is less than three hundred thousand dollars (\$300,000) is exempt from this Article if:

(1) The architectural, engineering, or surveying services to be rendered are under an open-end design agreement;

(2) The open-end design agreement has been publicly announced; and

(3) The open-end design agreement complies with procedures adopted by the University and approved by the State Building Commission under G.S. 116-31.11(a)(3).

(c) A remediation, cleanup, mitigation, or restoration project that is not a State capital improvement project under G.S. 143-135.27 is exempt from this Article."

SECTION 3. G.S. 143-336 reads as rewritten:

"§ 143-336. Definitions.

As used in this Article:

'Agency' includes every agency, institution, board, commission, bureau, council, department, division, officer, and employee of the State, but does not include counties, municipal corporations, political subdivisions, county and city boards of education, and other local public bodies.

'Community college buildings' means all buildings, utilities, and other property developments located at a community college, which is defined in G.S. 115D-2(2).

'Department' means the Department of Administration, unless the context otherwise requires.

'Public buildings' means all buildings owned or maintained by the State in the City of Raleigh, but does not mean any building which a State agency other than the Department of Administration is required by law to care for and maintain.

'Public buildings and grounds' means all buildings and grounds owned or maintained by the State in the City of Raleigh, but does not mean any building or grounds which a State agency other than the Department of Administration is required by law to care for and maintain.

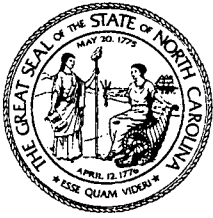
'Public grounds' means all grounds owned or maintained by the State in the City of Raleigh, but does not mean any grounds which a State agency other than the Department of Administration is required by law to care for and maintain.

'Secretary' means the Secretary of Administration, unless the context otherwise requires.

'State buildings' mean all State buildings, utilities, and other property developments except the State Legislative Building, railroads, highway structures, bridge structures, ~~and any buildings, utilities, or property owned or leased by the North Carolina Global TransPark Authority~~ and a remediation, cleanup, mitigation, or restoration project that is not a State capital improvement project under G.S. 143-135.27.

But under no circumstances shall this Article or any part thereof apply to the judicial or to the legislative branches of the State."

SECTION 4. This act is effective when it becomes law.



HOUSE BILL 1060 :

Env. Remediation Not Capital Improvement.

BILL ANALYSIS

Committee: House Committee on State
Government
Date: April 18, 2001
Version: First Edition

Introduced by: Representative Gibson
Summary by: Tim Dodge
Research Assistant

SUMMARY: *Excludes environmental remediation, cleanup, mitigation, and restoration projects from the definition of a State capital improvement project and from the definition of a State building. Exempts these activities from standard State procedures for the advertisement and letting of public contracts.*

The act would become effective when it becomes law.

CURRENT LAW: The State Building Commission has oversight of State capital improvement projects and establishes the procedures for selection and review of qualified consultants and designers. In addition, G.S. 143-64.31 directs the State to publicly advertise requirements for architectural, engineering, and surveying services, and to select firms based on demonstrated competence and qualification for the type of professional services required without regard to fee. Environmental remediation, cleanup, mitigation, and restoration projects would currently be included in these requirements.

BILL ANALYSIS: **Section 1** of the bill changes the definition of State capital improvement under the oversight of the State Building Commission to exclude the following activities:

1. Remediation or cleanup of contaminated soil or water; and
2. Mitigation or restoration of damage to natural resources, including a wetlands restoration or creation project that is intended to mitigate the impact of a State capital improvement project.

Section 2 exempts the same activities identified above from the requirements of Article 3D of Chapter 143 of the North Carolina General Statutes, which establishes the public advertising and bidding requirements for architectural, engineering, and surveying services.

Section 3 removes remediation, cleanup, mitigation, or restoration projects from the definition of State buildings in Article 36 of Chapter 143 of the General Statutes. Under this article, the Department of Administration is responsible for supervising the letting of all contracts, as well as the examination and approval of all plans and specifications for the design, renovation, or construction of all State buildings. Changing the definition of State buildings to exclude environmental remediation activities removes the Department of Administration's responsibility over these actions.

The act would become effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 1272*

Short Title: Energy Conservation/Pilot Program.

(Public)

Sponsors: Representatives Tolson; and Barefoot.

Referred to: State Government.

April 12, 2001

A BILL TO BE ENTITLED
AN ACT REQUIRING STATE AGENCIES TO USE LIFE-CYCLE COST
ANALYSIS FOR THE DESIGN, CONSTRUCTION, OPERATION,
MAINTENANCE, AND RENOVATION OF STATE FACILITIES AND FOR
THE PURCHASE, OPERATION, AND MAINTENANCE OF EQUIPMENT FOR
THESE FACILITIES AND IMPLEMENTING A PILOT PROGRAM TO REVIEW
THE USE OF THE TRIANGLE J COUNCIL OF GOVERNMENTS' HIGH
PERFORMANCE GUIDELINES IN THE RENOVATION OR CONSTRUCTION
OF STATE FACILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-64.10(a) reads as rewritten:

"(a) The General Assembly hereby finds:

- (1) That the State ~~should~~shall take a leadership role in aggressively undertaking energy conservation in North Carolina;
- (2) That State facilities have a significant impact on the State's consumption of energy;
- (3) That energy conservation practices adopted for the design, construction, operation, maintenance, and renovation of these facilities and for the purchase, operation, and maintenance of equipment for these facilities will have a beneficial effect on the State's overall supply of energy;
- (4) That the cost of the energy consumed by these facilities and the equipment for these facilities over the life of the facilities ~~must~~shall be considered, in addition to the initial cost;
- (5) That the cost of energy is significant and facility designs ~~must~~shall take into consideration the total life-cycle cost, including the initial construction cost, and the cost, over the economic life of the facility, of

the energy consumed, and of operation and maintenance of the facility as it affects energy consumption; and

- (6) That State government ~~should~~shall undertake a program to reduce energy use in State facilities and equipment in those facilities in order to provide its citizens with an example of energy-use efficiency."

SECTION 2. G.S. 143-64.11(2a) reads as rewritten:

"For purposes of this Article:

...

- (2a) ~~"Energy Division"~~"Energy Office" means the State Energy Division~~Office~~ of the Department of ~~Commerce~~Administration.

...."

SECTION 3. G.S. 143-64.12 reads as rewritten:

"§ 143-64.12. Authority and duties of State agencies.

(a) The General Assembly authorizes and directs that State agencies shall carry out the construction and renovation of State facilities, under their jurisdiction in such a manner as to further the policy declared herein, ~~insuring that~~ensuring the use of life-cycle cost analyses and energy-conservation ~~practices are considered and are employed whenever feasible and practicable practices.~~

(b) The Department of Administration ~~shall, to the extent feasible and practicable,~~shall develop and implement policies, procedures, and standards to ensure that State purchasing practices improve energy efficiency and take the cost of the product over the economic life of the product into consideration. The Department of Administration shall adopt and implement Building Energy Design Guidelines. These guidelines shall include energy-use goals and standards, economic assumptions for life-cycle cost analysis, and other criteria on building systems and technologies. The Department of Administration shall modify the design criteria for construction and renovation of facilities to require that a life-cycle cost analysis be conducted pursuant to G.S. 143-64.15. The Department of Administration, as part of the Facilities Condition and Assessment Program, shall identify and recommend energy conservation maintenance and operating procedures that are designed to reduce energy consumption within the facility and that require no significant expenditure of funds. State departments, institutions, or agencies shall implement these recommendations. Where energy management equipment is proposed for State facilities, the maximum interchangeability and compatibility of equipment components shall be required.

The Department of Administration shall develop a comprehensive energy management program for State government. Each State agency shall develop and implement an energy management plan that is consistent with the State's comprehensive energy management program.

- (c) through (g) Repealed by Session Laws 1993, c. 334, s. 4."

SECTION 4. G.S. 143-64.15(c) reads as rewritten:

"(c) The General Assembly ~~encourages any~~requires each entity to conduct a life-cycle cost analysis pursuant to this section for the construction of any State-assisted facility or the renovation of any State-assisted facility of 40,000 or more gross square feet."

1 **SECTION 5.** G.S. 143-64.15(f) reads as rewritten:

2 "~~(f) Selection of the optimum system or combination of systems to be~~
3 ~~incorporated into the design of the facility shall take into consideration the life-cycle~~
4 ~~cost analysis over the economic life of the facility.~~Each State agency shall use the life-
5 cycle cost analysis over the economic life of the facility in selecting the optimum
6 system or combination of systems to be incorporated into the design of the facility."

7 **SECTION 6.** Part 1 of Article 3B of Chapter 143 of the General Statutes is
8 amended by adding a new section to read:

9 "**§ 143-64.15A. Certification of life-cycle cost analysis.**

10 Any State agency performing a life-cycle cost analysis for the purpose of
11 constructing or renovating any State facility shall, before selecting a design option,
12 submit the life-cycle cost analysis to the Department of Administration for certification.
13 The Department shall review the material submitted by the State agency and perform
14 any additional analysis, as necessary, to comply with G.S. 143-341(11)."

15 **SECTION 7.(a)** Triangle J Guidelines Pilot Program. – The General
16 Assembly recognizes the State's need to understand how energy conservation measures
17 are utilized in the construction or renovation of State facilities and how these measures
18 benefit the State through cost savings and the protection of our natural resources. The
19 General Assembly promotes the use of the Triangle J Council of Governments' High
20 Performance Guidelines to achieve these goals and encourages any State entity to rate
21 itself in accordance with these guidelines for the design, construction, operation,
22 maintenance, or renovation of any State-assisted or State-owned facility.

23 **SECTION 7.(b)** To accomplish the goals described in Section 7(a) of this
24 act, the Department of Administration shall implement a pilot program to review the use
25 of the Triangle J Guidelines in projects for the renovation or construction of State
26 facilities.

27 The Board of Governors of The University of North Carolina shall select at
28 least four projects to participate in the pilot program, and the State Board of Community
29 Colleges and the State Budget Office shall select at least three projects to participate in
30 the program. One-third of the projects participating in this program shall be projects for
31 the repair or renovation of a State facility, and the remaining projects shall be projects
32 for the construction of State facilities.

33 **SECTION 7.(c)** The Department of Administration shall oversee the pilot
34 program, and each entity involved shall submit all applicable information to the
35 Department as it deems necessary, including compiling and submitting energy usage
36 and cost data. The program shall include a one-year postoccupancy evaluation that shall
37 be included as part of the evaluation of the Triangle J Guidelines for each facility. The
38 entities participating in this program shall explore the concept of a "sustainably
39 designed facility" in assessing the use of the Triangle J Guidelines for these projects.
40 For purposes of this section, "sustainably designed facility" means a building and
41 surrounding environs designed using features that are energy efficient, incorporate
42 reusable and renewable resources, provide natural lighting, are nontoxic, require low
43 maintenance, are congruent with the natural characteristics of the site, and cause

1 minimum adverse impact to the environment as enacted in Section 2(11) of S.L.
2 2000-143.

3 **SECTION 7.(d)** The Department of Administration shall submit an interim
4 report on the implementation of this program to the Senate and House of
5 Representatives Chairs of the Appropriations Committee, Chairs of General
6 Government Appropriations Subcommittee, and the Joint Legislative Commission on
7 Governmental Operations not later than December 15, 2002. The report shall discuss the
8 benefits of using the Triangle J Guidelines and make recommendations regarding the
9 use of the Triangle J Guidelines in the projects participating in the program and other
10 projects. The Department of Administration shall submit a final report to the Senate and
11 House of Representatives Chairs of the Appropriations Committee, Chairs of General
12 Government Appropriations Subcommittee, and the Joint Legislative Commission on
13 Governmental Operations not later than 18 months after completion of the last project
14 participating in this program, if practicable.

15 **SECTION 7.(e)** This act shall not be construed to obligate the General
16 Assembly to appropriate funds to implement the Triangle J Guidelines pilot program.

17 **SECTION 8.** This act becomes effective July 1, 2001.

1272

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE DRH3377-LU-91A* (02/28)

Short Title: Energy Conservation/Pilot Program.

(Public)

Sponsors: Representative Tolson.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT REQUIRING STATE AGENCIES TO USE LIFE-CYCLE COST
3 ANALYSIS FOR THE DESIGN, CONSTRUCTION, OPERATION,
4 MAINTENANCE, AND RENOVATION OF STATE FACILITIES AND FOR
5 THE PURCHASE, OPERATION, AND MAINTENANCE OF EQUIPMENT FOR
6 THESE FACILITIES AND IMPLEMENTING A PILOT PROGRAM TO REVIEW
7 THE USE OF THE TRIANGLE J COUNCIL OF GOVERNMENTS' HIGH
8 PERFORMANCE GUIDELINES IN THE RENOVATION OR CONSTRUCTION
9 OF STATE FACILITIES.

10 The General Assembly of North Carolina enacts:

11 SECTION 1. G.S. 143-64.10(a) reads as rewritten:

12 "(a) The General Assembly hereby finds:

- 13 (1) That the State ~~should~~shall take a leadership role in aggressively
14 undertaking energy conservation in North Carolina;
15 (2) That State facilities have a significant impact on the State's
16 consumption of energy;
17 (3) That energy conservation practices adopted for the design,
18 construction, operation, maintenance, and renovation of these facilities
19 and for the purchase, operation, and maintenance of equipment for
20 these facilities will have a beneficial effect on the State's overall
21 supply of energy;
22 (4) That the cost of the energy consumed by these facilities and the
23 equipment for these facilities over the life of the facilities ~~must~~shall be
24 considered, in addition to the initial cost;
25 (5) That the cost of energy is significant and facility designs ~~must~~shall
26 take into consideration the total life-cycle cost, including the initial
27 construction cost, and the cost, over the economic life of the facility, of

the energy consumed, and of operation and maintenance of the facility as it affects energy consumption; and

- (6) That State government ~~should~~shall undertake a program to reduce energy use in State facilities and equipment in those facilities in order to provide its citizens with an example of energy-use efficiency."

SECTION 2. G.S. 143-64.11(2a) reads as rewritten:

"For purposes of this Article:

...

- (2a) ~~"Energy Division"~~"Energy Office" means the State Energy Division~~Office~~ of the Department of ~~Commerce~~Administration.

...."

SECTION 3. G.S. 143-64.12 reads as rewritten:

"§ 143-64.12. Authority and duties of State agencies.

(a) The General Assembly authorizes and directs that State agencies shall carry out the construction and renovation of State facilities, under their jurisdiction in such a manner as to further the policy declared herein, ~~insuring that~~ensuring the use of life-cycle cost analyses and energy-conservation ~~practices are considered and are employed whenever feasible and practicable.~~practices.

(b) The Department of Administration shall, ~~to the extent feasible and practicable,~~shall develop and implement policies, procedures, and standards to ensure that State purchasing practices improve energy efficiency and take the cost of the product over the economic life of the product into consideration. The Department of Administration shall adopt and implement Building Energy Design Guidelines. These guidelines shall include energy-use goals and standards, economic assumptions for life-cycle cost analysis, and other criteria on building systems and technologies. The Department of Administration shall modify the design criteria for construction and renovation of facilities to require that a life-cycle cost analysis be conducted pursuant to G.S. 143-64.15. The Department of Administration, as part of the Facilities Condition and Assessment Program, shall identify and recommend energy conservation maintenance and operating procedures that are designed to reduce energy consumption within the facility and that require no significant expenditure of funds. State departments, institutions, or agencies shall implement these recommendations. Where energy management equipment is proposed for State facilities, the maximum interchangeability and compatibility of equipment components shall be required.

The Department of Administration shall develop a comprehensive energy management program for State government. Each State agency shall develop and implement an energy management plan that is consistent with the State's comprehensive energy management program.

- (c) through (g) Repealed by Session Laws 1993, c. 334, s. 4."

SECTION 4. G.S. 143-64.15(c) reads as rewritten:

"(c) The General Assembly ~~encourages any~~requires each entity to conduct a life-cycle cost analysis pursuant to this section for the construction of any State-assisted facility or the renovation of any State-assisted facility of 40,000 or more gross square feet."

1 **SECTION 5.** G.S. 143-64.15(f) reads as rewritten:

2 ~~"(f) Selection of the optimum system or combination of systems to be~~
3 ~~incorporated into the design of the facility shall take into consideration the life-cycle~~
4 ~~cost analysis over the economic life of the facility. Each State agency shall use the life-~~
5 ~~cycle cost analysis over the economic life of the facility in selecting the optimum~~
6 ~~system or combination of systems to be incorporated into the design of the facility."~~

7 **SECTION 6.** Part 1 of Article 3B of Chapter 143 of the General Statutes is
8 amended by adding a new section to read:

9 **"§ 143-64.15A. Certification of life-cycle cost analysis.**

10 Any State agency performing a life-cycle cost analysis for the purpose of
11 constructing or renovating any State facility shall, before selecting a design option,
12 submit the life-cycle cost analysis to the Department of Administration for certification.
13 The Department shall review the material submitted by the State agency and perform
14 any additional analysis, as necessary, to comply with G.S. 143-341(11)."

15 **SECTION 7.(a)** Triangle J Guidelines Pilot Program. – The General
16 Assembly recognizes the State's need to understand how energy conservation measures
17 are utilized in the construction or renovation of State facilities and how these measures
18 benefit the State through cost savings and the protection of our natural resources. The
19 General Assembly promotes the use of the Triangle J Council of Governments' High
20 Performance Guidelines to achieve these goals and encourages any State entity to rate
21 itself in accordance with these guidelines for the design, construction, operation,
22 maintenance, or renovation of any State-assisted or State-owned facility.

23 **SECTION 7.(b)** To accomplish the goals described in Section 7(a) of this
24 act, the Department of Administration shall implement a pilot program to review the use
25 of the Triangle J Guidelines in projects for the renovation or construction of State
26 facilities.

27 The Board of Governors of The University of North Carolina shall select at
28 least four projects to participate in the pilot program, and the State Board of Community
29 Colleges and the State Budget Office shall select at least three projects to participate in
30 the program. One-third of the projects participating in this program shall be projects for
31 the repair or renovation of a State facility, and the remaining projects shall be projects
32 for the construction of State facilities.

33 **SECTION 7.(c)** The Department of Administration shall oversee the pilot
34 program, and each entity involved shall submit all applicable information to the
35 Department as it deems necessary, including compiling and submitting energy usage
36 and cost data. The program shall include a one-year postoccupancy evaluation that shall
37 be included as part of the evaluation of the Triangle J Guidelines for each facility. The
38 entities participating in this program shall explore the concept of a "sustainably
39 designed facility" in assessing the use of the Triangle J Guidelines for these projects.
40 For purposes of this section, "sustainably designed facility" means a building and
41 surrounding environs designed using features that are energy efficient, incorporate
42 reusable and renewable resources, provide natural lighting, are nontoxic, require low
43 maintenance, are congruent with the natural characteristics of the site, and cause

1 minimum adverse impact to the environment as enacted in Section 2(11) of S.L.
2 2000-143.

3 **SECTION 7.(d)** The Department of Administration shall submit an interim
4 report on the implementation of this program to the Senate and House of
5 Representatives Chairs of the Appropriations Committee, Chairs of General
6 Government Appropriations Subcommittee, and the Joint Legislative Commission on
7 Governmental Operations not later than December 15, 2002. The report shall discuss the
8 benefits of using the Triangle J Guidelines and make recommendations regarding the
9 use of the Triangle J Guidelines in the projects participating in the program and other
10 projects. The Department of Administration shall submit a final report to the Senate and
11 House of Representatives Chairs of the Appropriations Committee, Chairs of General
12 Government Appropriations Subcommittee, and the Joint Legislative Commission on
13 Governmental Operations not later than 18 months after completion of the last project
14 participating in this program, if practicable.

15 **SECTION 7.(e)** This act shall not be construed to obligate the General
16 Assembly to appropriate funds to implement the Triangle J Guidelines pilot program.

17 **SECTION 8.** This act becomes effective July 1, 2001.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 1272*
PROPOSED COMMITTEE SUBSTITUTE H1272-CSLB-29 [v.1]

4/19/2001 9:45:48 AM

Short Title: Energy Conservation/Pilot Program.

(Public)

Sponsors:

Referred to:

April 12, 2001

A BILL TO BE ENTITLED

AN ACT REQUIRING STATE AGENCIES TO USE LIFE-CYCLE COST ANALYSIS FOR THE DESIGN, CONSTRUCTION, OPERATION, MAINTENANCE, AND RENOVATION OF STATE FACILITIES AND FOR THE PURCHASE, OPERATION, AND MAINTENANCE OF EQUIPMENT FOR THESE FACILITIES AND IMPLEMENTING A PILOT PROGRAM TO REVIEW THE USE OF THE TRIANGLE J COUNCIL OF GOVERNMENTS' HIGH PERFORMANCE GUIDELINES IN THE RENOVATION OR CONSTRUCTION OF STATE FACILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-64.10(a) reads as rewritten:

"(a) The General Assembly hereby finds:

- (1) That the State ~~should~~shall take a leadership role in aggressively undertaking energy conservation in North Carolina;
- (2) That State facilities have a significant impact on the State's consumption of energy;
- (3) That energy conservation practices adopted for the design, construction, operation, maintenance, and renovation of these facilities and for the purchase, operation, and maintenance of equipment for these facilities will have a beneficial effect on the State's overall supply of energy;
- (4) That the cost of the energy consumed by these facilities and the equipment for these facilities over the life of the facilities ~~must~~shall be considered, in addition to the initial cost;
- (5) That the cost of energy is significant and facility designs ~~must~~shall take into consideration the total life-cycle cost, including the initial construction cost, and the cost, over the economic life of the facility, of the energy consumed, and of operation and maintenance of the facility as it affects energy consumption; and

(6) That State government ~~should~~shall undertake a program to reduce energy use in State facilities and equipment in those facilities in order to provide its citizens with an example of energy-use efficiency."

SECTION 2. G.S. 143-64.11(2a) reads as rewritten:

"For purposes of this Article:

...

(2a) "~~Energy Division~~"Energy Office' means the State Energy DivisionOffice of the Department of ~~Commerce~~Administration.

...."

SECTION 3. G.S. 143-64.12 reads as rewritten:

"§ 143-64.12. Authority and duties of State agencies.

(a) The General Assembly authorizes and directs that State agencies shall carry out the construction and renovation of State facilities, under their jurisdiction in such a manner as to further the policy declared herein, ~~insuring that~~ensuring the use of life-cycle cost analyses and energy-conservation ~~practices are considered and are employed whenever feasible and practicable.~~practices.

(b) The Department of Administration ~~shall, to the extent feasible and practicable,~~shall develop and implement policies, procedures, and standards to ensure that State purchasing practices improve energy efficiency and take the cost of the product over the economic life of the product into consideration. The Department of Administration shall adopt and implement Building Energy Design Guidelines. These guidelines shall include energy-use goals and standards, economic assumptions for life-cycle cost analysis, and other criteria on building systems and technologies. The Department of Administration shall modify the design criteria for construction and renovation of facilities to require that a life-cycle cost analysis be conducted pursuant to G.S. 143-64.15. The Department of Administration, as part of the Facilities Condition and Assessment Program, shall identify and recommend energy conservation maintenance and operating procedures that are designed to reduce energy consumption within the facility and that require no significant expenditure of funds. State departments, institutions, or agencies shall implement these recommendations. Where energy management equipment is proposed for State facilities, the maximum interchangeability and compatibility of equipment components shall be required.

The Department of Administration shall develop a comprehensive energy management program for State government. Each State agency shall develop and implement an energy management plan that is consistent with the State's comprehensive energy management program.

(c) through (g) Repealed by Session Laws 1993, c. 334, s. 4."

SECTION 4. G.S. 143-64.15(c) reads as rewritten:

"(c) The General Assembly ~~encourages any~~requires each entity to conduct a life-cycle cost analysis pursuant to this section for the construction of any State-assisted facility or the renovation of any State-assisted facility of ~~40,000~~20,000 or more gross square feet."

1 **SECTION 5.** G.S. 143-64.15(f) reads as rewritten:

2 "(f) ~~Selection of the optimum system or combination of systems to be~~
3 ~~incorporated into the design of the facility shall take into consideration the life-cycle~~
4 ~~cost analysis over the economic life of the facility.~~ Each State agency shall use the life-
5 cycle cost analysis over the economic life of the facility in selecting the optimum
6 system or combination of systems to be incorporated into the design of the facility."

7 **SECTION 6.** Part 1 of Article 3B of Chapter 143 of the General Statutes is
8 amended by adding a new section to read:

9 "§ 143-64.15A. Certification of life-cycle cost analysis.

10 All State agencies performing a life-cycle cost analysis for the purpose of
11 constructing or renovating any State facility shall, before selecting a design option or
12 advertising for bids for construction, submit the life-cycle cost analysis to the
13 Department of Administration for certification. The Department shall review the
14 material submitted by the State agency, reserve the right to require agencies to complete
15 additional analysis to comply with certification, and perform any additional analysis, as
16 necessary, to comply with G.S. 143-341(11)."

17 **SECTION 7.(a)** Triangle J Guidelines Pilot Program. – The General
18 Assembly recognizes the State's need to understand how energy conservation measures
19 are utilized in the construction or renovation of State facilities and how these measures
20 benefit the State through cost savings and the protection of our natural resources. The
21 General Assembly promotes the use of the Triangle J Council of Governments' High
22 Performance Guidelines to achieve these goals and encourages any State entity to rate
23 itself in accordance with these guidelines for the design, construction, operation,
24 maintenance, or renovation of any State-assisted or State-owned facility.

25 **SECTION 7.(b)** To accomplish the goals described in Section 7(a) of this
26 act, the Department of Administration shall implement a pilot program to review the use
27 of the Triangle J Guidelines in projects for the renovation or construction of State
28 facilities.

29 The Board of Governors of The University of North Carolina shall select at
30 least four projects to participate in the pilot program, and the State Board of Community
31 Colleges and the State Budget Office shall select at least three projects to participate in
32 the program. One-third of the projects participating in this program shall be projects for
33 the repair or renovation of a State facility, and the remaining projects shall be projects
34 for the construction of State facilities.

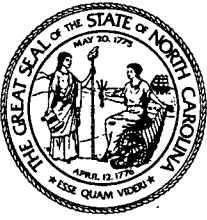
35 **SECTION 7.(c)** The Department of Administration shall oversee the pilot
36 program, and each entity involved shall submit all applicable information to the
37 Department as it deems necessary, including compiling and submitting energy usage
38 and cost data. The program shall include a one-year postoccupancy evaluation that shall
39 be included as part of the evaluation of the Triangle J Guidelines for each facility. The
40 entities participating in this program shall explore the concept of a "sustainably
41 designed facility" in assessing the use of the Triangle J Guidelines for these projects.
42 For purposes of this section, "sustainably designed facility" means a building and

1 surrounding environs designed using features that are energy efficient, incorporate
2 reusable and renewable resources, provide natural lighting, are nontoxic, require low
3 maintenance, are congruent with the natural characteristics of the site, and cause
4 minimum adverse impact to the environment as enacted in Section 2(11) of S.L.
5 2000-143.

6 **SECTION 7.(d)** The Department of Administration shall submit an interim
7 report on the implementation of this program to the Senate and House of
8 Representatives, Chairs of the Appropriations Committee, Chairs of General
9 Government Appropriations Subcommittee, and the Joint Legislative Commission on
10 Governmental Operations not later than December 15, 2002. The report shall discuss the
11 benefits of using the Triangle J Guidelines and make recommendations regarding the
12 use of the Triangle J Guidelines in the projects participating in the program and other
13 projects. The Department of Administration shall submit a final report to the Senate and
14 House of Representatives Chairs of the Appropriations Committee, Chairs of General
15 Government Appropriations Subcommittee, and the Joint Legislative Commission on
16 Governmental Operations not later than 18 months after completion of the last project
17 participating in this program, if practicable.

18 **SECTION 7.(e)** This act shall not be construed to obligate the General
19 Assembly to appropriate funds to implement the Triangle J Guidelines pilot program.

20 **SECTION 8.** This act becomes effective July 1, 2001.
21



HB1272: Energy Conservation/Pilot Program

BILL ANALYSIS

Committee: House State Government
Date: April 19, 2001
Version: 1st Edition

Introduced by: Representative Tolson
Summary by: Barbara Riley
Committee Counsel

SUMMARY: *House Bill 1272 requires State agencies to use life-cycle cost analyses in the design and construction of State facilities and the purchase of equipment, and creates a pilot program using the Triangle J Council of Government's High Performance Guidelines in the construction of State facilities.*

CURRENT LAW: Article 3B of Chapter 143 of the General Statutes deals with energy conservation in public facilities. The Article sets forth the State policy that the State should ensure that energy conservation practices are used in the design and construction of State buildings and the purchase of equipment for these facilities. G.S. 143-64.10. The statutes encourage the use of "life-cycle cost analysis" in the construction of State facilities. Life-cycle cost analysis is an analytical technique that looks at initial, maintenance and operation costs of a facility over its economic life. The analysis covers such items as the orientation of a building on its site, the number and type of windows, insulation, the thermal value of construction materials, occupancy and operating conditions of the building including lighting, and other architectural features that affect energy consumption.

BILL ANALYSIS: Sections 1 through 5 of House Bill 1272 amend Part 1 of Article 3B to require that the State undertake a program to reduce energy use in State facilities. The bill requires the use of life-cycle cost analysis in the design, construction, repair and renovation of buildings of 40,000 or more square feet constructed with State-funds or funds guaranteed by a State agency.

Section 6 of the bill requires that life-cycle cost analyses prepared by a State agency for the construction or renovation of a State facility be submitted to the Department of Administration for certification before a design option is selected.

Section 7 of the bill establishes the pilot program. The Department of Administration is to implement a program to review the use of the Triangle J High Performance Guidelines in State renovation and construction projects. 7 projects are to be selected; 4 by the Board of Governors of The University of North Carolina and 3 by the Board of Community Colleges and the State Budget Office. One-third of the projects shall involve renovation of facilities and the rest shall be for new construction. Data on energy usage and costs shall be compiled and submitted to the Department and shall include a one-year postoccupancy evaluation. Participants in the program shall also explore the concept of a "sustainably designed facility" in evaluating the use of the Triangle J guidelines. Sustainably designed facility means a building and surrounds that uses features that are energy efficient, incorporate reusable and renewable resources, provide natural lighting are nontoxic, require low maintenance and are congruent with the natural characteristics of the site. The Department shall submit an interim report to the Senate and House Chairs of the Appropriations Committee and Gov. Ops by December 15, 2002 and a final report not later than 18 months after completion of the last project in the program.

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 1295 A BILL TO BE ENTITLED AN ACT PROVIDING THAT STATE
EMPLOYEES EARNING LESS THAN TWENTY THOUSAND DOLLARS PER YEAR
SHALL BE PAID EVERY TWO WEEKS.

☐ With a favorable report.

☒ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☒ Finance ☐ ~~_____~~ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report as to committee substitute bill (# _____), ☐ which changes the title,
unfavorable as to (original bill) (Committee Substitute Bill # _____), (and recommendation
that the committee substitute bill # _____) be re-referred to the Committee on _____.)

☐ With a favorable report as to House committee substitute bill (# _____), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 1295

Short Title: State Employee Pay Periods. (Public)

Sponsors: Representatives Luebke; Wainwright, Weiss, and Jeffus.

Referred to: State Government.

April 12, 2001

A BILL TO BE ENTITLED

AN ACT PROVIDING THAT STATE EMPLOYEES EARNING LESS THAN
TWENTY THOUSAND DOLLARS PER YEAR SHALL BE PAID ONCE EVERY
TWO WEEKS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 2 of Chapter 126 of the General Statutes is amended by
adding a new section to read:

"§ 126-8.4. Pay periods.

Notwithstanding any other provision of law, every State employee earning less than
twenty thousand dollars (\$20,000) per year shall be paid once every two weeks and
every State employee earning twenty thousand dollars (\$20,000) per year or more shall
be paid once per month."

SECTION 2. G.S. 126-5 is amended by adding a new subsection to read:

"(c9) G.S. 126-8.4 shall apply to all State employees, including those employees
who would otherwise be exempt from this Chapter."

SECTION 3. This act becomes effective July 1, 2001.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 1310*

Short Title: Exempt Employee Changes.

(Public)

Sponsors: Representatives Gibson; and Wainwright.

Referred to: State Government.

April 12, 2001

1 A BILL TO BE ENTITLED
2 AN ACT AMENDING PROVISIONS OF THE STATE PERSONNEL ACT
3 PERTAINING TO THE NUMBER AND THE APPEALS RIGHTS OF CERTAIN
4 EXEMPT EMPLOYEES.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 126-5(c) reads as rewritten:

7 "(c) Except as to the policies, rules, and plans established by the Commission
8 pursuant to G.S. 126-4(1), 126-4(2), 126-4(3), 126-4(4), 126-4(5), 126-4(6), and 126-7,
9 and except as to the provisions of Articles 6 and 7 of this Chapter, the provisions of this
10 Chapter shall not apply to:

- 11 (1) A State employee who is not a career State employee as defined by
12 this Chapter.
13 (2) ~~One confidential assistant~~ Two confidential assistants and two
14 confidential secretaries for each elected or appointed department head
15 and one confidential secretary for each chief deputy or chief
16 administrative assistant.
17 (3) Employees in exempt policymaking positions designated pursuant to
18 G.S. 126-5(d).
19 (4) The chief deputy or chief administrative assistant to the head of each
20 State department who is designated either by statute or by the
21 department head to act for and perform all of the duties of such
22 department head during his absence or incapacity."

23 SECTION 2. G.S. 126-5(d)(1) reads as rewritten:

24 "(d)(1) Exempt Positions in Cabinet Department. – The Governor may designate
25 a total of 100 exempt policymaking positions throughout the following departments:

- 26 a. Department of Administration;
27 b. Department of Commerce;
28 c. Department of Correction;

- 1 d. Department of Crime Control and Public Safety;
2 e. Department of Cultural Resources;
3 f. Department of Health and Human Services;
4 g. Department of Environment and Natural Resources;
5 h. Department of Revenue;
6 i. Department of Transportation; and
7 j. Department of Juvenile Justice and Delinquency Prevention.

8 The Governor may designate exempt managerial positions in a number
9 up to one percent (1%) of the total number of full-time positions in
10 each cabinet department listed above in this sub-subdivision, ~~not to~~
11 ~~exceed or~~ 30 positions in each ~~department.~~ department, whichever is
12 greater."

13 **SECTION 3.** G.S. 126-5(h) reads as rewritten:

14 "(h) In case of dispute as to whether an employee is subject to the provisions of
15 this Chapter, the dispute shall be resolved as provided in Article 3 of Chapter
16 ~~150B.~~ 150B, except that there shall be no appeal regarding positions designated as
17 exempt under subdivision (c1)(6), (c1)(7), or (d)(3) of this section."

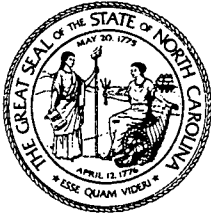
18 **SECTION 4.** G.S. 126-34.1(c) reads as rewritten:

19 "(c) In the case of a dispute as to whether a State employee's position is properly
20 exempted from the State Personnel Act under G.S. 126-5, the employee may file in the
21 Office of Administrative Hearings a contested case under Article 3 of Chapter 150B of
22 the General ~~Statutes.~~ Statutes, except that there shall be no appeal regarding positions
23 designated as exempt under G.S. 126-5(c1)(6), 126-5(c1)(7), or 126-5(d)(3)."

24 **SECTION 5.** G.S. 126-14.4 is amended by adding a new subsection to read:

25 "(h) Nothing in this section or in G.S. 126-14.2 shall be construed to allow an
26 employee who has been terminated from an exempt managerial position to grieve the
27 failure to rehire the same employee into the position from which the employee was just
28 terminated on the grounds that there has been a violation of G.S. 126-14.2."

29 **SECTION 6.** This act is effective when it becomes law.



HB 1295: State Employee Pay Periods

BILL ANALYSIS

Committee: House State Government
Date: April 18, 2001
Version: 1st Edition

Introduced by: Representative Luebke
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

House Bill 1295 amends the provisions of the State Personnel Act, Chapter 126 of the General Statutes, to require that State employees earning less than \$20,000 per year be paid every two weeks. State employees earning more than \$20,000 shall be paid on a monthly basis. The provisions of the act are to apply to all State employees, including exempt personnel.

The act becomes effective July 1, 2001.

VISITOR REGISTRATION SHEET

State Government

Name of Committee

April 19, 2001

Date

VISITORS:.. PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Larry Shirley

Judy Kincard

Cathy Glover

Michael Hughes

Frank Haupts

Don Ward

Carlton Myners.

For Gen Harris

Q. K.

Katherine Jones

Learning Time

[Handwritten signature]

Carole Lawler

Robin Smith

Laura DeVivo

Clifford E. Mitchell

Sharon Street

Vivien Sanson

Ardis Jattis

Sherry Norton

State Energy Office

Triangle J Council of Governments
Debt & Administration

Dept. of Administration

State Construction Office

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Dept. of Adm.

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State Energy Office

Rep. J. J. J. J. J.

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**HOUSE COMMITTEE ON STATE GOVERNMENT
ROOM 415 LOB**

**May 3, 2001
10:00 A.M.**

AGENDA

CALL TO ORDER

Representative Mary Jarrell, Chair

CONSIDERATION OF BILLS

- | | |
|---------------|---|
| SB 210 | SATELLITE ANNEXATION AGREEMENTS.
(Senator Clodfelter) |
| SB 264 | REQUIRE STATE REPORTS DOUBLE-SIDED.
(Senator Kinnaird) |
| SB 302 | ARTWORK CONSERVATION TREATMENTS-AB.
(Senator Kerr) |

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON STATE GOVERNMENT
May 3, 2001

The House Committee on State Government met at 10:00 a.m. on Thursday, May 3, 2001, in Room 415 of the Legislative Office Building with the following members present: Representative Jarrell, Chair; Representative Luebke, Vice Chair; Representatives Adams, Baker, Bonner, Brubaker, Crawford, Coates, Cox, Preston, Teague, and West. Barbara Riley, committee counselor, was also in attendance.

Representative Jarrell called the meeting to order and recognized members of the Committee. Staff and pages were also recognized. A visitor registration sheet is attached and made a part of the minutes.

The following bill was considered:

SB 210 – SATELLITE ANNEXATION AGREEMENTS. Senator Clodfelter, sponsor, explained this bill which would amend the satellite annexation law to permit a city to annex a noncontiguous area that is closer to another city upon an agreement with the other city that it will not annex the area.

Representative Baker was recognized to offer an amendment to exempt Stokes County from Section 2. Representatives Crawford and Teague stated that they also would like Buncombe County and Alamance County exempted. Representative Baker then made a motion to give the bill an unfavorable report without amendments. Motion failed.

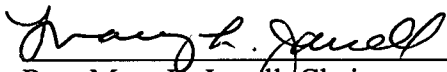
Representative Crawford made a motion that SB 210 be sent to a subcommittee. Motion carried. A subcommittee consisting of Representative Baker, Chair; Representative Bonner, and Representative Cox was appointed by Representative Jarrell to study this bill further. It will be considered at a later date.

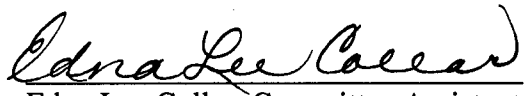
SB 264 – REQUIRE STATE REPORTS DOUBLE-SIDED. Senator Kinnaird, sponsor, explained the bill. SB 264 amends G.S. 130A-309.14(j). That statute sets forth the requirements for model reports. Currently the law requires that reports shall, **to the extent possible**, be printed on both sides of the paper. The bill amends this provision to require reports to be double-sided. Representative Bonner made a motion for a favorable report. Motion carried.

SB 302 – ARTWORK CONSERVATION TREATMENTS-AB. Senator Kerr, sponsor, explained that SB 302 allows the Regional Conservation Services Program of the North Carolina Museum of Art Foundation to provide conservation treatment services on privately owned works of art.

Betsy Buford, Deputy Secretary of Cultural Resources, spoke in favor of the bill. Representative Adams made a motion for a favorable report. Motion carried.

The meeting adjourned at 10:45 a.m.


Rep. Mary L. Jarrell, Chair


Edna Lee Collar, Committee Assistant

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

2

SENATE BILL 210
Judiciary I Committee Substitute Adopted 3/7/01

Short Title: Satellite Annexation Agreements.

(Public)

Sponsors:

Referred to:

February 22, 2001

1 A BILL TO BE ENTITLED
2 AN ACT AUTHORIZING CITIES THAT HAVE ENTERED INTO ANNEXATION
3 AGREEMENTS TO ANNEX CERTAIN NONCONTIGUOUS AREAS WITHOUT
4 COMPLYING WITH GENERAL ANNEXATION STANDARDS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 160A-58.1 reads as rewritten:

7 "§ 160A-58.1. Petition for annexation; standards.

8 (a) Upon receipt of a valid petition signed by all of the owners of real property in
9 the area described therein, a city may annex an area not contiguous to its primary
10 corporate limits when the area meets the standards set out in subsection (b) of this
11 section. The petition need not be signed by the owners of real property that is wholly
12 exempt from property taxation under the Constitution and laws of North Carolina, nor
13 by railroad companies, public utilities as defined in G.S. 62-3(23), or electric or
14 telephone membership corporations.

15 (b) A noncontiguous area proposed for annexation must meet all of the following
16 standards:

- 17 (1) The nearest point on the proposed satellite corporate limits must be not
18 more than three miles from the primary corporate limits of the
19 annexing city.
20 (2) No point on the proposed satellite corporate limits may be closer to the
21 primary corporate limits of another city than to the primary corporate
22 limits of the annexing ~~city~~-city, except as set forth in subsection (b1) of
23 this section.
24 (3) The area must be so situated that the annexing city will be able to
25 provide the same services within the proposed satellite corporate limits
26 that it provides within its primary corporate limits.
27 (4) If the area proposed for annexation, or any portion thereof, is a
28 subdivision as defined in G.S. 160A-376, all of the subdivision must
29 be included.

(5) The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits, may not exceed ten percent (10%) of the area within the primary corporate limits of the annexing city.

(b1) A city may annex a noncontiguous area that does not meet the standard set out in subdivision (b)(2) of this section if the city has entered into an annexation agreement pursuant to Part 6 of this Article with the city to which a point on the proposed satellite corporate limits is closer and the agreement states that the other city will not annex the area. The annexing city shall comply with all other requirements of this section.

(c) The petition shall contain the names, addresses, and signatures of all owners of real property within the proposed satellite corporate limits (except owners not required to sign by subsection (a)), shall describe the area proposed for annexation by metes and bounds, and shall have attached thereto a map showing the area proposed for annexation with relation to the primary corporate limits of the annexing city. When there is any substantial question as to whether the area may be closer to another city than to the annexing city, the map shall also show the area proposed for annexation with relation to the primary corporate limits of the other city. The city council may prescribe the form of the petition.

(d) A city council which receives a petition for annexation under this section may by ordinance require that the petitioners file a signed statement declaring whether or not vested rights with respect to the properties subject to the petition have been established under G.S. 160A-385.1 or G.S. 153A-344.1. If the statement declares that such rights have been established, the city may require petitioners to provide proof of such rights. A statement which declares that no vested rights have been established under G.S. 160A-385.1 or G.S. 153A-344.1 shall be binding on the landowner and any such vested rights shall be terminated."

SECTION 2. This act is effective when it becomes law.

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) Jarrell (Chair/Chairs) for the Committee on State Government.

☐ Committee Substitute for

S.B. 264 A BILL TO BE ENTITLED AN ACT TO REQUIRE STATE REPORTS TO BE
PRINTED ON BOTH SIDES OF THE PAPER.

- ☒ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐.
- ☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

1

SENATE BILL 264

Short Title: Require State Reports Double-Sided. (Public)

Sponsors: Senators Kinnaird; Allran, Clodfelter, Forrester, Lucas, Martin of
 Guilford, Miller, Odom, Rand, and Warren.

Referred to: State and Local Government.

February 27, 2001

A BILL TO BE ENTITLED
AN ACT TO REQUIRE STATE REPORTS TO BE PRINTED ON BOTH SIDES OF
THE PAPER.

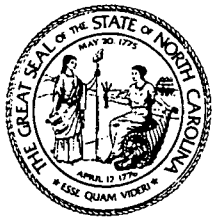
The General Assembly of North Carolina enacts:

SECTION 1. G.S. 130A-309.14(j) reads as rewritten:

"(j) The Department of Administration shall develop a model report for reports published by any State agency, the General Assembly, the General Court of Justice, or The University of North Carolina. This model report shall satisfy the following:

- (1) The paper in the report shall, to the extent economically practicable, be made from recycled paper and shall be capable of being recycled.
- (2) The other constituent elements of the report shall, to the extent economically practicable, be made from recycled products and shall be capable of being recycled or reused.
- (3) The report ~~shall, to the extent practicable,~~ shall be printed on both sides of the paper."

SECTION 2. This act becomes effective July 1, 2001.



SB 264: Require State /Reports be Double Sided

BILL ANALYSIS

Committee: House State Government
Date: March 7, 2001
Version: 1st Edition

Introduced by: Senator Kinniard
Summary by: Barbara Riley
Committee Counsel

BILL ANALYSIS:

Senate Bill 264 amends G.S. 130A-309.14(j). That statute sets forth the requirements for model reports. Currently the law requires that reports shall, **to the extent possible**, be printed on both sides of the paper. The bill amends this provision to require reports to be double-sided.

The act becomes effective July 1, 2001.

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

S.B. 302 A BILL TO BE ENTITLED AN ACT ALLOWING THE NORTH CAROLINA MUSEUM OF ART'S REGIONAL CONSERVATION SERVICES PROGRAM TO PERFORM CONSERVATION TREATMENTS ON PRIVATELY OWNED WORKS OF ART.

- ☒ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐.
- ☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

S

2

**SENATE BILL 302*
Finance Committee Substitute Adopted 4/19/01**

Short Title: Artwork Conservation Treatments-AB. (Public)

Sponsors:

Referred to:

March 5, 2001

1 A BILL TO BE ENTITLED
2 AN ACT ALLOWING THE NORTH CAROLINA MUSEUM OF ART'S REGIONAL
3 CONSERVATION SERVICES PROGRAM TO PERFORM CONSERVATION
4 TREATMENTS ON PRIVATELY OWNED WORKS OF ART.

5 The General Assembly of North Carolina enacts:

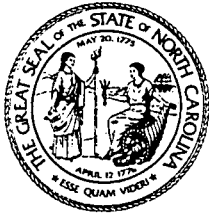
6 **SECTION 1.** G.S. 66-58(c) is amended by adding a new subdivision to read:

7 "(c) The provisions of subsection (a) shall not prohibit:

8 ...

9 (19) The use of the North Carolina Museum of Art's conservation lab by the
10 Regional Conservation Services Program of the North Carolina
11 Museum of Art Foundation for the provision of conservation treatment
12 services on privately owned works of art."

13 **SECTION 2.** This act becomes effective July 1, 2001.



SENATE BILL 302: Artwork Conservation Treatments-AB

BILL ANALYSIS

Committee: House State Government
Date: April 18, 2001
Version: Second Edition

Introduced by: Senator Kerr
Summary by: Mary Shuping
Research Assistant

SUMMARY: *Senate Bill 302 allows the Regional Conservation Services Program of the North Carolina Museum of Art Foundation to provide conservation treatment services on privately owned works of art.*

BACKGROUND: The Regional Conservation Services Program is operated by the Museum of Art Foundation, a private, non-profit entity. The conservator is housed in the Museum of Art's conservation lab; however, the conservator is funded entirely by the Foundation.

CURRENT LAW: In order to prevent competition with private enterprise, G.S. 66-58, commonly referred to as the Umstead Act, prohibits the sale of merchandise or services by governmental units. Currently, the Regional Conservation Services Program provides conservation treatments only for publicly owned artwork and cannot provide conservation treatment services on privately owned works of art in the conservation lab.

BILL ANALYSIS: This bill exempts the Regional Conservation Services Program from the Umstead Act when using the conservation lab to perform conservation treatments on private works of art.

VISITOR REGISTRATION SHEET

HOUSE COMMITTEE ON STATE GOVERNMENT

Name of Committee

7 May 3, 2001
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Carm Cover	BPM HL
Nonna Rosefield	DCR
Betsy Buford	DCR
John Goodman	LINWOOD MERCER & ASSOC.
Steve Williams	NMA
Kim Hubbard	NCLM
Giles Perry	NCAA STAFF
Ken McHone	Alley Associates
Carl Goodwin	OSP

**HOUSE COMMITTEE ON STATE GOVERNMENT
ROOM 415 LOB
May 10, 2001
10:00 A.M.**

AGENDA

CALL TO ORDER

Representative Mary Jarrell, Chair

CONSIDERATION OF BILLS

SB 210	SATELLITE ANNEXATION AGREEMENTS (Sen. Clodfelter)
SB 342	COUNTY BUILDING CODE REVISIONS. (Sen. Hoyle)
SB 367	LOW-INCOME HOUSING CREDIT PROGRAM EXEMPT.APA. (Sen. Hoyle)
SB 1036	BUILDING CODE SUBJECT TO APA. (Sen. Hoyle)

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON STATE GOVERNMENT
May 10, 2001

The House Committee on State Government met at 10:00 a.m. on Thursday, May 10, 2001, in Room 415 of the Legislative Office Building with the following members present: Representative Jarrell, Chair; Representative Luebke, Vice Chair; Representatives Adams, Baker, Bonner, Brubaker, Crawford, Church, Coates, Cox, Gibson, Hensley, Holmes, McComas, Owens, Preston, Teague, and West. Barbara Riley and committee counselor, was also in attendance.

Representative Jarrell called the meeting to order and recognized members of the Committee. Staff and pages were also recognized. A visitor registration sheet is attached and made a part of the minutes.

The following bill was considered:

SB 210 – SATELLITE ANNEXATION AGREEMENTS. This bill, sponsored by Senator Clodfelter, would amend the satellite annexation law to permit a city to annex a noncontiguous area that is closer to another city upon an agreement with the other city that it will not annex the area.

A subcommittee consisting of Representative Baker, Chair; Representative Bonner, and Representative Cox was appointed by Representative Jarrell to study this bill further at the last meeting. Representative Baker was recognized and stated that the subcommittee had studied the bill and had agreed that no changes were to be made. Representative Baker made a motion for a favorable report to SB 210. Motion carried.

SB 342 – COUNTY BUILDING CODE REVISIONS. Senator Hoyle was recognized to explain the bill which would allow certain counties to adopt ordinances establishing requirements for bathroom facilities in certain buildings. After discussion by the Committee members, Representative Jarrell, Chair, informed the Committee that this bill needs further discussion and will be carried over to the next meeting.

SB 367 – LOW-INCOME HOUSING CREDIT PROGRAM EXEMPT.APA. Senator Hoyle, sponsor, was recognized to explain SB 367, which exempts the North Carolina Federal Tax Reform Allocation Committee and the agency it designates to develop and administer the "Qualified Allocation Plan" from rule making requirements under the APA. The bill further directs the Joint Legislative Administrative Procedure Oversight Committee to study the applicability of the APA to these agencies.

Jack Nichols, Regency Development Associates, was recognized to speak on the bill. He is opposed to the exemption proposed by the bill and does not feel that the bill should not be enacted. Ralph Scofield, Justice and Community Center, was recognized to speak on SB 367 and stated that he supports it. Karen Cochrane-Brown, Staff Attorney, explained requirements under the APA.

Representative Baker made a motion for favorable report. Motion carried.

SB 1036 – BUILDING CODE SUBJECT TO APA. Senator Hoyle, sponsor, was recognized to explain SB 1036. This bill clarifies that the State Building Code Council is subject to the Administrative Procedure Act (APA). The PCS clarifies that the Office of Administrative Hearings will not be required to publish the text of the proposed rules of the Council in the North Carolina Register, and makes other technical changes.

A committee substitute was offered and Representative Baker made a motion to adopt to committee substitute. He then moved to give SB 1036 a favorable report to committee substitute, unfavorable to original bill. Motion carried.

The meeting adjourned at 10:50 a.m.


Rep. Mary L. Jarrell, Chair


Edna Lee Collar, Committee Assistant

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

S.B. 210 A BILL TO BE ENTITLED AN ACT AUTHORIZING CITIES THAT HAVE ENTERED INTO ANNEXATION AGREEMENTS TO ANNEX CERTAIN NONCONTIGUOUS AREAS WITHOUT COMPLYING WITH GENERAL ANNEXATION STANDARDS.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

D

SENATE BILL 210
Judiciary I Committee Substitute Adopted 3/7/01
PROPOSED HOUSE COMMITTEE SUBSTITUTE S210-CSRW-24 [v.2]

5/2/2001 10:44:58 AM

Short Title: Satellite Annexation Agreements.

(Public)

Sponsors:

Referred to:

February 22, 2001

1 A BILL TO BE ENTITLED
2 AN ACT AUTHORIZING CITIES THAT HAVE ENTERED INTO ANNEXATION
3 AGREEMENTS TO ANNEX CERTAIN NONCONTIGUOUS AREAS WITHOUT
4 COMPLYING WITH GENERAL ANNEXATION STANDARDS, AND TO
5 CHANGE THE EFFECTIVE DATE FOR ANNEXATION ORDINANCES FOR
6 CITIES OF LESS THAN 5,000.

7 The General Assembly of North Carolina enacts:

8 SECTION 1. G.S. 160A-58.1 reads as rewritten:

9 "§ 160A-58.1. Petition for annexation; standards.

10 (a) Upon receipt of a valid petition signed by all of the owners of real property in
11 the area described therein, a city may annex an area not contiguous to its primary
12 corporate limits when the area meets the standards set out in subsection (b) of this
13 section. The petition need not be signed by the owners of real property that is wholly
14 exempt from property taxation under the Constitution and laws of North Carolina, nor
15 by railroad companies, public utilities as defined in G.S. 62-3(23), or electric or
16 telephone membership corporations.

17 (b) A noncontiguous area proposed for annexation must meet all of the following
18 standards:

- 19 (1) The nearest point on the proposed satellite corporate limits must be not
20 more than three miles from the primary corporate limits of the
21 annexing city.
22 (2) No point on the proposed satellite corporate limits may be closer to the
23 primary corporate limits of another city than to the primary corporate
24 limits of the annexing city, except that a city may annex a
25 noncontiguous area that does not meet the standard set out in this
26 subdivision if the city has entered into an annexation agreement
27 pursuant to Part 6 of this Article with the city to which a point on the

1 proposed satellite corporate limits is closer and the agreement states
2 that the other city will not annex the area.

3 (3) The area must be so situated that the annexing city will be able to
4 provide the same services within the proposed satellite corporate limits
5 that it provides within its primary corporate limits.

6 (4) If the area proposed for annexation, or any portion thereof, is a
7 subdivision as defined in G.S. 160A-376, all of the subdivision must
8 be included.

9 (5) The area within the proposed satellite corporate limits, when added to
10 the area within all other satellite corporate limits, may not exceed ten
11 percent (10%) of the area within the primary corporate limits of the
12 annexing city.

13 (c) The petition shall contain the names, addresses, and signatures of all owners
14 of real property within the proposed satellite corporate limits (except owners not
15 required to sign by subsection (a)), shall describe the area proposed for annexation by
16 metes and bounds, and shall have attached thereto a map showing the area proposed for
17 annexation with relation to the primary corporate limits of the annexing city. When
18 there is any substantial question as to whether the area may be closer to another city
19 than to the annexing city, the map shall also show the area proposed for annexation with
20 relation to the primary corporate limits of the other city. The city council may prescribe
21 the form of the petition.

22 (d) A city council which receives a petition for annexation under this section may
23 by ordinance require that the petitioners file a signed statement declaring whether or not
24 vested rights with respect to the properties subject to the petition have been established
25 under G.S. 160A-385.1 or G.S. 153A-344.1. If the statement declares that such rights
26 have been established, the city may require petitioners to provide proof of such rights. A
27 statement which declares that no vested rights have been established under G.S.
28 160A-385.1 or G.S. 153A-344.1 shall be binding on the landowner and any such vested
29 rights shall be terminated."

30 **SECTION 2.** G.S. 160A-37(e)(4) reads as rewritten:

31 "(4) Fix the effective date for annexation. The effective date of annexation may be
32 fixed for any date not less than ~~40 days~~ 70 days nor more than 400 days from the date of
33 passage of the ordinance."

34 **SECTION 3.** This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

2

SENATE BILL 210
Judiciary I Committee Substitute Adopted 3/7/01

Short Title: Satellite Annexation Agreements.

(Public)

Sponsors:

Referred to:

February 22, 2001

1 A BILL TO BE ENTITLED
2 AN ACT AUTHORIZING CITIES THAT HAVE ENTERED INTO ANNEXATION
3 AGREEMENTS TO ANNEX CERTAIN NONCONTIGUOUS AREAS WITHOUT
4 COMPLYING WITH GENERAL ANNEXATION STANDARDS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 160A-58.1 reads as rewritten:

7 "§ 160A-58.1. **Petition for annexation; standards.**

8 (a) Upon receipt of a valid petition signed by all of the owners of real property in
9 the area described therein, a city may annex an area not contiguous to its primary
10 corporate limits when the area meets the standards set out in subsection (b) of this
11 section. The petition need not be signed by the owners of real property that is wholly
12 exempt from property taxation under the Constitution and laws of North Carolina, nor
13 by railroad companies, public utilities as defined in G.S. 62-3(23), or electric or
14 telephone membership corporations.

15 (b) A noncontiguous area proposed for annexation must meet all of the following
16 standards:

- 17 (1) The nearest point on the proposed satellite corporate limits must be not
18 more than three miles from the primary corporate limits of the
19 annexing city.
- 20 (2) No point on the proposed satellite corporate limits may be closer to the
21 primary corporate limits of another city than to the primary corporate
22 limits of the annexing ~~city~~city, except as set forth in subsection (b1) of
23 this section.
- 24 (3) The area must be so situated that the annexing city will be able to
25 provide the same services within the proposed satellite corporate limits
26 that it provides within its primary corporate limits.
- 27 (4) If the area proposed for annexation, or any portion thereof, is a
28 subdivision as defined in G.S. 160A-376, all of the subdivision must
29 be included.

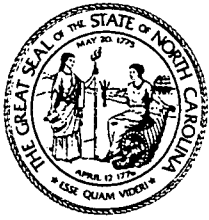
(5) The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits, may not exceed ten percent (10%) of the area within the primary corporate limits of the annexing city.

(b1) A city may annex a noncontiguous area that does not meet the standard set out in subdivision (b)(2) of this section if the city has entered into an annexation agreement pursuant to Part 6 of this Article with the city to which a point on the proposed satellite corporate limits is closer and the agreement states that the other city will not annex the area. The annexing city shall comply with all other requirements of this section.

(c) The petition shall contain the names, addresses, and signatures of all owners of real property within the proposed satellite corporate limits (except owners not required to sign by subsection (a)), shall describe the area proposed for annexation by metes and bounds, and shall have attached thereto a map showing the area proposed for annexation with relation to the primary corporate limits of the annexing city. When there is any substantial question as to whether the area may be closer to another city than to the annexing city, the map shall also show the area proposed for annexation with relation to the primary corporate limits of the other city. The city council may prescribe the form of the petition.

(d) A city council which receives a petition for annexation under this section may by ordinance require that the petitioners file a signed statement declaring whether or not vested rights with respect to the properties subject to the petition have been established under G.S. 160A-385.1 or G.S. 153A-344.1. If the statement declares that such rights have been established, the city may require petitioners to provide proof of such rights. A statement which declares that no vested rights have been established under G.S. 160A-385.1 or G.S. 153A-344.1 shall be binding on the landowner and any such vested rights shall be terminated."

SECTION 2. This act is effective when it becomes law.



SENATE BILL 210: Satellite Annexation Agreements.

BILL ANALYSIS

Committee: House State Government
Date: May 2, 2001
Version: PCS

Introduced by: Senator Clodfelter
Summary by: Barbara Riley
Committee Counsel

SUMMARY: *Senate Bill 210 would amend the satellite annexation law to permit a city to annex a noncontiguous area that is closer to another city upon an agreement with the other city that it will not annex the area.*

CURRENT LAW: G.S. 160A-58.1 sets out the procedures and conditions that must be met in order for a city to be permitted to annex an area not contiguous with the primary corporate limits of the city. The conditions that must be met include:

- (1) The area to be annexed is no more than three miles from the primary corporate limits of the annexing city.
- (2) No part of the area to be annexed is closer to the primary corporate limits of another city than to the primary corporate limits of the annexing city.
- (3) The annexing city must be able to provide the same services to the annexed area that it provides within its primary corporate limits.
- (4) If the area to be annexation contains any part of a subdivision, all of the subdivision must be included in the annex area.
- (5) The total area of all satellite areas, including the area to be annexed, will not exceed ten percent (10%) of the area within the primary corporate limits of the annexing city.

BILL ANALYSIS: Section 1 of Senate Bill 210 amends the requirements of G.S. 160A-58.1(2) to provide that despite the fact that some point on the proposed satellite corporate limits is closer to another city than the annexing city, the noncontiguous area may still be annexed if an agreement has been made with the other city that it will not annex the area. All the other conditions listed above will have to be complied with.

Section 2 of the bill amends the annexation procedures for cities with a population of less than 5,000 persons. The amendment pushes back the earliest date upon which an annexation ordinance could become effective from 40 days after the passage of an ordinance to 70 days. The same change was made for cities with a population in excess of 5,000 in 1998 as part of a major amendment to the annexation laws. S.L. 1998-150. The amendment in Section 2 corrects an oversight in the earlier legislation.

BACKGROUND: At least 10 cities, including Cornelius, Davidson, Fuquay-Varina, Greenville, Greensboro, Hickory, Huntersville, Kenansville, Raleigh, and Wake Forest, have been given this authority in the past by local legislation.

EFFECTIVE DATE: This act is effective when it becomes law.

TO: CHAIRMAN JARRELL - State Government Com.

From: Rex BAKER - Subcommittee on SB 210 - Satellite Annexation
by Sen. Clodfelter

Subject: Subcommittee Report on SB 210

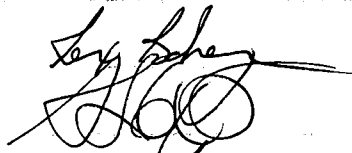
The subcommittee unanimously recommends that the bill be brought back to full committee as is.

Problems with the bill have been resolved.

Rep. Rex BAKER

Rep. Leslie Cox

Rep. Donald Bonner



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

2

SENATE BILL 342
Commerce Committee Substitute Adopted 3/29/01

Short Title: County Building Code Revisions.

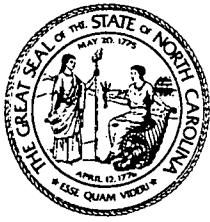
(Public)

Sponsors:

Referred to:

March 6, 2001

1 A BILL TO BE ENTITLED
2 AN ACT AUTHORIZING COUNTIES TO ADOPT ORDINANCES REGARDING
3 THE NUMBER OF TOILETS TO BE PLACED IN CERTAIN BUILDINGS.
4 The General Assembly of North Carolina enacts:
5 **SECTION 1.** Notwithstanding any provision of the State Building Code or
6 any public or local law to the contrary, including Chapter 143 of the General Statutes,
7 counties may establish by ordinance the requirements for bathroom facilities, including
8 the number of toilets required, in buildings that are used primarily for school sporting
9 events.
10 **SECTION 2.** This act is effective when it becomes law, and only applies to
11 counties that (i) have a population of 190,000 or more according to the most recent
12 decennial federal census and (ii) border both another state and a county with a
13 population of 650,000 or more according to the most recent decennial federal census.



SENATE BILL 342: County Building Code Revisions

BILL ANALYSIS

Committee: Senate Commerce
Date: March 27, 2001
Version: 2d Edition

Introduced by: Senator Hoyle
Summary by: Wendy Graf
Committee Counsel

SUMMARY: *Senate Bill 342 would allow certain counties to adopt ordinances establishing requirements for bathroom facilities in certain buildings.*

CURRENT LAW: Currently, requirements for toilets in buildings are set out in the State Building Code.

BILL ANALYSIS: The proposed committee substitute for Senate Bill 342 would authorize certain counties to adopt ordinances establishing requirements for bathroom facilities in buildings that are used for public sporting events. Specifically, the act would allow counties to adopt ordinances regarding the number of toilets required in these facilities.

The act would only apply to counties with a population of 190,000 or more and that border both another state and a county with a population of 650,000 or more. In effect, this would make it applicable only to Gaston County.

EFFECTIVE DATE: The act would be effective when it becomes law.

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☒ Committee Substitute for

S.B. 367 A BILL TO BE ENTITLED AN ACT TO EXEMPT THE NORTH CAROLINA FEDERAL TAX REFORM ALLOCATION COMMITTEE AND THE NORTH CAROLINA HOUSING FINANCE AGENCY FROM THE RULE-MAKING REQUIREMENTS OF THE ADMINISTRATIVE PROCEDURE ACT WITH REGARD TO ADOPTION OF THE QUALIFIED ALLOCATION PLAN, AND TO AUTHORIZE THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE TO STUDY THE APPLICABILITY OF THE ADMINISTRATIVE PROCEDURE ACT TO THESE AGENCIES.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ .

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ .

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

2

SENATE BILL 367
Judiciary I Committee Substitute Adopted 4/25/01

Short Title: Low-Income Housing Credit Program Exempt/APA. (Public)

Sponsors:

Referred to:

March 7, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT THE NORTH CAROLINA FEDERAL TAX REFORM
3 ALLOCATION COMMITTEE AND THE NORTH CAROLINA HOUSING
4 FINANCE AGENCY FROM THE RULE-MAKING REQUIREMENTS OF THE
5 ADMINISTRATIVE PROCEDURE ACT WITH REGARD TO ADOPTION OF
6 THE QUALIFIED ALLOCATION PLAN, AND TO AUTHORIZE THE JOINT
7 LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE
8 TO STUDY THE APPLICABILITY OF THE ADMINISTRATIVE PROCEDURE
9 ACT TO THESE AGENCIES.

10 The General Assembly of North Carolina enacts:

11 **SECTION 1.** G.S. 150B-1(d) reads as rewritten:

12 "(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to
13 the following:

- 14 (1) The Commission.
15 (2) Repealed by Session Laws 2000-189, s. 14, effective July 1, 2000.
16 (3) The North Carolina Hazardous Waste Management Commission in
17 administering the provisions of G.S. 130B-13 and G.S. 130B-14.
18 (4) The Department of Revenue, with respect to the notice and hearing
19 requirements contained in Part 2 of Article 2A.
20 (5) The North Carolina Global TransPark Authority with respect to the
21 acquisition, construction, operation, or use, including fees or charges,
22 of any portion of a cargo airport complex.
23 (6) The Department of Correction, with respect to matters relating solely
24 to persons in its custody or under its supervision, including prisoners,
25 probationers, and parolees.
26 (7) The North Carolina Teachers' and State Employees' Comprehensive
27 Major Medical Plan in administering the provisions of Parts 2 and 3 of
28 Article 3 of Chapter 135 of the General Statutes.

1 (8) The North Carolina Federal Tax Reform Allocation Committee, with
2 respect to the adoption of the annual qualified allocation plan required
3 by 26 U.S.C. § 42(m), and any agency designated by the Committee to
4 the extent necessary to administer the annual qualified allocation
5 plan."

6 **SECTION 2.** The Joint Legislative Administrative Procedure Oversight
7 Committee shall study the applicability of the Administrative Procedure Act to the
8 North Carolina Federal Tax Reform Allocation Committee and the North Carolina
9 Housing Finance Agency and may report to the 2002 Regular Session of the 2001
10 General Assembly and to the 2003 General Assembly.

11 **SECTION 3.** This act is effective when it becomes law.



SB 367: Low Income Housing Credit Progr. Exempt-AB

BILL ANALYSIS

Committee: House State Government
Date: May 10, 2001
Version: 2nd Edition

Introduced by: Senator Hoyle
Summary by: Barbara Riley
Committee Counsel

SUMMARY:

Senate Bill 367 exempts the North Carolina Federal Tax Reform Allocation Committee and the agency it designates to develop and administer the "Qualified Allocation Plan" from rule making requirements under the APA. The bill further directs the Joint Legislative Administrative Procedure Oversight Committee to study the applicability of the APA to these agencies.

BILL ANALYSIS:

The North Carolina Federal Tax Reform Allocation Committee is authorized pursuant to Article 51B of Chapter 143 of the General Statutes. The Committee was authorized to manage the allocation of low-income housing tax credits provided by the federal government pursuant to the Tax Reform Act of 1984. That act established, among other things, an aggregate limit on the use of the tax credit on a state by state basis. The annual allocation of low-income housing tax credits is governed under Section 42 of the Internal Revenue Code. Section 42 requires the State to allocate the tax credits pursuant to a "qualified allocation plan."

Senate Bill 367 amends G.S. 150B-1, setting forth the policy and scope of the Administrative Procedures Act. In particular, the bill would add the North Carolina Federal Tax Reform Allocation Committee to those entities that are exempt from the rule-making provisions of the APA. The North Carolina Federal Tax Reform Allocation Committee would be exempt *only* with respect to the adoption of the annual qualified allocation plan required by federal law. Also exempt, to the extent necessary to administer the plan, would be the agency the Committee designates to administer the plan.. Currently the designated agency is the North Carolina Housing Authority.

Section 2 of Senate Bill 367 directs the Joint Legislative Administrative Procedure Oversight Committee to study the applicability of the APA to the North Carolina Tax Reform Allocation Committee and the North Carolina Housing Authority.

The act is effective when it becomes law.

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) Jarrell (Chair/Chairs) for the Committee on State Government.

☒ Committee Substitute for

S.B. 1036 A BILL TO BE ENTITLED AN ACT TO CLARIFY THAT THE STATE BUILDING CODE COUNCIL IS SUBJECT TO THE ADMINISTRATIVE PROCEDURE ACT.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐.

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)

☒ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to ~~Senate committee substitute bill~~ ^{ORIGINAL}.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

1

SENATE BILL 1036

Short Title: Building Code Subject to APA.

(Public)

Sponsors: Senators Hoyle, Rand, Kerr, Foxx; and Berger.

Referred to: Judiciary I.

April 5, 2001

A BILL TO BE ENTITLED
AN ACT TO CLARIFY THAT THE STATE BUILDING CODE COUNCIL IS
SUBJECT TO THE ADMINISTRATIVE PROCEDURE ACT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-138(a) reads as rewritten:

"§ 143-138. North Carolina State Building Code.

(a) Preparation and Adoption. – The Building Code Council is hereby empowered to prepare and adopt, in accordance with the provisions of this Article, a North Carolina State Building Code. ~~Prior to the adoption of this Code, or any part thereof, the Council shall hold at least one public hearing. A notice of such public hearing shall be given once a week for two successive calendar weeks in a newspaper published in Raleigh, said notice to be published the first time not less than 15 days prior to the date fixed for said hearing. The Council may hold such other public hearings and give such other notice as it may deem necessary. Notwithstanding G.S. 150B-2(8a)(h), the North Carolina State Building Code as adopted by the Building Code Council is a rule within the meaning of G.S. 150B-(8a), and shall be adopted in accordance with the procedural requirements of Article 2A of Chapter 150B.~~

The Council shall request the Office of State Budget, Planning, and Management to prepare a fiscal note for a proposed Code change that has a substantial economic impact, as defined in G.S. 150B-21.4(b1), or that increases the cost of residential housing by eighty dollars (\$80.00) or more per housing unit. ~~The Council shall not take final action on a proposed Code change that has a substantial economic impact or that increases the cost of residential housing by eighty dollars (\$80.00) or more per housing unit until at least 60 days after the fiscal note has been prepared. The change can become effective only in accordance with G.S. 143-138(d).~~"

SECTION 2. G.S. 143-138(d) reads as rewritten:

"(d) Amendments of the Code. – The Building Code Council may revise and amend the North Carolina State Building Code, either on its own motion or upon

1 application from any citizen, State agency, or political subdivision of the State. In
2 adopting any amendment, the Council shall comply with the same procedural
3 requirements and the same standards set forth above for adoption of the Code. Code
4 revisions and amendments adopted by the Building Code Council on or after September
5 1, 1997, but prior to July 1, 1998, shall become effective January 1, 1999. Code
6 revisions and amendments adopted by the Building Code Council on or after July 1,
7 1998, but prior to July 1, 2001, shall become effective January 1, 2002. All future
8 revisions and amendments shall be adopted prior to July 1 every three years after July 1,
9 2001, to become effective the first day of January of the following year. year, subject to
10 G.S. 150B-21.3. A revision or amendment may be made effective on an earlier date if
11 determined by the Building Code Council to be necessary to address an imminent threat
12 to the public's health, safety, or welfare.

13 Handbooks providing explanatory material on Code provisions shall be provided no
14 later than January 1, 2000, and shall be updated with each triennial revision of the Code
15 or, in the discretion of the Council, more frequently. The Department may charge a
16 reasonable fee for the handbooks."

17 **SECTION 3.** G.S. 143-138(e) reads as rewritten:

18 "(e) Effect upon Local Codes. – The North Carolina State Building Code shall
19 apply throughout the State, from the time of its adoption. Future amendments shall
20 become effective in accordance with subsection (d) of this section. However, any
21 political subdivision of the State may adopt a fire prevention code and floodplain
22 management regulations within its jurisdiction. The territorial jurisdiction of any
23 municipality or county for this purpose, unless otherwise specified by the General
24 Assembly, shall be as follows: Municipal jurisdiction shall include all areas within the
25 corporate limits of the municipality and extraterritorial jurisdiction areas established as
26 provided in G.S. 160A-360 or a local act; county jurisdiction shall include all other
27 areas of the county. No such code or regulations, other than floodplain management
28 regulations and those permitted by G.S. 160A-436, shall be effective until they have
29 been officially approved by the Building Code Council as providing adequate minimum
30 standards to preserve and protect health and safety, in accordance with the provisions of
31 subsection (c) above. Local floodplain regulations may regulate all types and uses of
32 buildings or structures located in flood hazard areas identified by local, State, and
33 federal agencies, and include provisions governing substantial improvements,
34 substantial damage, cumulative substantial improvements, lowest floor elevation,
35 protection of mechanical and electrical systems, foundation construction, anchorage,
36 acceptable flood resistant materials, and other measures the political subdivision deems
37 necessary considering the characteristics of its flood hazards and vulnerability. In the
38 absence of approval by the Building Code Council, or in the event that approval is
39 withdrawn, local fire prevention codes and regulations shall have no force and effect.
40 Provided any local regulations approved by the local governing body which are found
41 by the Council to be more stringent than the adopted statewide fire prevention code and
42 which are found to regulate only activities and conditions in buildings, structures, and
43 premises that pose dangers of fire, explosion or related hazards, and are not matters in
44 conflict with the State Building Code, shall be approved. Local governments may

1 enforce the fire prevention code of the State Building Code using civil remedies
 2 authorized under G.S. 143-139, 153A-123, and 160A-175. If the Commissioner of
 3 Insurance or other State official with responsibility for enforcement of the Code
 4 institutes a civil action pursuant to G.S. 143-139, a local government may not institute a
 5 civil action under G.S. 143-139, 153A-123, or 160A-175 based upon the same violation.
 6 Appeals from the assessment or imposition of such civil remedies shall be as provided
 7 in G.S. 160A-434."

8 **SECTION 4. G.S. 143-138(g) reads as rewritten:**

9 "(g) Publication and Distribution of Code. – The Building Code Council shall
 10 cause to be printed, after adoption by the Council, the North Carolina State Building
 11 Code and each amendment thereto. It shall, at the State's expense, distribute copies of
 12 the Code and each amendment to State and local governmental officials, departments,
 13 agencies, and educational institutions, as is set out in the table below. (Those marked by
 14 an asterisk will receive copies only on written request to the Council.)

15 **OFFICIAL OR AGENCY** **NUMBER OF COPIES**

16 **State Departments and Officials**

17 Governor..... 1

18 Lieutenant Governor 1

19 Auditor 1

20 Treasurer..... 1

21 Secretary of State 1

22 Superintendent of Public Instruction..... 1

23 Attorney General (Library) 1

24 Commissioner of Agriculture..... 1

25 Commissioner of Labor..... 1

26 Commissioner of Insurance..... 1

27 Department of Environment and

28 Natural Resources 1

29 Department of Health and Human Services..... 1

30 Department of Juvenile Justice and

31 Delinquency Prevention..... 1

32 Board of Transportation 1

33 Utilities Commission..... 1

34 Department of Administration 1

35 Clerk of the Supreme Court 1

36 Clerk of the Court of Appeals 1

37 Clerk of the Superior Court..... 1 each

38 Department of Cultural Resources [State

39 Library] 5

40 Supreme Court Library..... 2

41 Legislative Library 1

42 Office of Administrative Hearings..... 1

43 **Schools**

44 All state-supported colleges and universities

1 in the State of North Carolina 1 each
2 Local Officials
3 Clerks of the Superior Courts..... 1 each
4 Chief Building Inspector of each incorporated
5 municipality or county 1

6 In addition, the Building Code Council shall make additional copies available at
7 such price as it shall deem reasonable to members of the general public."

8 **SECTION 5. G.S. 150B-21.21 reads as rewritten:**

9 **"§ 150B-21.21. Publication of rules of North Carolina State Bar-Bar, Building**
10 **Code Council, and exempt agencies.**

11 (a) State Bar. – The North Carolina State Bar must submit a rule adopted or
12 approved by it and entered in the minutes of the North Carolina Supreme Court to the
13 Codifier of Rules for inclusion in the North Carolina Administrative Code. The State
14 Bar must submit a rule within 30 days after it is entered in the minutes of the Supreme
15 Court. The Codifier of Rules must compile, make available for public inspection, and
16 publish a rule included in the North Carolina Administrative Code under this subsection
17 in the same manner as other rules in the Code.

18 (a1) Building Code Council. – The Building Code Council shall publish the North
19 Carolina State Building Code as provided in G.S. 143-138(g).

20 (b) Exempt Agencies. – Notwithstanding G.S. 150B-1, the North Carolina
21 Utilities Commission must submit to the Codifier of Rules those rules of the Utilities
22 Commission that are published from time to time in the publication titled "North
23 Carolina Utilities Laws and Regulations." The Utilities Commission must submit a rule
24 required to be included in the Code within 30 days after it is adopted.

25 Notwithstanding G.S. 150B-1, an agency other than the Utilities Commission that is
26 exempted from this Article by that statute must submit a temporary or permanent rule
27 adopted by it to the Codifier of Rules for inclusion in the North Carolina Administrative
28 Code. These exempt agencies must submit a rule to the Codifier of Rules within 30 days
29 after adopting the rule.

30 (c) Publication. – A rule submitted to the Codifier of Rules under this section
31 must be in the physical form specified by the Codifier of Rules. The Codifier of Rules
32 must compile, make available for public inspection, and publish a rule submitted under
33 this section in the same manner as other rules in the North Carolina Administrative
34 Code. This requirement does not apply to the North Carolina State Building Code."

35 **SECTION 6. G.S. 150B-38(a) reads as rewritten:**

36 **"§ 150B-38. Scope; hearing required; notice; venue.**

37 (a) The provisions of this Article shall apply to the following agencies:

- 38 (1) Occupational licensing agencies;
39 (2) The State Banking Commission, the Commissioner of Banks, the
40 Savings Institutions Division of the Department of Commerce, and the
41 Credit Union Division of the Department of Commerce; and
42 (3) The Department of Insurance and the Commissioner of Insurance.
43 (4) The Department of Commerce in the administration of the provisions
44 of Part 16 of Article 10 of Chapter 143B of the General Statutes.

- 1 (5) The North Carolina State Building Code Council."
2 **SECTION 7.** This act is effective when it becomes law and applies to
3 revisions made to the North Carolina State Building Code made on or after January 1,
4 2002.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

D

SENATE BILL 1036
PROPOSED HOUSE COMMITTEE SUBSTITUTE S1036-CSSC-12 [v.2]

5/9/2001 8:56:55 PM

Short Title: Building Code Subject to APA.

(Public)

Sponsors:

Referred to:

April 5, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THAT THE STATE BUILDING CODE COUNCIL IS
3 SUBJECT TO THE ADMINISTRATIVE PROCEDURE ACT.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 143-138(a) reads as rewritten:

6 "§ 143-138. North Carolina State Building Code.

7 (a) Preparation and Adoption. – The Building Code Council is hereby
8 empowered to prepare and adopt, in accordance with the provisions of this Article, a
9 North Carolina State Building Code. Prior to the adoption of this Code, or any part
10 thereof, the Council shall hold at least one public hearing. A notice of such public
11 hearing shall be published in the North Carolina Register at least 15 days prior to the
12 date of the hearing. ~~given once a week for two successive calendar weeks in a~~
13 ~~newspaper published in Raleigh, said notice to be published the first time not less than~~
14 ~~15 days prior to the date fixed for said hearing. The Council may hold such other public~~
15 ~~hearings and give such other notice as it may deem necessary. Notwithstanding G.S.~~
16 ~~150B-2(8a)(h), the North Carolina State Building Code as adopted by the Building~~
17 ~~Code Council is a rule within the meaning of G.S. 150B-(8a), and shall be adopted in~~
18 ~~accordance with the procedural requirements of Article 2A of Chapter 150B.~~

19 The Council shall request the Office of State Budget, Planning, and Management to
20 prepare a fiscal note for a proposed Code change that has a substantial economic
21 impact, as defined in G.S. 150B-21.4(b1), or that increases the cost of residential
22 housing by eighty dollars (\$80.00) or more per housing unit. ~~The Council shall not take~~
23 ~~final action on a proposed Code change that has a substantial economic impact or that~~
24 ~~increases the cost of residential housing by eighty dollars (\$80.00) or more per housing~~
25 ~~unit until at least 60 days after the fiscal note has been prepared. The change can~~
26 become effective only in accordance with G.S. 143-138(d)."

27 SECTION 2. G.S. 143-138(d) reads as rewritten:

28 "(d) Amendments of the Code. – The Building Code Council may revise and
29 amend the North Carolina State Building Code, either on its own motion or upon

1 application from any citizen, State agency, or political subdivision of the State. In
2 adopting any amendment, the Council shall comply with the same procedural
3 requirements and the same standards set forth above for adoption of the Code. ~~Code~~
4 ~~revisions and amendments adopted by the Building Code Council on or after September~~
5 ~~1, 1997, but prior to July 1, 1998, shall become effective January 1, 1999. Code~~
6 ~~revisions and amendments adopted by the Building Code Council on or after July 1,~~
7 ~~1998, but prior to July 1, 2001, shall become effective January 1, 2002. All future~~
8 ~~revisions and amendments shall be adopted prior to July 1 every three years after July 1,~~
9 ~~2001, to become effective the first day of January of the following year. A revision or~~
10 ~~amendment may be made effective on an earlier date if determined by the Building~~
11 ~~Code Council to be necessary to address an imminent threat to the public's health,~~
12 ~~safety, or welfare.~~

13 Handbooks providing explanatory material on Code provisions shall be provided no
14 later than January 1, 2000, and shall be updated with each triennial revision of the Code
15 or, in the discretion of the Council, more frequently. The Department may charge a
16 reasonable fee for the handbooks."

17 **SECTION 3.** G.S. 143-138(e) reads as rewritten:

18 "(e) Effect upon Local Codes. – The North Carolina State Building Code shall
19 apply throughout the State, from the time of its adoption. Approved rules shall become
20 effective in accordance with G.S. 150B-21.3. However, any political subdivision of the
21 State may adopt a fire prevention code and floodplain management regulations within
22 its jurisdiction. The territorial jurisdiction of any municipality or county for this
23 purpose, unless otherwise specified by the General Assembly, shall be as follows:
24 Municipal jurisdiction shall include all areas within the corporate limits of the
25 municipality and extraterritorial jurisdiction areas established as provided in G.S.
26 160A-360 or a local act; county jurisdiction shall include all other areas of the county.
27 No such code or regulations, other than floodplain management regulations and those
28 permitted by G.S. 160A-436, shall be effective until they have been officially approved
29 by the Building Code Council as providing adequate minimum standards to preserve
30 and protect health and safety, in accordance with the provisions of subsection (c) above.
31 Local floodplain regulations may regulate all types and uses of buildings or structures
32 located in flood hazard areas identified by local, State, and federal agencies, and include
33 provisions governing substantial improvements, substantial damage, cumulative
34 substantial improvements, lowest floor elevation, protection of mechanical and
35 electrical systems, foundation construction, anchorage, acceptable flood resistant
36 materials, and other measures the political subdivision deems necessary considering the
37 characteristics of its flood hazards and vulnerability. In the absence of approval by the
38 Building Code Council, or in the event that approval is withdrawn, local fire prevention
39 codes and regulations shall have no force and effect. Provided any local regulations
40 approved by the local governing body which are found by the Council to be more
41 stringent than the adopted statewide fire prevention code and which are found to
42 regulate only activities and conditions in buildings, structures, and premises that pose

dangers of fire, explosion or related hazards, and are not matters in conflict with the State Building Code, shall be approved. Local governments may enforce the fire prevention code of the State Building Code using civil remedies authorized under G.S. 143-139, 153A-123, and 160A-175. If the Commissioner of Insurance or other State official with responsibility for enforcement of the Code institutes a civil action pursuant to G.S. 143-139, a local government may not institute a civil action under G.S. 143-139, 153A-123, or 160A-175 based upon the same violation. Appeals from the assessment or imposition of such civil remedies shall be as provided in G.S. 160A-434."

SECTION 4. G.S. 143-138(g) reads as rewritten:

"(g) Publication and Distribution of Code. – The Building Code Council shall cause to be printed, after adoption by the Council, the North Carolina State Building Code and each amendment thereto. It shall, at the State's expense, distribute copies of the Code and each amendment to State and local governmental officials, departments, agencies, and educational institutions, as is set out in the table below. (Those marked by an asterisk will receive copies only on written request to the Council.)

OFFICIAL OR AGENCY	NUMBER OF COPIES
State Departments and Officials	
Governor.....	1
Lieutenant Governor	1
Auditor	1
Treasurer.....	1
Secretary of State	1
Superintendent of Public Instruction.....	1
Attorney General (Library)	1
Commissioner of Agriculture.....	1
Commissioner of Labor.....	1
Commissioner of Insurance.....	1
Department of Environment and	
Natural Resources	1
Department of Health and Human Services.....	1
Department of Juvenile Justice and	
Delinquency Prevention.....	1
Board of Transportation	1
Utilities Commission.....	1
Department of Administration	1
Clerk of the Supreme Court	1
Clerk of the Court of Appeals	1
Clerk of the Superior Court.....	1 each
Department of Cultural Resources [State	
Library]	5
Supreme Court Library.....	2
Legislative Library	1

1	Office of Administrative Hearings.....	1
2	Rules Review Commission	1
3	Schools	
4	All state-supported colleges and universities	
5	in the State of North Carolina	1 each
6	Local Officials	
7	Clerks of the Superior Courts.....	1 each
8	Chief Building Inspector of each incorporated	
9	municipality or county	1

10 In addition, the Building Code Council shall make additional copies available at
11 such price as it shall deem reasonable to members of the general public."

12 **SECTION 5.** G.S. 150B-21.5 is rewritten by adding a new subsection to
13 read:

14 "(d) State Building Code – The Building Code Council is not required to publish a
15 notice of text in the North Carolina Register when it proposes to adopt a rule that
16 concerns the North Carolina State Building Code. The Building Code Council is
17 required to submit to the Commission for review a rule for which notice and hearing is
18 not required under this subsection. In adopting a rule, the Council shall comply with the
19 procedural requirements of G.S. 150B-21.3."

20 **SECTION 6.** G.S. 150B-21.17(a) reads as rewritten:

21 "Part 4. Publication of Code and Register.

22 **§ 150B-21.17. North Carolina Register.**

23 (a) Content. – The Codifier of Rules must publish the North Carolina Register.
24 The North Carolina Register must be published at least two times a month and must
25 contain the following:

- 26 (1) Temporary rules entered in the North Carolina Administrative Code.
- 27 (1a) Notices of rule-making proceedings, the text of proposed rules, and the
28 text of permanent rules approved by the Commission. This
29 subdivision does not apply to the North Carolina State Building Code.
- 30 (2) Notices of receipt of a petition for municipal incorporation, as required
31 by G.S. 120-165.
- 32 (3) Executive orders of the Governor.
- 33 (4) Final decision letters from the United States Attorney General
34 concerning changes in laws that affect voting in a jurisdiction subject
35 to section 5 of the Voting Rights Act of 1965, as required by G.S. 120-
36 30.9H.
- 37 (5) Orders of the Tax Review Board issued under G.S. 105-241.2.
- 38 (6) Other information the Codifier determines to be helpful to the public."

39 **SECTION 7.** G.S. 150B-21.21 reads as rewritten:

40 **"§ 150B-21.21. Publication of rules of North Carolina State ~~Bar~~ Bar, Building**
41 **Code Council, and exempt agencies.**

(a) State Bar. – The North Carolina State Bar must submit a rule adopted or approved by it and entered in the minutes of the North Carolina Supreme Court to the Codifier of Rules for inclusion in the North Carolina Administrative Code. The State Bar must submit a rule within 30 days after it is entered in the minutes of the Supreme Court. The Codifier of Rules must compile, make available for public inspection, and publish a rule included in the North Carolina Administrative Code under this subsection in the same manner as other rules in the Code.

(a1) Building Code Council. – The Building Code Council shall publish the North Carolina State Building Code as provided in G.S. 143-138(g). The Codifier of Rules is not required to publish the North Carolina State Building Code in the North Carolina Administrative Code.

(b) Exempt Agencies. – Notwithstanding G.S. 150B-1, the North Carolina Utilities Commission must submit to the Codifier of Rules those rules of the Utilities Commission that are published from time to time in the publication titled "North Carolina Utilities Laws and Regulations." The Utilities Commission must submit a rule required to be included in the Code within 30 days after it is adopted.

Notwithstanding G.S. 150B-1, an agency other than the Utilities Commission that is exempted from this Article by that statute must submit a temporary or permanent rule adopted by it to the Codifier of Rules for inclusion in the North Carolina Administrative Code. These exempt agencies must submit a rule to the Codifier of Rules within 30 days after adopting the rule.

(c) Publication. – A rule submitted to the Codifier of Rules under this section must be in the physical form specified by the Codifier of Rules. The Codifier of Rules must compile, make available for public inspection, and publish a rule submitted under this section in the same manner as other rules in the North Carolina Administrative Code."

SECTION 8. G.S. 150B-38(a) reads as rewritten:

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

(a) The provisions of this Article shall apply to the following agencies:

(1) Occupational licensing agencies;

(2) The State Banking Commission, the Commissioner of Banks, the Savings Institutions Division of the Department of Commerce, and the Credit Union Division of the Department of Commerce; and

(3) The Department of Insurance and the Commissioner of Insurance.

(4) The Department of Commerce in the administration of the provisions of Part 16 of Article 10 of Chapter 143B of the General Statutes.

(5) The North Carolina State Building Code Council."

SECTION 9. This act is effective when it becomes law and applies to revisions made to the North Carolina State Building Code made on or after January 1, 2002.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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SENATE BILL 1036
PROPOSED HOUSE COMMITTEE SUBSTITUTE S1036-PCS6281-SC-12

Short Title: Building Code Subject to APA.

(Public)

Sponsors:

Referred to:

April 5, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THAT THE STATE BUILDING CODE COUNCIL IS
3 SUBJECT TO THE ADMINISTRATIVE PROCEDURE ACT.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 143-138(a) reads as rewritten:

6 "§ 143-138. North Carolina State Building Code.

7 (a) Preparation and Adoption. - The Building Code Council is hereby
8 empowered to prepare and adopt, in accordance with the provisions of this Article, a
9 North Carolina State Building Code. Prior to the adoption of this Code, or any part
10 thereof, the Council shall hold at least one public hearing. A notice of such public
11 hearing shall be published in the North Carolina Register at least 15 days prior to the
12 date of the hearing, ~~given once a week for two successive calendar weeks in a newspaper~~
13 ~~published in Raleigh, said notice to be published the first time not less than 15 days~~
14 ~~prior to the date fixed for said hearing. The Council may hold such other public hearings~~
15 ~~and give such other notice as it may deem necessary. Notwithstanding G.S. 150B-~~
16 ~~2(8a)h., the North Carolina State Building Code as adopted by the Building Code~~
17 ~~Council is a rule within the meaning of G.S. 150B-2(8a) and shall be adopted in~~
18 ~~accordance with the procedural requirements of Article 2A of Chapter 150B of the~~
19 ~~General Statutes.~~

20 The Council shall request the Office of State Budget, Planning, and Management to
21 prepare a fiscal note for a proposed Code change that has a substantial economic
22 impact, as defined in G.S. 150B-21.4(b1), or that increases the cost of residential
23 housing by eighty dollars (\$80.00) or more per housing unit. ~~The Council shall not take~~
24 ~~final action on a proposed Code change that has a substantial economic impact or that~~
25 ~~increases the cost of residential housing by eighty dollars (\$80.00) or more per housing~~
26 ~~unit until at least 60 days after the fiscal note has been prepared. The change can~~
27 become effective only in accordance with G.S. 143-138(d)."

28 SECTION 2. G.S. 143-138(d) reads as rewritten:

1 "(d) Amendments of the Code. – The Building Code Council may revise and
2 amend the North Carolina State Building Code, either on its own motion or upon
3 application from any citizen, State agency, or political subdivision of the State. In
4 adopting any amendment, the Council shall comply with the same procedural
5 requirements and the same standards set forth above for adoption of the Code. ~~Code~~
6 ~~revisions and amendments adopted by the Building Code Council on or after September~~
7 ~~1, 1997, but prior to July 1, 1998, shall become effective January 1, 1999. Code~~
8 ~~revisions and amendments adopted by the Building Code Council on or after July 1,~~
9 ~~1998, but prior to July 1, 2001, shall become effective January 1, 2002. All future~~
10 ~~revisions and amendments shall be adopted prior to July 1 every three years after July 1,~~
11 ~~2001, to become effective the first day of January of the following year. A revision or~~
12 ~~amendment may be made effective on an earlier date if determined by the Building~~
13 ~~Code Council to be necessary to address an imminent threat to the public's health,~~
14 ~~safety, or welfare.~~

15 Handbooks providing explanatory material on Code provisions shall be provided no
16 later than January 1, 2000, and shall be updated with each triennial revision of the Code
17 or, in the discretion of the Council, more frequently. The Department may charge a
18 reasonable fee for the handbooks."

19 **SECTION 3.** G.S. 143-138(e) reads as rewritten:

20 "(e) Effect upon Local Codes. – The North Carolina State Building Code shall
21 apply throughout the State, from the time of its adoption. Approved rules shall become
22 effective in accordance with G.S. 150B-21.3. However, any political subdivision of the
23 State may adopt a fire prevention code and floodplain management regulations within
24 its jurisdiction. The territorial jurisdiction of any municipality or county for this
25 purpose, unless otherwise specified by the General Assembly, shall be as follows:
26 Municipal jurisdiction shall include all areas within the corporate limits of the
27 municipality and extraterritorial jurisdiction areas established as provided in G.S.
28 160A-360 or a local act; county jurisdiction shall include all other areas of the county.
29 No such code or regulations, other than floodplain management regulations and those
30 permitted by G.S. 160A-436, shall be effective until they have been officially approved
31 by the Building Code Council as providing adequate minimum standards to preserve
32 and protect health and safety, in accordance with the provisions of subsection (c) above.
33 Local floodplain regulations may regulate all types and uses of buildings or structures
34 located in flood hazard areas identified by local, State, and federal agencies, and include
35 provisions governing substantial improvements, substantial damage, cumulative
36 substantial improvements, lowest floor elevation, protection of mechanical and
37 electrical systems, foundation construction, anchorage, acceptable flood resistant
38 materials, and other measures the political subdivision deems necessary considering the
39 characteristics of its flood hazards and vulnerability. In the absence of approval by the
40 Building Code Council, or in the event that approval is withdrawn, local fire prevention
41 codes and regulations shall have no force and effect. Provided any local regulations
42 approved by the local governing body which are found by the Council to be more

1 stringent than the adopted statewide fire prevention code and which are found to
 2 regulate only activities and conditions in buildings, structures, and premises that pose
 3 dangers of fire, explosion or related hazards, and are not matters in conflict with the
 4 State Building Code, shall be approved. Local governments may enforce the fire
 5 prevention code of the State Building Code using civil remedies authorized under G.S.
 6 143-139, 153A-123, and 160A-175. If the Commissioner of Insurance or other State
 7 official with responsibility for enforcement of the Code institutes a civil action pursuant
 8 to G.S. 143-139, a local government may not institute a civil action under G.S. 143-139,
 9 153A-123, or 160A-175 based upon the same violation. Appeals from the assessment or
 10 imposition of such civil remedies shall be as provided in G.S. 160A-434."

11 **SECTION 4. G.S. 143-138(g) reads as rewritten:**

12 "(g) Publication and Distribution of Code. – The Building Code Council shall
 13 cause to be printed, after adoption by the Council, the North Carolina State Building
 14 Code and each amendment thereto. It shall, at the State's expense, distribute copies of
 15 the Code and each amendment to State and local governmental officials, departments,
 16 agencies, and educational institutions, as is set out in the table below. (Those marked by
 17 an asterisk will receive copies only on written request to the Council.)

18 **OFFICIAL OR AGENCY** **NUMBER OF COPIES**

19 **State Departments and Officials**

20 Governor.....	1
21 Lieutenant Governor	1
22 Auditor	1
23 Treasurer.....	1
24 Secretary of State	1
25 Superintendent of Public Instruction.....	1
26 Attorney General (Library)	1
27 Commissioner of Agriculture.....	1
28 Commissioner of Labor.....	1
29 Commissioner of Insurance.....	1
30 Department of Environment and	
31 Natural Resources	1
32 Department of Health and Human Services.....	1
33 Department of Juvenile Justice and	
34 Delinquency Prevention.....	1
35 Board of Transportation	1
36 Utilities Commission.....	1
37 Department of Administration	1
38 Clerk of the Supreme Court	1
39 Clerk of the Court of Appeals	1
40 Clerk of the Superior Court.....	1 each
41 Department of Cultural Resources [State	
42 Library]	5

1	Supreme Court Library.....	2
2	Legislative Library	1
3	Office of Administrative Hearings	1
4	Rules Review Commission	1
5	Schools	
6	All state-supported colleges and universities	
7	in the State of North Carolina	1 each
8	Local Officials	
9	Clerks of the Superior Courts.....	1 each
10	Chief Building Inspector of each incorporated	
11	municipality or county	1

12 In addition, the Building Code Council shall make additional copies available at
13 such price as it shall deem reasonable to members of the general public."

14 **SECTION 5.** G.S. 150B-21.5 is amended by adding a new subsection to
15 read:

16 "(d) State Building Code. – The Building Code Council is not required to publish
17 a notice of text in the North Carolina Register when it proposes to adopt a rule that
18 concerns the North Carolina State Building Code. The Building Code Council is
19 required to submit to the Commission for review a rule for which notice and hearing is
20 not required under this subsection. In adopting a rule, the Council shall comply with the
21 procedural requirements of G.S. 150B-21.3."

22 **SECTION 6.** G.S. 150B-21.17(a) reads as rewritten:

23 "Part 4. Publication of Code and Register.

24 **"§ 150B-21.17. North Carolina Register.**

25 (a) Content. – The Codifier of Rules must publish the North Carolina Register.
26 The North Carolina Register must be published at least two times a month and must
27 contain the following:

- 28 (1) Temporary rules entered in the North Carolina Administrative Code.
- 29 (1a) Notices of rule-making proceedings, the text of proposed rules, and the
30 text of permanent rules approved by the Commission. This subdivision
31 does not apply to the North Carolina State Building Code.
- 32 (2) Notices of receipt of a petition for municipal incorporation, as required
33 by G.S. 120-165.
- 34 (3) Executive orders of the Governor.
- 35 (4) Final decision letters from the United States Attorney General
36 concerning changes in laws that affect voting in a jurisdiction subject
37 to section 5 of the Voting Rights Act of 1965, as required by G.S.
38 120-30.9H.
- 39 (5) Orders of the Tax Review Board issued under G.S. 105-241.2.
- 40 (6) Other information the Codifier determines to be helpful to the public."

41 **SECTION 7.** G.S. 150B-21.21 reads as rewritten:

1 **"§ 150B-21.21. Publication of rules of North Carolina State Bar ~~Bar~~, Building**
2 **Code Council, and exempt agencies.**

3 (a) State Bar. – The North Carolina State Bar must submit a rule adopted or
4 approved by it and entered in the minutes of the North Carolina Supreme Court to the
5 Codifier of Rules for inclusion in the North Carolina Administrative Code. The State
6 Bar must submit a rule within 30 days after it is entered in the minutes of the Supreme
7 Court. The Codifier of Rules must compile, make available for public inspection, and
8 publish a rule included in the North Carolina Administrative Code under this subsection
9 in the same manner as other rules in the Code.

10 (a1) Building Code Council. – The Building Code Council shall publish the North
11 Carolina State Building Code as provided in G.S. 143-138(g). The Codifier of Rules is
12 not required to publish the North Carolina State Building Code in the North Carolina
13 Administrative Code.

14 (b) Exempt Agencies. – Notwithstanding G.S. 150B-1, the North Carolina
15 Utilities Commission must submit to the Codifier of Rules those rules of the Utilities
16 Commission that are published from time to time in the publication titled "North
17 Carolina Utilities Laws and Regulations." The Utilities Commission must submit a rule
18 required to be included in the Code within 30 days after it is adopted.

19 Notwithstanding G.S. 150B-1, an agency other than the Utilities Commission that is
20 exempted from this Article by that statute must submit a temporary or permanent rule
21 adopted by it to the Codifier of Rules for inclusion in the North Carolina Administrative
22 Code. These exempt agencies must submit a rule to the Codifier of Rules within 30 days
23 after adopting the rule.

24 (c) Publication. – A rule submitted to the Codifier of Rules under this section
25 must be in the physical form specified by the Codifier of Rules. The Codifier of Rules
26 must compile, make available for public inspection, and publish a rule submitted under
27 this section in the same manner as other rules in the North Carolina Administrative
28 Code."

29 **SECTION 8.** G.S. 150B-38(a) reads as rewritten:

30 **"§ 150B-38. Scope; hearing required; notice; venue.**

31 (a) The provisions of this Article shall apply to the following agencies:

32 (1) Occupational licensing ~~agencies;~~agencies.

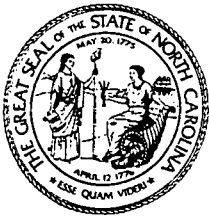
33 (2) The State Banking Commission, the Commissioner of Banks, the
34 Savings Institutions Division of the Department of Commerce, and the
35 Credit Union Division of the Department of ~~Commeree;~~
36 and Commerce.

37 (3) The Department of Insurance and the Commissioner of Insurance.

38 (4) The Department of Commerce in the administration of the provisions
39 of Part 16 of Article 10 of Chapter 143B of the General Statutes.

40 (5) The North Carolina State Building Code Council."

41 **SECTION 9.** This act is effective when it becomes law and applies to
42 revisions made to the North Carolina State Building Code on or after January 1, 2002.



SENATE BILL 1036: Building Code Subject to APA

BILL ANALYSIS

Committee: House State Government
Date: May 10, 2001
Version: Proposed Committee Sub.

Introduced by: Senator Hoyle
Summary by: Mary Shuping
Research Assistant

SUMMARY: *Senate Bill 1036 clarifies that the State Building Code Council is subject to the Administrative Procedure Act (APA). The PCS clarifies that the Office of Administrative Hearings will not be required to publish the text of the proposed rules of the Council in the North Carolina Register, and makes other technical changes.*

CURRENT LAW: The APA governs the procedures agencies must follow in adopting administrative rules, including notice to and comment by the public, and public hearing. The APA also provides for the review of agency rules by the Rules Review Commission, whose main duty is to ensure that the agency had the statutory authority to adopt the rule. Rules not approved by the Rules Review Commission cannot go into effect. Finally, the APA also provides that a permanent rule adopted by an agency cannot become effective earlier than the 31st legislative day of a regular session of the General Assembly and allows any member to introduce a bill to disapprove a rule during the first 30 legislative days of the session.

Currently, the State Building Code as adopted by the Building Code Council is not specifically exempt from the APA; however, the Council has interpreted the APA's definition of a "rule" as excluding those rules contained in the State Building Code. Specifically, the APA provides that a rule does not include "scientific, architectural, or engineering standards, forms, or procedures, including design criteria and construction standards used to construct or maintain highways, bridges, or ferries."

BILL ANALYSIS: Senate Bill 1036 clarifies that the State Building Code Council is fully subject to the requirements of the APA. **Section 1** directs the Council to publish a notice of public hearing in the *North Carolina Register* at least 15 days prior to the date of the hearing. Section 1 also clarifies in the Council's statutes that the State Building Code as adopted by the Building Code Council is a rule and is fully subject to the requirements of the APA, including review by the Rules Review Commission. This section also provides that all rules adopted by the Council are subject to legislative disapproval. **Section 2** removes effective dates for amendments to the Code since any amendments will be governed by the effective date provisions of the APA. **Section 3** clarifies that the effective date of any revisions to the Code will be in accordance with the effective date of rule changes under the APA. **Section 4** directs the Council to provide a copy of the State Building Code to the Rules Review Commission and the Office of Administrative Hearings. **Section 5** provides that the Council is not required to publish the text of a proposed rule in the *North Carolina Register*, and **Sections 6 and 7** provide that the Office of Administrative Hearings is not required to publish proposed rules in the *Register* or in the *North Carolina Administrative Code*. The Code is currently contained in numerous volumes, and the Council will continue to publish the Code in the same manner as it currently does. **Section 8** clarifies that for purposes of administrative hearings, the Council is subject to Article 3A of the APA governing contested cases.

VISITOR REGISTRATION SHEET

HOUSE COMMITTEE ON STATE GOVERNMENT

Name of Committee

5-10-01

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Bobby Bryan	Rules Review
Molly Masich	OAH
Natalie English	Charlotte Chamber
R. Paul Wilms	NCHBA
Tim Minton	NC Home Builders Assn
May Carolina	REBIC
Sack Nichols	Regency Development Associates
Rob Sch. field	NC Justice Ctr.
Brian Francis	Meck Cnty

MINUTES
HOUSE COMMITTEE ON STATE GOVERNMENT
May 17, 2001

The House Committee on State Government met at 10:00 a.m. on Thursday, May 17, 2001 in Room 415 of the Legislative Office Building with the following members present: Representative Jarrell, Chair; Representative Luebke, Vice Chair; Representatives Adams, Baker, Bonner, Crawford, Church, Coates, Cox, Gibson, Hensley, McComas, Owens, Teague, and West. Barbara Riley, committee counselor, was also in attendance.

Representative Jarrell called the meeting to order and recognized members of the Committee. Staff and pages were also recognized. A visitor registration sheet is attached and made a part of the minutes.

The following bill was considered:


SB 342 – COUNTY BUILDING CODE REVISIONS. Senator Hoyle was recognized to explain the bill, which would allow counties to adopt ordinances establishing requirements for bathroom facilities in certain buildings. The Proposed Committee Substitute for SB 342 would authorize counties to adopt ordinances establishing requirements for bathroom facilities in buildings that are used by elementary or secondary schools, or nonprofit organizations, for sporting events. Specifically, the act would allow counties to adopt ordinances regarding the number of toilets required in these facilities.

This act would apply Statewide. The original bill was limited in its application to counties with a population of 190,000 or more and that border both another state and a county with a population of 650,000 or more. This would have made it applicable only to Gaston County.

Representative Gibson made a motion to adopt the committee substitute. Motion carried.

Representative Crawford moved for a favorable report to committee substitute, unfavorable to original bill. Motion carried.

The meeting adjourned at 10:20 a.m.


Rep. Mary L. Jarrell, Chair


Edna Lee Collar, Committee Assistant

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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SENATE BILL 342
Commerce Committee Substitute Adopted 3/29/01
PROPOSED HOUSE COMMITTEE SUBSTITUTE S342-CSRF-18 [v.2]

5/16/2001 5:57:39 PM

Short Title: County Building Code Revisions.

(Public)

Sponsors:

Referred to:

March 6, 2001

1 A BILL TO BE ENTITLED
2 AN ACT AUTHORIZING COUNTIES TO ADOPT ORDINANCES REGARDING
3 THE NUMBER OF TOILETS TO BE PLACED IN CERTAIN BUILDINGS. .

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Notwithstanding any provision of the State Building Code or
6 any public or local law to the contrary, including Chapter 143 of the General Statutes,
7 counties may establish by ordinance the requirements for bathroom facilities, including
8 the number of toilets required, in buildings that are used primarily by elementary or
9 secondary schools, or organizations that are exempt from federal income taxation under
10 section 501(c)(3) of the Internal Revenue Code, for sporting events.

11 SECTION 2. This act is effective when it becomes law
12

PLEASE PRESS HARD - 5 COPIES

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____

S. B. No. 342

COMMITTEE SUBSTITUTE ☒

DATE 5/17/01

Amendment No. _____
(to be filled in by
Principal Clerk)

Rep.) _____
Sen.) _____

1 moves to amend the bill on page 1, line 10

2 () WHICH CHANGES THE TITLE

3 by adding after the word "for" the

4 word "outdoor".

5 _____

6 _____

7 _____

8 _____

9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

15 _____

16 _____

17 _____

18 _____

SIGNED _____

ADOPTED _____ FAILED _____ TABLED _____

VISITOR REGISTRATION SHEET

STATE Government

Name of Committee

5/17/01

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

R. Paul Wilms

NCH/BA

Daschei/Proper

NC DOI

Tim Minton

NC Home Builders Assn

WR Hale

NC DOI

Mary Cornelia

REBK

James Benley

LBASOC

Etherine Dawg

Electric Cities

W Cherry

Bone & Assoc

Beau Mills

NC Metro Coalition

Ed Rege

N.C. A.C. Co

Susan Palmer

Nationalist

MINUTES
HOUSE COMMITTEE ON STATE GOVERNMENT
May 24, 2001

The House Committee on State Government met at 10:00 a.m. on Thursday, May 24, 2001 in Room 415 of the Legislative Office Building with the following members present: Representative Jarrell, Chair; Representatives Baker, Bonner, Crawford, Coates, Cox, Gibson, Luebke, Preston, Teague, and West. Representatives Church and Owens had excused absences. Barbara Riley, Committee Counselor, was also in attendance.

Chairman Jarrell called the meeting to order and recognized members of the committee. Staff and pages were also recognized. A visitor registration sheet is attached and made a part of the minutes.


Chairman Jarrell asked for a motion to reconsider the vote taken at a previous meeting to consider a *Proposed House Committee Substitute for the Committee Substitute For Senate Bill 342 – AN ACT AUTHORIZING COUNTIES TO ADOPT ORDINANCES REGARDING THE NUMBER OF TOILETS TO BE PLACED IN CERTAIN BUILDINGS*. Representative Gibson so moved, the motion carried and the House Proposed Committee Substitute was no longer before the Committee.

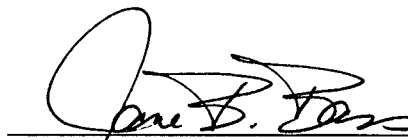
The Chairman then announced that Senator Hoyle's Committee Substitute for SB 342 that was referred to the House Committee on State Government was now before the Committee for discussion.

Representative Gibson moved to amend the Committee Substitute for SB 342. The motion carried and the attached amendment was adopted for discussion.

Representative Luebke moved to incorporate Representative Gibson's amendment into the attached House Committee Substitute and provide a favorable report as to the House committee substitute bill, unfavorable as to Senate committee substitute bill. Motion carried.

The meeting adjourned at 10:16 a.m.


Representative Mary L. Jarrell, Chair


Jane B. Bass, Acting Committee Assistant

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair) for the Committee on **STATE GOVERNMENT**.

☒ Committee Substitute for

S.B. 342 A BILL TO BE ENTITLED AN ACT AUTHORIZING COUNTIES TO ADOPT ORDINANCES REGARDING THE NUMBER OF TOILETS TO BE PLACED IN CERTAIN BUILDINGS.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ .

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ .

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)

☒ With a favorable report as to House committee substitute bill (~~#~~), ☐ which changes ~~the title~~, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. 2

H. B. No. _____

DATE 5/24/01

S. B. No. 342 ~~MM~~

Amendment No. _____

(to be filled in by
Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep.)

Sen.)

Gibson

1 moves to amend the bill on page 1, line 8

2 () WHICH CHANGES THE TITLE

3 by adding the word "outdoor" after

4 the word "for".

5 _____

6 _____

7 _____

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10 _____

11 _____

12 _____

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17 _____

18 _____

19 _____

SIGNED

[Signature]

ADOPTED _____ FAILED _____ TABLED _____

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

S

D

**SENATE BILL 342
Commerce Committee Substitute Adopted 3/29/01
PROPOSED HOUSE COMMITTEE SUBSTITUTE S342-PCS7239-RF-18**

Short Title: County Building Code Revisions.

(Public)

Sponsors:

Referred to:

March 6, 2001

A BILL TO BE ENTITLED

AN ACT AUTHORIZING COUNTIES TO ADOPT ORDINANCES REGARDING
THE NUMBER OF TOILETS TO BE PLACED IN CERTAIN BUILDINGS.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding any provision of the State Building Code or any public or local law to the contrary, including Chapter 143 of the General Statutes, counties may establish by ordinance the requirements for bathroom facilities, including the number of toilets required, in buildings that are used primarily for outdoor school sporting events.

SECTION 2. This act is effective when it becomes law, and only applies to counties that (i) have a population of 190,000 or more according to the most recent decennial federal census and (ii) border both another state and county with a population of 650,000 or more according to the most recent decennial federal census.

BILIC BILL

Rep. Gibson

Proposed Committee Substitute For
S.B. 342

SESSION LAW _____

A BILL TO BE ENTITLED

AN ACT AUTHORIZING COUNTIES TO ADOPT ORDINANCES REGARDING THE NUMBER OF
TOILETS TO BE PLACED IN CERTAIN BUILDINGS.

Introduced by Senator(s)

Hayle

Principal Clerk's Use Only

**Committee Substitute
Adopted
Pursuant to Rule 45.1
MAR 29 2001**

4:03
03-04-01P04:15 RCV

PASSED 1st READING

APR 4 2001

AND REFERRED TO COMMITTEE
ON State Government

CHANGES TITLE

becomes public bill
for adoption of CS -
3/29/01
JP

POD 2nd & 3rd
READINGS

45-3 VV
APR 2 2001

ORDERED SENT TO
HOUSE OF REPRESENTATIVE

State Government
Name of Committee

5-24-01
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

FIRM OR AGENCY AND ADDRESS

[illegible]

**HOUSE COMMITTEE ON STATE GOVERNMENT
ROOM 415 LOB
JULY 19, 2001
10:00 A.M.**

AGENDA

CALL TO ORDER

Representative Mary Jarrell, Chair

CONSIDERATION OF BILLS

**SB 895 GEOGRAPHIC INFORMATION COORDINATING COUNCIL
(Senator Reeves)**

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON STATE GOVERNMENT
July 19, 2001

The House Committee on State Government met at 10:00 a.m. on Thursday, July 19, 2001 in Room 415 of the Legislative Office Building with the following members present: Representative Jarrell, Chair; Representative Luebke, Vice Chair; Representatives Baker, Church, Coates, Cox, Crawford, Gibson, Hensley, Preston, Teague, and West. Barbara Riley, Committee Counselor, was also in attendance.

Chairman Jarrell called the meeting to order and recognized members of the committee. Staff. The pages, Courtney Dial, and Mary Gibbons, both of Wake County; and Jeff Gannon, New Hanover County, were also recognized. A visitor registration sheet is attached and made a part of the minutes.

The Chairman then announced that Senator Reeves' Committee Substitute for SB 895 was now before the Committee for discussion. Representative Hensley made a motion to adopt the Committee Substitute for discussion purposes. Motion carried.

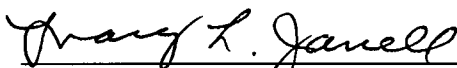
Senator Reeves and Barbara Riley, Staff Attorney, were recognized to explain SB 895 which establishes the North Carolina Geographic Information Coordinating Council to develop policies regarding the use of geographic information, GIS systems, and other related technologies.

Diana Hales and Jeff Brown of the North Carolina Geographic Information Coordinating Council were recognized to report on achievements of the Council. Attached is copy of information which they presented.

Following further discussion, an amendment (attached) was offered and Representative Luebke moved to adopt amendment. Motion carried and the attached amendment was adopted for discussion.

Representative Baker moved to incorporate Representative Gibson's amendment into the attached House Committee Substitute and provide a favorable report as to the House committee substitute bill, unfavorable as to Senate committee substitute bill. Motion carried.

The meeting adjourned at 11:00 a.m.


Representative Mary L. Jarrell, Chair


Edna Lee Collar, Committee Assistant

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☒ Committee Substitute for

S.B. 895 A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE NORTH
CAROLINA GEOGRAPHIC INFORMATION COORDINATING COUNCIL.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to (original bill) (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☒ With a favorable report as to House committee substitute bill (~~#~~), ☐ which changes
~~the title,~~ unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

2/15/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

3

SENATE BILL 895
Information Technology Committee Substitute Adopted 4/23/01
Third Edition Engrossed 4/24/01

Short Title: Geographic Information. Coordinating Council.

(Public)

Sponsors:

Referred to:

April 5, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE NORTH CAROLINA GEOGRAPHIC
3 INFORMATION COORDINATING COUNCIL.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Chapter 143 of the General Statutes is amended by adding a
6 new Article to read:

7 "Article 76.

8 "North Carolina Geographic Information Coordinating Council.

9 "§ 143-725. Council established; role of the Center for Geographic Information
10 and Analysis.

11 (a) Council Established. – There is established the North Carolina Geographic
12 Information Coordinating Council ("Council") to develop policies regarding the
13 utilization of geographic information, GIS systems, and other related technologies. The
14 Council is responsible for strategic planning; resolution of policy and technology issues;
15 coordination, direction, and oversight; and advising the Governor, the General
16 Assembly, and the Information Resource Management Commission (IRMC) as to
17 needed directions, responsibilities, and funding regarding geographic information. This
18 statewide geographic information coordination effort shall further cooperation among
19 State, federal, and local government agencies; academic institutions; and the private
20 sector to improve the quality, access, cost-effectiveness, and utility of North Carolina's
21 geographic information and to promote geographic information as a strategic resource
22 in the State. The Council shall be located in the Office of the Governor for
23 organizational, budgetary, and administrative purposes.

24 (b) Role of CGIA. – The Center for Geographic Information and Analysis
25 (CGIA) shall staff the Geographic Information and Coordinating Council and its
26 committees. CGIA shall manage and distribute digital geographic information about
27 North Carolina maintained by numerous State and local government agencies. It shall

1 operate a statewide data clearinghouse and provide Internet access to State geographic
2 information.

3 **"§ 143-726. Council membership; organization.**

4 (a) Members. – The Council shall consist of up to 35 members, or their
5 designees, as listed in this section. An appointing authority may reappoint a Council
6 member for successive terms.

7 (b) Governor's Appointments. – The Governor shall appoint the following
8 members:

- 9 (1) The head of an at-large State agency not represented in subsection (d)
10 of this section.
- 11 (2) An employee of a county government, nominated by the North
12 Carolina Association of County Commissioners.
- 13 (3) An employee of a municipal government, nominated by the North
14 Carolina League of Municipalities.
- 15 (4) An employee of the federal government who is stationed in North
16 Carolina.
- 17 (5) A representative from the Lead Regional Organizations.
- 18 (6) A member of the general public.
- 19 (7) Any other individuals whom the Governor deems appropriate to
20 enhance the efforts of geographic information coordination.

21 Members appointed by the Governor shall serve three-year terms. The Governor
22 shall name a Chair from among the Council membership to serve as Chair for a term of
23 one year.

24 (c) General Assembly Appointments. – The President Pro Tempore of the Senate
25 and the Speaker of the House of Representatives shall each appoint three members to
26 the Council. These members shall serve one-year terms.

27 (d) Other Members. – Other Council members shall include:

- 28 (1) The Secretary of State.
- 29 (2) The Commissioner of Agriculture.
- 30 (3) The Superintendent of Public Instruction.
- 31 (4) The Secretary of the Department of Environment and Natural
32 Resources.
- 33 (5) The Secretary of the Department of Transportation.
- 34 (6) The Secretary of the Department of Administration.
- 35 (7) The Secretary of the Department of Commerce.
- 36 (8) The Secretary of the Department of Crime Control and Public Safety.
- 37 (9) The Secretary of the Department of Health and Human Services.
- 38 (10) The Secretary of the Department of Revenue.
- 39 (11) The President of the North Carolina Community Colleges System.
- 40 (12) The President of The University of North Carolina System.
- 41 (13) The Chair of the Public Utilities Commission.
- 42 (14) The State Budget Officer.

- 1 (15) The Executive Director of the North Carolina League of
2 Municipalities.
3 (16) The Executive Director of the North Carolina Association of County
4 Commissioners.
5 (17) One representative from the State Government GIS User Committee.
6 (18) One representative elected annually from the Local Government
7 Committee established pursuant to subdivision (h)(2) of this section.
8 (19) The State Chief Information Officer who shall serve as a nonvoting, ex
9 officio member.

10 Members serving pursuant to this subsection shall serve terms to coincide with (i)
11 their respective offices or (ii) their respective appointments by the standing committee
12 they represent.

13 (e) Meetings. – The Council shall meet quarterly, or more often, as determined
14 by the Chair. The Chair shall head the Management and Operations Committee to
15 conduct the Council's business between quarterly meetings.

16 (f) Administration. – The Director of the CGIA shall be secretary of the Council
17 and provide staff support as it requires.

18 (g) Reports. – The Council shall report at least annually to the Governor and to
19 the Joint Legislative Commission on Governmental Operations.

20 (h) Committees. – The Council may establish work groups, as needed, and shall
21 oversee the standing committees created in this subsection. Each standing committee
22 shall adopt bylaws, subject to the Council's approval, to cover its proceedings. Except as
23 otherwise provided, the Chair of the Council shall appoint the standing committee
24 chairs from representatives listed in subsections (b), (c), or (d) of this section. The
25 standing committees are as follows:

- 26 (1) State Government GIS User Committee. – Membership shall consist of
27 representatives from all interested State government departments. The
28 Council Chair shall appoint the committee chair from one of the State
29 agencies represented in subsection (d) of this section.
30 (2) Local Government Committee. – Membership shall consist of
31 representatives from organizations and professional associations that
32 currently serve or represent local government GIS users, the North
33 Carolina League of Municipalities, the North Carolina Association of
34 County Commissioners, and a Lead Regional Organization. The
35 committee shall elect one of its members to the Council.
36 (3) Federal Interagency Committee. – Membership shall consist of
37 representatives from all interested federal agencies and Tribal
38 governments with an office located in North Carolina. The appointed
39 federal representative serving pursuant to subdivision (b)(4) of this
40 section shall serve as the Chair of the Federal Interagency Committee.
41 (4) Statewide Mapping Advisory Committee. – This committee shall
42 consolidate statewide mapping requirements and attempt to gain

1 statewide support for financing cooperative programs. The committee
2 shall also advise the Council on issues, problems, and opportunities
3 relating to federal, State, and local government geospatial data
4 programs.

5 (5) GIS Technical Advisory Committee. – This committee shall develop
6 the statewide technical architecture for GIS and anticipate and respond
7 to GIS technical opportunities and issues affecting State, county, and
8 local governments in North Carolina.

9 (6) Management and Operations Committee. – This committee shall
10 consider management and operational matters related to GIS and other
11 matters that are formally requested by the Council. The committee
12 membership shall include the Council Chair, a representative from the
13 Office of State Budget, Planning, and Management, and one
14 representative from each standing committee of the Council.

15 **"§ 143-727. Compensation and expenses of Council members; travel**
16 **reimbursements.**

17 Members of the Council shall serve without compensation but may receive travel
18 and subsistence as follows:

19 (1) Council members who are officials or employees of a State agency or
20 unit of local government, in accordance with G.S. 138-6.

21 (2) All other Council members at the rate established in G.S. 138-5."

22 **SECTION 2.** The respective appointing authorities shall complete their
23 appointments to the North Carolina Geographic Information Coordinating Council
24 under G.S. 143-726(b) and (c), as enacted in Section 1 of this act, within 60 days of the
25 date when this act becomes effective.

26 **SECTION 3.** This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

D

SENATE BILL 895
Information Technology Committee Substitute Adopted 4/23/01
Third Edition Engrossed 4/24/01
PROPOSED HOUSE COMMITTEE SUBSTITUTE S895-CSRF-25 [v.1]

7/18/2001 5:01:43 PM

Short Title: Geographic Information. Coordinating Council. (Public)

Sponsors:

Referred to:

April 5, 2001

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH THE NORTH CAROLINA GEOGRAPHIC
INFORMATION COORDINATING COUNCIL.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 143 of the General Statutes is amended by adding a
new Article to read:

"Article 76.

"North Carolina Geographic Information Coordinating Council.

**"§ 143-725. Council established; role of the Center for Geographic Information
and Analysis.**

(a) Council Established. – The North Carolina Geographic Information
Coordinating Council ("Council") is established to develop policies regarding the
utilization of geographic information, GIS systems, and other related technologies. The
Council shall be responsible for the following:

(1) Strategic planning.

(2) Resolution of policy and technology issues.

(3) Coordination, direction, and oversight of State, local and private GIS
4) efforts.

(4) Advising the Governor, the General Assembly, and the Information
Resource Management Commission (IRMC) as to needed directions,
responsibilities, and funding regarding geographic information.

The purpose of this statewide geographic information coordination effort shall be to
further cooperation among State, federal, and local government agencies; academic
institutions; and the private sector to improve the quality, access, cost-effectiveness, and
utility of North Carolina's geographic information and to promote geographic
information as a strategic resource in the State. The Council shall be located in the
Office of the Governor for organizational, budgetary, and administrative purposes.

(b) Role of CGIA. – The Center for Geographic Information and Analysis (CGIA) shall staff the Geographic Information and Coordinating Council and its committees. CGIA shall manage and distribute digital geographic information about North Carolina maintained by numerous State and local government agencies. It shall operate a statewide data clearinghouse and provide Internet access to State geographic information.

"§ 143-726. Council membership; organization.

(a) Members. – The Council shall consist of up to 35 members, or their designees, as set forth in this section. An appointing authority may reappoint a Council member for successive terms.

(b) Governor's Appointments. – The Governor shall appoint the following members:

- (1) The head of an at-large State agency not represented in subsection (d) of this section.
- (2) An employee of a county government, nominated by the North Carolina Association of County Commissioners.
- (3) An employee of a municipal government, nominated by the North Carolina League of Municipalities.
- (4) An employee of the federal government who is stationed in North Carolina.
- (5) A representative from the Lead Regional Organizations.
- (6) A member of the general public.
- (7) Other individuals whom the Governor deems appropriate to enhance the efforts of geographic information coordination.

Members appointed by the Governor shall serve three-year terms. The Governor shall appoint an individual from the membership of the Council to serve as Chair of the Council. The member appointed shall serve as Chair for a term of one year.

(c) General Assembly Appointments. – The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each appoint three members to the Council. These members shall serve one-year terms.

(d) Other Members. – Other Council members shall include:

- (1) The Secretary of State.
- (2) The Commissioner of Agriculture.
- (3) The Superintendent of Public Instruction.
- (4) The Secretary of the Department of Environment and Natural Resources.
- (5) The Secretary of the Department of Transportation.
- (6) The Secretary of the Department of Administration.
- (7) The Secretary of the Department of Commerce.
- (8) The Secretary of the Department of Crime Control and Public Safety.
- (9) The Secretary of the Department of Health and Human Services.
- (10) The Secretary of the Department of Revenue.

- (11) The President of the North Carolina Community Colleges System.
- (12) The President of The University of North Carolina System.
- (13) The Chair of the Public Utilities Commission.
- (14) The State Budget Officer.
- (15) The Executive Director of the North Carolina League of Municipalities.
- (16) The Executive Director of the North Carolina Association of County Commissioners.
- (17) One representative from the State Government GIS User Committee.
- (18) One representative elected annually from the Local Government Committee established pursuant to subdivision (h)(2) of this section.
- (19) The State Chief Information Officer who shall serve as a nonvoting member.

Council members serving ex officio pursuant to this subsection shall serve terms coinciding with their respective offices. Members serving by virtue of their appointment by a standing committee of the Council shall serve for the duration of their appointment by the standing committee.

(e) Meetings. – The Council shall meet at least quarterly on the call of the Chair. The Management and Operations Committee shall conduct the Council's business between quarterly meetings.

(f) Administration. – The Director of the CGIA shall be secretary of the Council and provide staff support as it requires.

(g) Reports. – The Council shall report at least annually to the Governor and to the Joint Legislative Commission on Governmental Operations.

(h) Committees. – The Council may establish work groups, as needed, and shall oversee the standing committees created in this subsection. Each standing committee shall adopt bylaws, subject to the Council's approval, to govern its proceedings. Except as otherwise provided, the Chair of the Council shall appoint the standing committee chairs from representatives listed in subsections (b), (c), or (d) of this section. The standing committees are as follows:

(1) State Government GIS User Committee. – Membership shall consist of representatives from all interested State government departments. The Chair of the Council shall appoint the committee chair from one of the State agencies represented in subsection (d) of this section.

(2) Local Government Committee. – Membership shall consist of representatives from organizations and professional associations that currently serve or represent local government GIS users, the North Carolina League of Municipalities, the North Carolina Association of County Commissioners, and Lead Regional Organizations. The committee shall elect one of its members to the Council.

(3) Federal Interagency Committee. – Membership shall consist of representatives from all interested federal agencies and Tribal

1 governments with an office located in North Carolina. The appointed
2 federal representative serving pursuant to subdivision (b)(4) of this
3 section shall serve as the Chair of the Federal Interagency Committee.

4 (4) Statewide Mapping Advisory Committee. – This committee shall
5 consolidate statewide mapping requirements and attempt to gain
6 statewide support for financing cooperative programs. The committee
7 shall also advise the Council on issues, problems, and opportunities
8 relating to federal, State, and local government geospatial data
9 programs.

10 (5) GIS Technical Advisory Committee. – This committee shall develop
11 the statewide technical architecture for GIS and anticipate and respond
12 to GIS technical opportunities and issues affecting State, county, and
13 local governments in North Carolina.

14 (6) Management and Operations Committee. – This committee shall
15 consider management and operational matters related to GIS and other
16 matters that are formally requested by the Council. The committee
17 membership shall consist of the Chair of the Council, the State Budget
18 Officer, the chair of each of the standing committees of the Council,
19 and other members of the Council appointed by the Chair.

20 "§ 143-727. Compensation and expenses of Council members; travel
21 reimbursements.

22 Members of the Council shall serve without compensation but may receive travel
23 and subsistence as follows:

24 (1) Council members who are officials or employees of a State agency or
25 unit of local government, in accordance with G.S. 138-6.

26 (2) All other Council members at the rate established in G.S. 138-5."

27 **SECTION 2.** The respective appointing authorities shall complete their
28 appointments to the North Carolina Geographic Information Coordinating Council
29 under G.S. 143-726(b) and (c), as enacted in Section 1 of this act, within 60 days of the
30 date when this act becomes effective.

31 **SECTION 3.** This act is effective when it becomes law.
32

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

S

D

SENATE BILL 895

Information Technology Committee Substitute Adopted 4/23/01

Third Edition Engrossed 4/24/01

PROPOSED HOUSE COMMITTEE SUBSTITUTE S895-PCS7265-RF-25

Short Title: Geographic Information Coordinating Council.

(Public)

Sponsors:

Referred to:

April 5, 2001

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE NORTH CAROLINA GEOGRAPHIC
INFORMATION COORDINATING COUNCIL.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 143 of the General Statutes is amended by adding a
new Article to read:

"Article 76.

"North Carolina Geographic Information Coordinating Council.

**"§ 143-725. Council established; role of the Center for Geographic Information
and Analysis.**

(a) Council Established. – The North Carolina Geographic Information
Coordinating Council ("Council") is established to develop policies regarding the
utilization of geographic information, GIS systems, and other related technologies. The
Council shall be responsible for the following:

(1) Strategic planning.

(2) Resolution of policy and technology issues.

(3) Coordination, direction, and oversight of State, local, and private GIS
efforts.

(4) Advising the Governor, the General Assembly, and the Information
Resource Management Commission (IRMC) as to needed directions,
responsibilities, and funding regarding geographic information.

The purpose of this statewide geographic information coordination effort shall be to
further cooperation among State, federal, and local government agencies; academic
institutions; and the private sector to improve the quality, access, cost-effectiveness, and
utility of North Carolina's geographic information and to promote geographic
information as a strategic resource in the State. The Council shall be located in the
Office of the Governor for organizational, budgetary, and administrative purposes.

(b) Role of CGIA. – The Center for Geographic Information and Analysis (CGIA) shall staff the Geographic Information and Coordinating Council and its committees. CGIA shall manage and distribute digital geographic information about North Carolina maintained by numerous State and local government agencies. It shall operate a statewide data clearinghouse and provide Internet access to State geographic information.

"§ 143-726. Council membership; organization.

(a) Members. – The Council shall consist of up to 35 members, or their designees, as set forth in this section. An appointing authority may reappoint a Council member for successive terms.

(b) Governor's Appointments. – The Governor shall appoint the following members:

- (1) The head of an at-large State agency not represented in subsection (d) of this section.
- (2) An employee of a county government, nominated by the North Carolina Association of County Commissioners.
- (3) An employee of a municipal government, nominated by the North Carolina League of Municipalities.
- (4) An employee of the federal government who is stationed in North Carolina.
- (5) A representative from the Lead Regional Organizations.
- (6) A member of the general public.
- (7) Other individuals whom the Governor deems appropriate to enhance the efforts of geographic information coordination.

Members appointed by the Governor shall serve three-year terms. The Governor shall appoint an individual from the membership of the Council to serve as Chair of the Council. The member appointed shall serve as Chair for a term of one year.

(c) General Assembly Appointments. – The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each appoint three members to the Council. These members shall serve one-year terms.

(d) Other Members. – Other Council members shall include:

- (1) The Secretary of State.
- (2) The Commissioner of Agriculture.
- (3) The Superintendent of Public Instruction.
- (4) The Secretary of the Department of Environment and Natural Resources.
- (5) The Secretary of the Department of Transportation.
- (6) The Secretary of the Department of Administration.
- (7) The Secretary of the Department of Commerce.
- (8) The Secretary of the Department of Crime Control and Public Safety.
- (9) The Secretary of the Department of Health and Human Services.
- (10) The Secretary of the Department of Revenue.

- 1 (11) The President of the North Carolina Community Colleges System.
2 (12) The President of The University of North Carolina System.
3 (13) The Chair of the Public Utilities Commission.
4 (14) The State Budget Officer.
5 (15) The Executive Director of the North Carolina League of
6 Municipalities.
7 (16) The Executive Director of the North Carolina Association of County
8 Commissioners.
9 (17) One representative from the State Government GIS User Committee.
10 (18) One representative elected annually from the Local Government
11 Committee established pursuant to subdivision (h)(2) of this section.
12 (19) The State Chief Information Officer who shall serve as a nonvoting
13 member.

14 Council members serving ex officio pursuant to this subsection shall serve terms
15 coinciding with their respective offices. Members serving by virtue of their appointment
16 by a standing committee of the Council shall serve for the duration of their appointment
17 by the standing committee.

18 (e) Meetings. – The Council shall meet at least quarterly on the call of the Chair.
19 The Management and Operations Committee shall conduct the Council's business
20 between quarterly meetings.

21 (f) Administration. – The Director of the CGIA shall be secretary of the Council
22 and provide staff support as it requires.

23 (g) Reports. – The Council shall report at least annually to the Governor and to
24 the Joint Legislative Commission on Governmental Operations.

25 (h) Committees. – The Council may establish work groups, as needed, and shall
26 oversee the standing committees created in this subsection. Each standing committee
27 shall adopt bylaws, subject to the Council's approval, to govern its proceedings. Except
28 as otherwise provided, the Chair of the Council shall appoint the standing committee
29 chairs from representatives listed in subsections (b), (c), or (d) of this section. The
30 standing committees are as follows:

31 (1) State Government GIS User Committee. – Membership shall consist of
32 representatives from all interested State government departments. The
33 Chair of the Council shall appoint the committee chair from one of the
34 State agencies represented in subsection (d) of this section.

35 (2) Local Government Committee. – Membership shall consist of
36 representatives from organizations and professional associations that
37 currently serve or represent local government GIS users, the North
38 Carolina League of Municipalities, the North Carolina Association of
39 County Commissioners, and Lead Regional Organizations. The
40 committee shall elect one of its members to the Council.

41 (3) Federal Interagency Committee. – Membership shall consist of
42 representatives from all interested federal agencies and Tribal

governments with an office located in North Carolina. The appointed federal representative serving pursuant to subdivision (b)(4) of this section shall serve as the Chair of the Federal Interagency Committee.

(4) Statewide Mapping Advisory Committee. – This committee shall consolidate statewide mapping requirements and attempt to gain statewide support for financing cooperative programs. The committee shall also advise the Council on issues, problems, and opportunities relating to federal, State, and local government geospatial data programs.

(5) GIS Technical Advisory Committee. – This committee shall develop the statewide technical architecture for GIS and anticipate and respond to GIS technical opportunities and issues affecting State, county, and local governments in North Carolina.

(6) Management and Operations Committee. – This committee shall consider management and operational matters related to GIS and other matters that are formally requested by the Council. The committee membership shall consist of the Chair of the Council, the State Budget Officer, the chair of each of the standing committees of the Council, and other members of the Council appointed by the Chair.

"§ 143-727. Compensation and expenses of Council members; travel reimbursements.

Members of the Council shall serve without compensation but may receive travel and subsistence as follows:

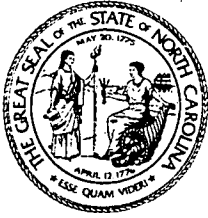
(1) Council members who are officials or employees of a State agency or unit of local government, in accordance with G.S. 138-6.

(2) All other Council members at the rate established in G.S. 138-5."

SECTION 2. The respective appointing authorities shall complete their appointments to the North Carolina Geographic Information Coordinating Council under G.S. 143-726(b) and (c), as enacted in Section 1 of this act, within 60 days of the date when this act becomes effective.

SECTION 3. This act shall not be construed to obligate the General Assembly to appropriate any funds to implement the provisions of this act. The provisions of this act shall be implemented from funds otherwise appropriated or available to the Office of the Governor.

SECTION 4. This act is effective when it becomes law.



SENATE BILL 895: Geographic Information Coordinating Council

BILL ANALYSIS

Committee: Senate Information Technology
Date: April 18, 2001
Version: Proposed Committee Substitute

Introduced by: Senator Reeves
Summary by: Brenda J. Carter
and Barbara Riley.

SUMMARY: *Senate Bill 895 establishes the Geographic Information Coordinating Council within the Office of the Governor.*

BILL ANALYSIS: Senate Bill 895 establishes the North Carolina Geographic Information Coordinating Council to develop policies regarding the use of geographic information, GIS systems, and other related technologies. (A GIS is a computer system capable of assembling, storing, manipulating, and displaying geographically referenced information, i.e. data identified according to their locations.) The responsibilities of the Council are set out in the statute, and the Council will be located in the Office of the Governor for organizational, budgetary, and administrative purposes. The Center for Geographic Information and Analysis will staff the Council and its committees.

The Council will consist of up to 35 members, as prescribed in the statute. Appointments are by the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives. Membership will also include specified members of the Council of State and the Governor's cabinet.

The Council will meet at least quarterly, and is required to report at least annually to the Governor and the Joint Legislative Commission on Governmental Operations. The Council will have 6 named standing subcommittees.

The appointing authorities are directed to complete their appointments within 60 days of the effective date of the bill. The bill is effective when it becomes law.

The proposed committee substitute clarifies that the Management and Operations Committee of the Council is to be composed of members of the Council only.

S895-SMRV-001

North Carolina Geographic Information Coordinating Council

Report on Achievements 1995-2001

Mission: To improve the quality, access, cost-effectiveness and utility of NC's geographic information and promote geographic information as a strategic resource for the State.

Authority

Executive Order 16, Governor James B. Hunt (amendments include Executive Order 124, Executive Order 142, and Executive Order 166 that expires December 31, 2001)

Membership

The 25 members of the Geographic Information Coordinating Council include several Council of State members, nine cabinet officials, and the President of the University of North Carolina. Local governments and lead regional organizations are represented, as is the federal government and the non-government sector. Two user committees elect a representative to the Council from their groups.

Standing committees include separate user committees for state, local, and federal government GIS technology users. On-going business as it relates to technical standards is conducted by the GIS Technical Advisory Committee. The Statewide Mapping Advisory Committee makes recommendations for data acquisition and funding partnerships, and is the liaison with US Geological Survey, National Mapping Division.

Strategic Plan for Geographic Information Coordination in North Carolina

Adopted in 1994, the comprehensive Strategic Plan focuses on nine strategies and three outcomes to help North Carolina realize the full potential of a coordinated approach for the use of geographic information technology within the state. The three measurable strategic outcomes have been achieved: the North Carolina Geographic Data Clearinghouse, the Community Data Sharing Program with local governments and other agencies, and the Corporate Geographic Database, although a funding mechanism to guarantee long-term storage, archiving and maintenance remains an unresolved issue.

Partnerships

The Council fosters collaboration between all governments, universities and the public to achieve the best use of these data and the most efficient use of taxpayer dollars.

- **Data Sharing.** The GICC initially focused on data sharing partnerships among state agencies relative to creating the Corporate Geographic Database. Increased local government representation on the GICC has resulted in new data sharing partnerships with county and municipal governments throughout North Carolina.

- **Federal/State.** The GICC established one of the first cooperating partnerships with the Federal Geographic Data Committee (April 1995). The importance of this partnership plays out on numerous fronts involving the National Spatial Data Infrastructure and the Global Spatial Data Infrastructure.
- **Federal Grants.** The GICC has partnered on numerous successful federal grant applications with the Center for Geographic Information and Analysis, the Secretary of State's Office, the Department of Community Colleges, Appalachian State University and various county governments, such as Johnston, Wake, Moore, Guilford. Since 1995 the annual grant awards have helped create the North Carolina Geographic Data Clearinghouse and assisted extensive data documentation by state agencies and more than 30 counties. Grants have also provided a means to conduct statewide surveys, a feasibility study for a GIS Technician certification program, and a delineation of public land boundaries in the state.
- **GIS in K-12 Education.** The Office of Environmental Education requested GICC support to promote use of GIS in classrooms with K-12 teachers through conferences and Science Teachers Association meetings. Summer GIS workshops have been conducted for teachers since 1995.
- **Consolidated Survey of Local Government.** The Council coordinated a 1997 comprehensive survey of local government GIS that combined requests from many state agencies and the NC Property Mappers Association into a single form.

Significant Issues

The Geographic Information Coordinating Council was always at the forefront of issues confronting local and state agencies, and was routinely involved in national and international discussions about policy, standards and future direction of this technology. Issues included Public Records legislation relative to the collection and dissemination of geographic information; privacy of an individual's records; North Carolina's seaward boundary; personnel classifications for GIS workers; requirements for using the Qualifications Based Selection process in local government procurement of aerial photography; and changes in state law relative to certification of photogrammetrists and its impact on local government GIS operations.

Outreach and Actions

- **Video teleconferencing.** Used extensively to reach large statewide audiences for issue-oriented meetings, such as the Digital Content Standards for Spatial Metadata and Public Records Law as it pertains to GIS in local government. (1995 forward)
- **North Carolina State Fair, Cyberspace Exhibit.** Showcase for citizens to see and access state and local government GIS data. Internet mapping capabilities and hands-on demonstrations change each year. (1995 forward)
- **Exhibitor at League of Municipalities annual conventions.** (1996 forward)

- North Carolina Geographic Information Systems Conferences. One of the nation's largest and most respected state conferences, the North Carolina conference attracts almost 1,000 participants to the biennial two-day event in Winston-Salem. The poster session, open to all governments, non-profits and universities, remains one of the most popular features. Local governments compete to win the prestigious G. Herbert Stout Award for Exemplary Use of GIS.
1996 Award winners: Johnston County, the Town of Garner
1999 Award winner: City of Winston-Salem
2001 Award winner: Mecklenburg County
- National GIS Day. Educational events are developed by local and state government agencies and promoted through the Internet to introduce children and the public to GIS. Events include a wide range of activities from the City of Raleigh's demonstration in *Exploris* Museum that maps the Governor's route to buy a Krispy Kreme donut to a GIS teach-in for 200 middle- and high-school students using the North Carolina Information Highway. (1999, 2000)

Official Policies

- Corporate Geographic Database Access Policy
 Adopted November 1995 *Main provisions include on-line access; cooperative agreements, metadata [data about the data] for each data layer, linkage to North Carolina Geographic Data Clearinghouse, user fees when applicable, access compliant with NC Public Records Law G.S. 132*
- Statement of Direction for North Carolina Corporate Geographic Database: Horizontal Reference, Datum and Unit of Measure
 Adopted March 1998 *Main provisions include the adoption of the North American Datum, 1983, North Carolina State Plane Coordinate System, metric units as the official horizontal positioning reference for state geographic data.*
- Statement of Direction for Digital Orthoimagery
 Adopted October 1994, revised 1996 *Main provisions emphasize that statewide digital orthoimagery [aerial photography] can provide a uniform base map for the state if it reflects a single time period and meets certain mapping requirements. This statement supports the completion of the processing of the 1993 black and white photography and the acquisition of 1998 color infrared photography.*

Standards Adopted

A Standard Classification System for the Mapping of Land Use and Land Cover

Published 1994

Statewide Global Position System (GPS) Data Collection and Documentation Standards

Adopted October 1994, revised 2000

Federal Geographic Data Committee Content Standards for Digital Geospatial Metadata

Adopted February 1996

Geographic Data Content Standard for Water Distribution and Sanitary Sewer Systems
Adopted December 1997 (This standard was applied to a \$1.3 million statewide project to inventory and map 2,624 public water and sewer systems in rural NC.)

A Strategic Resource: The Corporate Geographic Database

The Corporate Geographic Database has been evolving for many years and is one of the richest data resources in the nation. The following adaptations and data acquisitions were influenced by the work of the Geographic Information Coordinating Council.

- 1993—Black and white digital orthoimagery (*aerial photography*) was purchased through a cost-share initiative between the State of North Carolina, USGS, Natural Resource Conservation Service, and various state and federal partnerships. Legislative Appropriation covered a portion of the cost and provided the hardware acquisition for the Center for Geographic Information and Analysis to serve the large data files on-line.
- 1997—Conversion of the entire Corporate Geographic Database from horizontal controls datum NAD27 to NAD83, and to the North American vertical controls datum, NAVD88, per Council policy. The conversion also included a change of measurement system from English (*feet*) to metric (*meters*).
- 1997 forward—Focus on the completion of seven statewide data themes in the database: transportation, surface waters, geodetic controls, cadastral (*property ownership*), digital orthoimagery (*aerial photography*), elevation, and governmental units (*boundaries*). These base data layers (Framework) will be pieced together across the state using the *best* data available, which can be derived from local, state, or federal sources.
- 1998—Rural water systems and sanitary sewer inventory data from 75 counties is added to the GIS database. Based on the inventory, the NC Rural Center readjusted the upgrade costs to these systems at \$11.3 billion. Long-term maintenance and custodial responsibility of this database is an outstanding issue.
- 1998—Color Infrared digital orthoimagery (*aerial photography*) was purchased through a cost-share initiative between the State of North Carolina and US Geological Survey. Several state agencies, as well as the City of Greensboro, are contributing funds to digitally process the photography.

NC Geographic Data Clearinghouse

One of the first states to build an Internet-based clearinghouse (1995), North Carolina received grant extensions to support work on a robust search mechanism to help people find geographic data about specific locations within the state. Several additional grants added new capabilities, and new local government data providers as they constructed metadata required for their inclusion in the Clearinghouse. Internet-based tutorials on how to construct metadata are on the Clearinghouse web site www.cgia.state.nc.us

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. PCS

H. B. No. _____

DATE 7/19/01

S. B. No. S895-CSRF-25(v.1)

Amendment No. _____

(to be filled in by
Principal Clerk)

COMMITTEE SUBSTITUTE _____

(Rep.) LUEBKE
(Sen.) _____

1 moves to amend the bill on page 4, line 31

2 () WHICH CHANGES THE TITLE
3 by rewriting that line to read:

4 _____

5 _____

6 "Section B. This act shall not be construed to
7 obligate the General Assembly to appropriate
8 any funds to implement the provisions of
9 this act. The provisions of this act
10 shall be implemented from funds
11 otherwise appropriated or available to
12 the Office of the Governor."

13 _____
14 Section H. This act is effective when it becomes law."

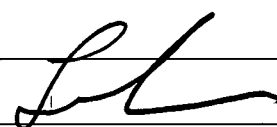
15 _____

16 _____

17 _____

18 _____

19 _____

SIGNED 

ADOPTED _____ FAILED _____ TABLED _____

State Government

Name of Committee

Date

NAME _____

FIRM OR AGENCY AND ADDRESS

Lee Mandell

NCLM

Jeff Brown

CG/A

DIANA HALES

CGIA

2002

**HOUSE
STATE GOVERNMENT**

MINUTES

NORTH CAROLINA HOUSE OF REPRESENTATIVES

STATE GOVERNMENT COMMITTEE

2002 SHORT SESSION

NORTH CAROLINA GENERAL ASSEMBLY

CHAIR

Representative Mary L. Jarrell

VICE-CHAIR

Representative Paul Luebke

STAFF ATTORNEY

Barbara Riley

COMMITTEE ASSISTANT

Edna Lee Collar

**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE STATE GOVERNMENT COMMITTEE
2001 – 2002 SESSION**



**Rep. Jarrell
(Chair)**



**Rep. Luebke
(Vice-Chair)**



Rep. Adams



Rep. Baker



Rep. Bonner



Rep. Brubaker



Rep. Church



Rep. Coates



Rep. Cox



Rep. M. Crawford



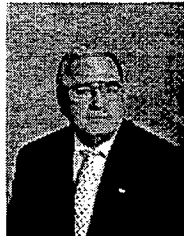
Rep. Creech



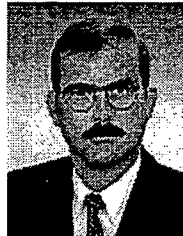
Rep. Gibson



Rep. Hensley



Rep. Holmes



Rep. McComas



Rep. Owens



Rep. Preston



Rep. Teague



Rep. West

HOUSE COMMITTEE ON STATE GOVERNMENT
2001-2002 Session

MEMBER	ASSISTANT	PHONE	OFFICE	SEAT
JARRELL, Mary, Chair	Edna Lee Collar Committee Assistant	733-5749	2219	22
LUEBKE, Paul, Vice Chair	Joyce Harris	733-7663	529	44
Alma Adams	Rhonda Towns	733-5902	542	67
Rex Baker	Ann Misenheimer	733-5787	608	73
Donald Bonner	Lucy Johnson	733-5803	1313	83
Harold Brubaker	Cindy Coley	715-4946	1229	39
Walter Church	Joyce Fuller	733-5805	1311	33
Lorene Coates	Melissa Lennon	733-5784	633	92
Leslie Cox	Ferebee Stainback	733-5746	1220	15
Mark Crawford	Denise Roberts	733-5605	1209	89
Billy Creech	Rhonda Todd	715-4466	602	88
Pryor Gibson	Shirlyn MacPherson	715-3007	419A	108
Bob Hensley	Margie Penven	733-5780	610	79
George Holmes	Glenda Jacobs	733-5771	2119	41
Paul Luebke	Joyce Harris	733-7663	529	44
Danny McComas	Jayne Walton	733-5786	606	109
Bill Owens	Linda A. Johnson	733-0010	632	9
Jean Preston	Dot Barber	733-5706	603	78
W. B. Teague	Anna Kidd	733-5530	1017	94
Roger West	Linda C. Johnson	733-5859	1004	106
Barbara Riley, Staff Attorney		733-2578	545	

(Name of Committee)

[illegible]

North Carolina General Assembly
Through House Committee on
State Government

Date: 10/14/2002
Time: 12:54
Page: 001 of 002
Leg. Day: H-256/S-242

2001-2002 Biennium

Bill	Introducer	Short Title	Latest Action	In Date	Out Date
\$ H0002	Owens	RECIPROCAL PREFERENCE FOR BIDS	H Re-ref Com On State Government	02-20-01	
H0003	Owens	ENCOURAGE RECIPROCITY IN BIDDING PROCESS.	*HR Ch. SL 2001-240	02-20-01	03-19-01
H0085	Sutton	INDIAN CULTURAL CENTER AMENDMENT.	*HR Ch. SL 2001-89	02-20-01	03-22-01
H0094	Owens	QUALITY ASSURANCE PROGRAM.	*HF Postponed Indefinitely	02-20-01	03-19-01
H0143	Tucker	WETLANDS REIMBURSEMENT/LOCAL TAX BASE.	*H Ref To Com On Finance	02-15-01	04-16-01
H0332	Tolson	ENERGY IMPROVEMENT PROGRAM.	*HR Ch. SL 2001-338	03-01-01	03-26-01
H0334	Luebke	EXEMPTION FOR INTERNS.	*HR Ch. SL 2001-285	03-01-01	03-15-01
H0355	Dockham	STATE BUILDING CODE CHANGES.	*HR Ch. SL 2001-421	03-01-01	04-16-01
H0374	Culpepper	STATE BOXING COMMISSION.	*HF Postponed Indefinitely	03-01-01	03-26-01
H0382	Russell	ADOPT STATE FRUIT AND BERRIES.	*HR Ch. SL 2001-488	03-01-01	03-22-01
H0389	Tolson	ENERGY CONSERVATION FOR STATE BUILDINGS.	H Ref to the Com on State Government and, if favorable, to the Com on Appropriations	03-01-01	
H0409=	Earle	REVIEW STATE GOVERNMENT EMPLOYMENT.	H Ref To Com On State Government	03-01-01	
H0429	Jeffus	CLARIFY SB25.	*HR Ch. SL 2001-202	03-01-01	04-05-01
H0435=	Weiss	GOVERNOR MOREHEAD SCHOOL STAFFING CHANGES.	*HR Ch. SL 2001-412	03-01-01	03-29-01
\$ H0445	Gibson	CODE OFFICIALS PROFESSIONALISM.	HF Postponed Indefinitely	03-01-01	03-29-01
H0623	McMahan	PUBLIC CONSTRUCTION LAW CHANGES.	*H Pres. To Gov. 10/4/2002	03-15-01	04-19-01
H0709	Baker	ADOPT CAROLINA LILY AS STATE WILDFLOWER.	*H Ref To Com On Rules and Operations of the Senate	03-28-01	04-09-01
H0740=	Morgan	LOB SNACK BAR OPERATED BY LSC.	HR Ch. SL 2001-41	03-22-01	03-29-01
H1060=	Gibson	ENV. REMEDIATION NOT CAPITAL IMPROVEMENT.	H Re-ref Com On Agriculture/Environment/Natural Resources	04-10-01	04-19-01
H1272=	Tolson	ENERGY CONSERVATION/PILOT PROGRAM.	*HR Ch. SL 2001-415	04-12-01	04-24-01
H1295	Luebke	STATE EMPLOYEE PAY PERIODS.	HF Postponed Indefinitely	04-12-01	04-19-01
H1309	Gibson	REDUCE LITTER/INCREASE STATE RECYCLING.	*H Re-ref Com On State Government	06-04-01	
H1310	Gibson	EXEMPT EMPLOYEE CHANGES.	H Ref To Com On State Government	04-12-01	
H1534		DOMESTIC VIOLENCE	*HR Ch. SL 2002-105	06-05-02	07-03-02

'\$' indicates the bill is an appropriation bill.

A bold line indicates the bill is an appropriation bill.

'*' indicates that the text of the original bill was changed by some action.

'=' indicates that the original bill is identical to another bill.

North Carolina General Assembly
Through House Committee on
State Government

Date: 10/14/2002
Time: 12:54
Page: 002 of 002
Leg. Day: H-256/S-242

2001-2002 Biennium

Bill	Introducer	Short Title	Latest Action	In Date	Out Date
S1552	Redwine	COMM. RULEMAKING. LOCKSMITH LICENSURE EFFECTIVE DATE.	*HR Ch. SL 2002-63	06-06-02	07-03-02
S0210	Daniel G. Clodfe	SATELLITE ANNEXATION AGREEMENTS.	*HR Ch. SL 2001-438	03-26-01	08-30-01
S0264	Eleanor Kinnaird	REQUIRE STATE REPORTS DOUBLE-SIDED.	*HR Ch. SL 2001-144	03-22-01	05-03-01
S0302=	John H. Kerr III	ARTWORK CONSERVATION TREATMENTS-AB.	*HR Ch. SL 2001-127	04-25-01	05-03-01
S0342	David W. Hoyle	COUNTY BUILDING CODE REVISIONS.	*HR Ch. SL 2001-219	04-04-01	05-29-01
S0367	David W. Hoyle	LOW-INCOME HOUSING CREDIT PROGRAM EXEMPT/ APA.	*HR Ch. SL 2001-299	04-26-01	05-17-01
S0434=	Tony Rand	AUDITS FOR LOCAL GOVERNMENTS.	HR Ch. SL 2001-160	04-03-01	04-12-01
S0685=	Kay R. Hagan	UNC-GREENSBORO PARKING JURISDICTION.	*H Ref To Com On State Government	04-24-01	
S0895	Eric Miller Reev	GEOGRAPHIC INFORMATION COORDINATING COUNCIL.	*HR Ch. SL 2001-359	04-26-01	07-23-01
S1036	David W. Hoyle	BUILDING CODE SUBJECT TO APA.	*HR Ch. SL 2001-141	04-30-01	05-14-01
S1262		PARKS AND REC MUTUAL AID AGREEMENT AUTHORITY.	*HR Ch. SL 2002-111	07-16-02	08-19-02
S1441		EXEMPT ARBORETUM FROM UMSTEAD ACT.	*HR Ch. SL 2002-109	07-15-02	08-19-02

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HOUSE COMMITTEE ON STATE GOVERNMENT

Room 1425 LB

July 3, 2002

12:00 Noon

AGENDA

CALL TO ORDER

Representative Mary Jarrell, Chair

CONSIDERATION OF BILLS

**HB 1534 DOMESTIC VIOLENCE COMM. RULEMAKING
(Representative Sherrill)**

**HB 1552 LOCKSMITH LICENSURE EFFECTIVE DATE
(Representatives Redwine and Hurley)**

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON STATE GOVERNMENT
July 3, 2002

The House Committee on State Government met at 12:00 on Wednesday, July 3, 2002 in Room 1425 of the Legislative Building with the following members present: Representative Jarrell, Chair; Representative Luebke, Vice Chair; Representatives Baker, Bonner, Brubaker, Church, Coates, Cox, Crawford, McComas, Owens, Preston, and Teague. Barbara Riley, committee counselor, was also in attendance.

Representative Jarrell called the meeting to order and recognized the pages and staff. A visitor registration sheet is attached and made a part of the minutes.

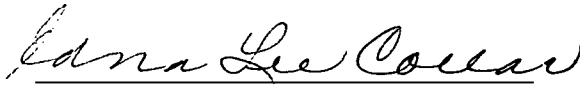
The following bills were considered:

HB 1524 – DOMESTIC VIOLENCE COMM. RULEMAKING. Representative Sherrill, sponsor, was recognized to explain the bill which implements a recommendation of the Joint Legislative Administrative Procedure Oversight Committee to grant the NC Domestic Violence Commission authority to adopt rules to approve abuser treatment programs. Representative Crawford made a motion to give HB 1524 a favorable report. Motion carried.

HB 1552 - LOCKSMITH LICENSURE EFFECTIVE DATE. A proposed committee substitute was adopted upon motion of Representative Coates. Representative Hurley, sponsor, was recognized to explain the bill. HB 1552 delays the effective date of the Locksmith Licensure Act (S.L. 2001-369; HB 942) until January 21, 2003 and allows the Board additional time to adopt temporary rules. Representative Church made a motion to give the committee substitute a favorable report, unfavorable to original bill. Motion carried.

The meeting adjourned at 12:30.


Rep. Mary L. Jarrell, Chair


Edna Lee Collar, Committee Assistant

**2002 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 1534 A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A
RECOMMENDATION OF THE JOINT LEGISLATIVE ADMINISTRATIVE
PROCEDURE OVERSIGHT COMMITTEE TO GRANT THE DOMESTIC VIOLENCE
COMMISSION AUTHORITY TO ADOPT RULES TO APPROVE ABUSER
TREATMENT PROGRAMS.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report as to the committee substitute bill (#), ☐ which changes the
title, unfavorable as to (the original bill) (Committee Substitute Bill #), (and
recommendation that the committee substitute bill #) be re-referred to the Committee
on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

5/13/02

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 1534

Short Title: Domestic Violence Comm. Rulemaking. (Public)

Sponsors: Representatives Sherrill; Walend, Bowie, M. Crawford, Johnson, Morris,
and Thompson.

Referred to: State Government.

June 5, 2002

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT
LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE
TO GRANT THE DOMESTIC VIOLENCE COMMISSION AUTHORITY TO
ADOPT RULES TO APPROVE ABUSER TREATMENT PROGRAMS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143B-394.16(a) reads as rewritten:

"(a) Powers and Duties. – The Commission shall have the following powers and
duties:

- (1) As recommended in the January 15, 1999, final report of the Governor's Task Force on Domestic Violence, to develop and recommend to the General Assembly the "Safe Families Act" and to promote adequate funding to promote victim safety and accountability of perpetrators.
- (2) To develop and recommend domestic violence training initiatives for law enforcement and judicial personnel and for all persons who provide treatment and services to domestic violence victims.
- (3) To develop training initiatives for and make recommendations and provide information and advice to State agencies in the areas of child protection, education, employer/employee relations, criminal justice, and subsidized housing.
- (4) To provide information and advice to any private entities that request assistance in providing services and support to domestic violence victims.
- (5) To design, coordinate, and oversee a statewide public awareness campaign.
- (6) To design and coordinate improved data collection efforts for domestic violence crimes and acts in the State.

(7) To research, develop, and recommend proposals of how best to meet the needs of domestic violence victims and to prevent domestic violence in the State.

(8) To adopt rules in accordance with Article 2A of Chapter 150B of the General Statutes for the approval of abuser treatment programs as provided in G.S. 50B-3(a)(12)."

SECTION 2. G.S. 50B-3(a) reads as rewritten:

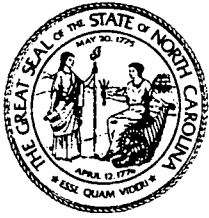
"(a) The court, including magistrates as authorized under G.S. 50B-2(c1), may grant any protective order or approve any consent agreement to bring about a cessation of acts of domestic violence. The orders or agreements may:

- (1) Direct a party to refrain from such acts;
- (2) Grant to a party possession of the residence or household of the parties and exclude the other party from the residence or household;
- (3) Require a party to provide a spouse and his or her children suitable alternate housing;
- (4) Award temporary custody of minor children and establish temporary visitation rights;
- (5) Order the eviction of a party from the residence or household and assistance to the victim in returning to it;
- (6) Order either party to make payments for the support of a minor child as required by law;
- (7) Order either party to make payments for the support of a spouse as required by law;
- (8) Provide for possession of personal property of the parties;
- (9) Order a party to refrain from doing any or all of the following:
 - a. Threatening, abusing, or following the other party,
 - b. Harassing the other party, including by telephone, visiting the home or workplace, or other means, or
 - c. Otherwise interfering with the other party;
- (10) Award costs and attorney's fees to either party;
- (11) Prohibit a party from purchasing a firearm for a time fixed in the order;
- (12) Order any party the court finds is responsible for acts of domestic violence to attend and complete an abuser treatment program if the program is approved by the ~~Department of Administration~~, Domestic Violence Commission; and
- (13) Include any additional prohibitions or requirements the court deems necessary to protect any party or any minor child."

SECTION 3. G.S. 15A-1343 (b1)(9a) reads as rewritten:

"(9a) Attend and complete an abuser treatment program if (i) the court finds the defendant is responsible for acts of domestic violence and (ii) the program is approved by the ~~Department of Administration~~, Domestic Violence Commission."

SECTION 4. This act is effective when it becomes law.



HB 1534: Domestic Violence Commission Rule-making

BILL ANALYSIS

Committee: House State Government
Date: July 1, 2002
Version: 1st Edition

Introduced by: Rep. Sherrill
Summary by: Karen Cochrane-Brown
Committee Counsel

SUMMARY: *This bill implements a recommendation of the Joint Legislative Administrative Procedure Oversight Committee to grant the NC Domestic Violence Commission authority to adopt rules to approve abuser treatment programs.*

CURRENT LAW: In 1995, the General Assembly authorized the courts, in domestic violence cases, to order a person to attend an "abuser treatment program if the program is approved by the Department of Administration." The law did not give the Department specific rule-making authority, nor did it provide any guidance about the standards to be applied to these programs. The Secretary of the Department delegated the task of developing standards for the programs to the N.C. Council for Women. The Council formed a committee, which contained representatives from various interest groups, including the providers of abuser treatment, the Coalition Against Domestic Violence, the Division of Social Services, and the Department's legal counsel. In the 2000 Appropriations Act, the Department was given temporary rule-making authority to "approve abuser treatment programs that apply to the NC Council for Women." Temporary rules were adopted, and the agency proceeded with permanent rule-making. However, the Rules Review Commission staff has said that the rules cannot be approved in the current form, and the rules have been withdrawn.

In 1999, the General Assembly created the Domestic Violence Commission, which is housed in the Department of Administration for organizational, budgetary, and administrative purposes and staffed by the Council for Women. The purpose of the Commission is to:

- Assess statewide needs related to domestic violence.
- Assure that necessary services, policies and programs are provided to those in need.
- Coordinate and collaborate with the NC Council for Women in strengthening the existing domestic violence programs, and in establishing new domestic violence programs.

Although the legislature clearly expressed its intent that the Department of Administration should have authority to approve abuser treatment programs, it did not give the Department specific permanent rule-making authority to establish standards and guidelines for the programs.

BILL ANALYSIS: This bill would authorize the newly created Domestic Violence Commission to adopt rules to approve abuser treatment programs. Given the statutory purpose of the Commission, it would have greater expertise with regard to implementing the policy of the General Assembly on this issue than the Department of Administration. The Commission would be required to comply with the APA's rule-making provisions, and the rules would be subject to legislative disapproval, if approved by the Rules Review Commission.

In addition, the Domestic Violence Commission will have the ability to adopt temporary rules to approve abuser treatment programs pursuant to G.S. 150B-21.1(a)(2) (the effective date of a recent act of the General Assembly). This act is effective when it becomes law.

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DOMESTIC VIOLENCE COMMISSION
JUNE 2002

**2002 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☐ Committee Substitute for

H.B. 1552 A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A
RECOMMENDATION OF THE JOINT LEGISLATIVE ADMINISTRATIVE
PROCEDURE OVERSIGHT COMMITTEE TO DELAY THE EFFECTIVE DATE OF
THE LOCKSMITH LICENSING ACT AND TO ALLOW THE LOCKSMITH LICENSING
BOARD TO ADOPT TEMPORARY RULES.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.

☒ With a favorable report as to the committee substitute bill (#), ☐ which changes the
title, unfavorable as to (the original bill) (~~Committee Substitute Bill #~~), (and
~~recommendation that the committee substitute bill #~~) be re-referred to the Committee
on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

5/13/02

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

H

1

HOUSE BILL 1552

Short Title: Locksmith Licensure Effective Date.

(Public)

Sponsors: Representatives Redwine and Hurley (Primary Sponsors).

Referred to: State Government.

June 6, 2002

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT
LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE
TO DELAY THE EFFECTIVE DATE OF THE LOCKSMITH LICENSING ACT
AND TO ALLOW THE LOCKSMITH LICENSING BOARD TO ADOPT
TEMPORARY RULES.

The General Assembly of North Carolina enacts:

SECTION 1. Section 3 of S.L. 2001-369 reads as rewritten:

"**SECTION 3.** G.S. 74F-5 and G.S. 74F-6, as enacted in Section 1 of this act, and
Section 3 of this act are effective when the act becomes law. The remainder of the act
becomes effective ~~July 1, 2002~~, January 1, 2003."

SECTION 2. Notwithstanding G.S. 150B-21.1(a)(1), the North Carolina
Locksmith Licensing Board may adopt temporary rules to implement S.L. 2001-369
until January 1, 2003.

SECTION 3. Section 1 of this act becomes effective August 16, 2001. The
remainder of this act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 1552
PROPOSED COMMITTEE SUBSTITUTE H1552-PCS6451-RF-39

Short Title: Locksmith Licensure Effective Date.

(Public)

Sponsors:

Referred to:

June 6, 2002

1 A BILL TO BE ENTITLED
2 AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT
3 LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE
4 TO DELAY THE EFFECTIVE DATE OF THE LOCKSMITH LICENSING ACT
5 AND TO ALLOW THE LOCKSMITH LICENSING BOARD TO ADOPT
6 TEMPORARY RULES.

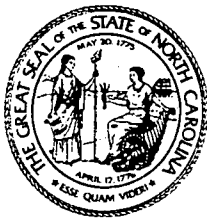
7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** Section 3 of S.L. 2001-369 reads as rewritten:

9 "SECTION 3. G.S. 74F-5 and G.S. 74F-6, as enacted in Section 1 of this act, and
10 Section 3 of this act are effective when the act becomes law. The remainder of the act
11 becomes effective ~~July 1, 2002~~ January 1, 2003."

12 **SECTION 2.** Notwithstanding G.S. 150B-21.1(a)(2), the North Carolina
13 Locksmith Licensing Board may adopt temporary rules to implement S.L. 2001-369
14 until January 1, 2003.

15 **SECTION 3.** Section 1 of this act becomes effective August 16, 2001. The
16 remainder of this act is effective when it becomes law.



HB1552: Locksmith Licensure Effective Date

BILL ANALYSIS

Committee: House State Government
Date: July 1, 2002
Version: 1st Edition

Introduced by: Reps. Redwine & Hurley
Summary by: Mary Shuping
Committee Staff

SUMMARY: *HB 1552 bill delays the effective date of the Locksmith Licensure Act [S.L. 2001-369; HB 942] until January 1, 2003 and allows the Board additional time to adopt temporary rules.*

CURRENT LAW: S.L. 2001-369, Locksmith Licensure, requires all persons performing locksmith services in the State to be licensed. The act established the Locksmith Licensing Board and established qualifications and fees for licensure. The sections of the act establishing the Board and the Board's powers and duties became effective August 16, 2001 in order to allow the Board to begin adopting rules for licensure. The sections of the act requiring licensure, including the section which provides that performing locksmith services without a license is a Class 3 misdemeanor, become effective July 1, 2002.

ISSUE: The board was only fully appointed on April 3, 2002 and has not yet met; therefore, there are no rules for licensure requirements nor are there any procedures for "grandfathering in" locksmiths who have been in practice for at least two consecutive years. However, on July 1, 2002, any person who performs locksmith services must be licensed by the Board or they will be guilty of a Class 3 misdemeanor. The period of time the Board had to adopt temporary rules may have already expired (normally 6 months from the effective date of the act (August 16, 2001)). Since no rules have been adopted anyone performing locksmith services after June 30, 2002 will be guilty of a Class 3 misdemeanor until the Board is able to issue licenses.

BILL ANALYSIS: House Bill 1552 delays the effective date of the Locksmith Licensure act and gives the Board additional time to adopt temporary rules.

Sections 1 & 3 delay the effective date of licensure from July 1, 2002 until January 1, 2003.

Section 2 gives the Board additional time to adopt temporary rules to implement the act.

VISITOR REGISTRATION SHEET

State Government

Name of Committee

July 3, 2002

Date 4

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

NAME _____

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Nce ASDV

Brooks Sanner

DOA

Leslie Star Street

CPW / DVC

Katie Hunn

NC star watch

Bohly Bryan

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Koz J. Sweet

Nece

Sara Reuns

Rep. Webke

Rendahl S. Ed

Revised S. Ch. and Associate

Laura Buss

NeLocksmith Licensing Board

John F. Kennedy

NCLB

Stephanie Mansur

NCAR

Michael Houser

Insider

Joona Stevens

nursing

HOUSE COMMITTEE ON STATE GOVERNMENT

Room 415 LOB

August 15, 2002

15 minutes after Session

AGENDA

CALL TO ORDER

Representative Mary Jarrell, Chair

CONSIDERATION OF BILLS

**SB 1262 PARKS AND REC MUTUAL AID AGREEMENT AUTHORITY
(Senator Albertson)**

**SB 1441 EXEMPT ARBORETUM FROM UMSTEAD ACT
(Senator Carter)**

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON STATE GOVERNMENT
August 15, 2002

The House Committee on State Government met 15 minutes after Session on Thursday, August 15, 2002 in Room 415 of the Legislative Office Building with the following members present: Representative Jarrell, Chair; Representative Luebke, Vice Chair; Representatives Baker, Bonner, Coates, Crawford, Gibson, Hensley, Owens, and West. Barbara Riley, committee counselor, was also in attendance.

Representative Jarrell called the meeting to order and recognized the pages and staff. A visitor registration sheet is attached and made a part of the minutes.

The following bills were considered:

SB 1262 – PARKS AND REC. MUTUAL AID AGREEMENT AUTHORITY. This bill would allow special peace officers (Park Rangers) of the Department of Environment and Natural Resources to temporarily assist a requesting law enforcement in enforcing the laws of North Carolina. The amendment would also authorize the Department to enter into agreements to receive aid from law enforcement agencies. Senator Albertson, sponsor, was not available to explain the bill and it was discussed at length by members of the Committee. After comments in favor of the bill by Phil McKnelly of Parks and Recreation, and after a question and answer period, Representative Owens made a motion to give the bill a favorable report. Motion carried.

SB 1441 - EXEMPT ARBORETUM FROM UMSTEAD ACT. Senator Carter, sponsor, explained that SB 1441 would exempt certain activities of the University of North Carolina from the Umstead Act. This exemption would allow the University the University to operate gift shops, snack bars, and food services connected to public exhibition spaces as long as the resulting profits are used to support the operation of the public exhibition space.

An amendment to be incorporated into a committee substitute (copy attached to Minutes) was explained by Barbara Reilly, staff counsel. Representative Baker moved for its adoption and motion carried. Proposed committee substitute was offered and Representative Hensley made a motion to give the committee substitute a favorable report, unfavorable to original bill. Motion carried.

The meeting adjourned at 12:00.


Rep. Mary L. Jarrell, Chair


Edna Lee Collar, Committee Assistant

**2002 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☒ Committee Substitute for

S.B. 1262 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ENTER INTO MUTUAL AID AGREEMENTS WITH LAW ENFORCEMENT AGENCIES ON BEHALF OF ITS SPECIAL PEACE OFFICERS WHO HAVE BEEN DESIGNATED FOR THE PURPOSE OF ENFORCING THE LAW GOVERNING THE STATE PARKS SYSTEM, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report as to the committee substitute bill (#), ☐ which changes the title, unfavorable as to (the original bill) (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

5/13/02

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

2

SENATE BILL 1262
Judiciary I Committee Substitute Adopted 7/10/02

Short Title: Parks and Rec Mutual Aid Agreement Authority.

(Public)

Sponsors:

Referred to:

June 6, 2002

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE DEPARTMENT OF ENVIRONMENT AND
NATURAL RESOURCES TO ENTER INTO MUTUAL AID AGREEMENTS
WITH LAW ENFORCEMENT AGENCIES ON BEHALF OF ITS SPECIAL
PEACE OFFICERS WHO HAVE BEEN DESIGNATED FOR THE PURPOSE OF
ENFORCING THE LAW GOVERNING THE STATE PARKS SYSTEM, AS
RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

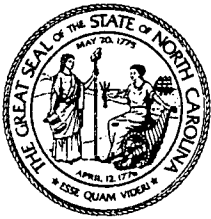
The General Assembly of North Carolina enacts:

SECTION 1. Article 1A of Chapter 113 of the General Statutes is amended
by adding a new section to read:

"§ 113-28.2A. Cooperation between law enforcement agencies.

Special peace officers employed by the Department of Environment and Natural
Resources are officers of a "law enforcement agency" for purposes of G.S. 160A-288,
and the Department shall have the same authority as a city or county governing body to
approve cooperation between law enforcement agencies under that section."

SECTION 2. This act is effective when it becomes law.



BILL ANALYSIS

SENATE BILL 1262: Parks and Rec. Mutual Aid Agreement Authority

Committee: House State Government
Date: July 9, 2002
Version: Second Edition

Introduced by: Sen. Albertson; Clodfelter and Odom.
Summary by: H. Alan Pell
Committee Counsel

SUMMARY: *This bill would allow special peace officers (Park Rangers) of the Department of Environment and Natural Resources to temporarily assist a requesting law enforcement agency in enforcing the laws of North Carolina. The amendment would also authorize the Department to enter into agreements to receive aid from law enforcement agencies. The act is effective when it becomes law.*

CURRENT LAW:

The director or chief officer of a municipal police department, a county police department, or a sheriff's department, may enter into agreements with other like agencies to provide officers, equipment, or supplies. The assistance (including undercover work) is in accordance with rules, policies, or guidelines that have been officially adopted by the providing agency's governing body. Officers who are assisting other agencies have the same jurisdiction, powers, rights, privileges and immunities as officers of the requesting agency. The requesting agency has operational control over assisting officers; personnel and administrative matters remain in the control of the providing agency.

Any local law enforcement agency may temporarily provide assistance to the Department of Environment and Natural Resources (or any other State law enforcement agency) in enforcing State laws. Generally, State law enforcement agencies are authorized to provide assistance to local agencies under limited circumstances, *i.e.*, the local officers are: striking, involved in a work slow-down, resigned in mass, or otherwise refusing to fulfill their obligations. State law enforcement agencies are specifically authorized to assist local law enforcement agencies in enforcing the controlled substances laws.

The following agencies are eligible to enter into aid agreements with local law enforcement agencies: campus law enforcement agencies, college or university company police officers, commissioned by the Attorney General, and agencies appointed under municipal authority to provide airport security.

BILL ANALYSIS: This bill would amend the law to allow the Department to provide personnel and assistance to a requesting law enforcement agency to assist that agency in enforcing State laws. While working under the authority of this section, a special peace officer would have the same jurisdiction, powers, rights, privileges, and immunities as an officer of the requesting agency. The referenced statute in the bill (G.S. 113-28(a)) is the authorizing statute for the commissioning of State Park Rangers.

BACKGROUND: The Department of Natural Resources is authorized to apply to the Governor to have designated employees commissioned as special peace officers. Special peace officers commissioned under the authorizing statute (Park Rangers) meet the same standards as other sworn law enforcement officers, *e.g.*, municipal police officers.

S1262-SMRK-001

**2002 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Jarrell** (Chair/Chairs) for the Committee on **State Government**.

☒ Committee Substitute for
S.B. 1441 A BILL TO BE ENTITLED AN ACT TO EXEMPT CERTAIN ACTIVITIES OF
THE UNIVERSITY OF NORTH CAROLINA, INCLUDING THE NORTH CAROLINA
ARBORETUM, FROM THE UMSTEAD ACT.

- ☐ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☐ Finance ☐ ☐.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.
- ☐ With a favorable report as to the committee substitute bill (#), ☐ which changes the
title, unfavorable as to (the original bill) (Committee Substitute Bill #), (and
recommendation that the committee substitute bill #) be re-referred to the Committee
on .)
- ☒ With a favorable report as to House committee substitute bill (#), ☐ which changes
~~the title~~, unfavorable as to Senate committee substitute bill.
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

5/13/02

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

S

2

**SENATE BILL 1441
Commerce Committee Substitute Adopted 7/9/02**

Short Title: Exempt Arboretum From Umstead Act. (Public)

Sponsors:

Referred to:

June 18, 2002

A BILL TO BE ENTITLED
AN ACT TO EXEMPT CERTAIN ACTIVITIES OF THE UNIVERSITY OF NORTH
CAROLINA, INCLUDING THE NORTH CAROLINA ARBORETUM, FROM
THE UMSTEAD ACT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 66-58(b) reads as rewritten:

"(b) The provisions of subsection (a) of this section shall not apply to:

...

(8a) The University of North Carolina with regard to the operation of gift shops, snack bars, and food service facilities connected to any of The University of North Carolina's public exhibition spaces, including the North Carolina Arboretum, provided that the resulting profits are used to support the operation of the public exhibition space.

...

(20) The Department of Transportation, or any nonprofit lessee of the Department, or The University of North Carolina for the sale of books, crafts, gifts, and other tourism-related items at visitor centers or public exhibition spaces owned by the ~~Department~~ Department or The University of North Carolina.

...."

SECTION 2. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

D

SENATE BILL 1441
Commerce Committee Substitute Adopted 7/9/02
PROPOSED HOUSE COMMITTEE SUBSTITUTE S1441-CSRF-43 [v.1]

8/14/2002 5:48:25 PM

Short Title: Exempt Arboretum From Umstead Act. (Public)

Sponsors:

Referred to:

June 18, 2002

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT CERTAIN ACTIVITIES OF THE UNIVERSITY OF NORTH
3 CAROLINA, INCLUDING THE NORTH CAROLINA ARBORETUM, FROM
4 THE UMSTEAD ACT.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 66-58(b) reads as rewritten:

7 "(b) The provisions of subsection (a) of this section shall not apply to:

8 ...

9 (8a) The University of North Carolina with regard to the operation of gift
10 shops, snack bars, and food service facilities connected to any of The
11 University of North Carolina's public exhibition spaces, including the
12 North Carolina Arboretum, provided that the resulting profits are used
13 to support the operation of the public exhibition space.

14"

15 **SECTION 2.** This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

D

SENATE BILL 1441
Commerce Committee Substitute Adopted 7/9/02
PROPOSED HOUSE COMMITTEE SUBSTITUTE S1441-PCS4758-RF-43

Short Title: Exempt Arboretum From Umstead Act.

(Public)

Sponsors:

Referred to:

June 18, 2002

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT CERTAIN ACTIVITIES OF THE UNIVERSITY OF NORTH
3 CAROLINA, INCLUDING THE NORTH CAROLINA ARBORETUM, FROM
4 THE UMSTEAD ACT.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 66-58(b) reads as rewritten:

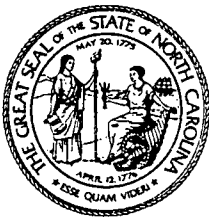
7 "(b) The provisions of subsection (a) of this section shall not apply to:

8 ...

9 (8a) The University of North Carolina with regard to the operation of gift
10 shops, snack bars, and food service facilities physically connected to
11 any of The University of North Carolina's public exhibition spaces,
12 including the North Carolina Arboretum, provided that the resulting
13 profits are used to support the operation of the public exhibition space.

14 "

15 **SECTION 2.** This act is effective when it becomes law.



SENATE BILL 1441: Exempt Arboretum From Umstead Act

BILL ANALYSIS

Committee: House State Government
Date: July 9, 2002
Version: PCS

Introduced by: Senator Carter
Summary by: Barbara Riley and Wendy Graf
Committee Counsel

SUMMARY:

Senate Bill 1441 would exempt certain activities of the University of North Carolina from the Umstead Act.

CURRENT LAW:

The Umstead Act (G.S. 66-58) makes it unlawful for any unit, department or agency of the State to engage in the sale of merchandise, to engage in the operation of eating establishments, or to provide services customarily rendered by private enterprises, in competition with citizens of the State.

BILL ANALYSIS:

Senate Bill 1441 would exempt the University of North Carolina from G.S. 66-58 with regard to the University's public exhibition spaces, including the North Carolina Arboretum. This exemption would allow the University to operate gift shops, snack bars, and food services connected to public exhibition spaces as long as the resulting profits are used to support the operation of the public exhibition space.

The original bill also would have amended a current exemption under G.S. 66-58 for the Department of Transportation, which allows the Department to sell books, crafts, gifts, and other tourism-related items at visitor centers, and have allowed the University of North Carolina to sell these items at public exhibition spaces owned by the University. This second provision was redundant and has been removed from the substitute bill.

The act would be effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____

S. B. No. 1441

COMMITTEE SUBSTITUTE ☒

DATE 8/15/02

Amendment No. _____

(to be filled in by
Principal Clerk)

Rep.) Baker
)
Sen.) _____

1 moves to amend the bill on page 1, line 10

2 () WHICH CHANGES THE TITLE

3 by _____

4 adding on line 10 bt the
5 words "facilities" and "connected"
6
7 the word "physically".

8 _____

9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

15 _____

16 _____

17 _____

18 _____

19 _____

SIGNED [Signature]

ADOPTED _____ FAILED _____ TABLED _____

VISITOR REGISTRATION SHEET

STATE GOV.

Name of Committee

8/15/02

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Letitia Withmon

NC State Watch

Phil McKnelly

DENR / DPR

Eddie Caldwell

NC Sheriff's Assn / NC Law Enforcement

RULE 36(a)

Linda A. Johnson (Rep. Owens)

From: Edna Lee Collar (Rep. Jarrell)
Sent: Wednesday, September 25, 2002 10:30 AM
To: Rep. Bill Owens
Subject: SB 2 RECIPROCAL PREFERENCE FOR BIDS
Importance: High

MEMORANDUM

DATE: September 25, 2002
TO: Representative Bill Owens
FROM: Representative Mary Jarrell
SUBJECT: Bills Pending in the Committee on State Government

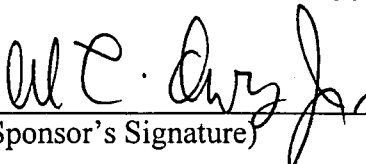
Pursuant to House Rule 36(a) all House bills and resolutions shall be reported from the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair(s) of the standing committee or permanent subcommittee that the bill not be considered.**

If you would like to request that your bill not be considered by the Committee on State Government, for your convenience, a printed form is included at the bottom of this page. Please complete, sign and return the form to Room 2219 LB. This form may not be e-mailed because it requires the sponsor's signature.

MEMORANDUM

TO: Representative Mary Jarrell
FROM: Representative Bill Owens
Bill Sponsor
SUBJECT: HB2 RECIPROCAL PREFERENCE FOR BIDS (Short Title)

I request that HB2 not be considered by the Committee on State Government.


(Sponsor's Signature)

10-01-02

Date

Gayle Christian (Rep. Tolson)

From: Edna Lee Collar (Rep. Jarrell)
Sent: Wednesday, September 25, 2002 10:50 AM
To: Rep. Joe Tolson
Subject: HB 389 ENERGY CONSERVATION FOR STATE BUILDINGS
Importance: High

MEMORANDUM

DATE: September 25, 2002
TO: Representative Joe Tolson
FROM: Representative Mary Jarrell
SUBJECT: Bills Pending in the Committee on State Government

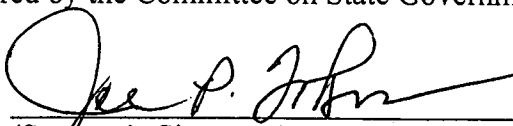
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MEMORANDUM

TO: Representative Mary Jarrell
FROM: Representative Joe Tolson
Bill Sponsor
SUBJECT: H 389 ENERGY CONSERVATION FOR STATE BUILDINGS (Short Title)

I request that HB 389 not be considered by the Committee on State Government:


(Sponsor's Signature)

Date: 10/2/2002

Rep. Beverly Earle

From: Edna Lee Collar (Rep. Jarrell)
Sent: Wednesday, September 25, 2002 10:54 AM
To: Rep. Beverly Earle
Subject: HB 409 REVIEW STATE GOVERNMENT EMPLOYMENT

MEMORANDUM

DATE: September 25, 2002
TO: Representative Beverly Earle
FROM: Representative Mary Jarrell
SUBJECT: Bills Pending in the Committee on State Government

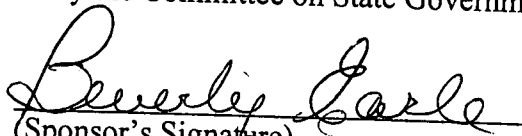
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MEMORANDUM

TO: Representative Mary Jarrell
FROM: Representative Beverly Earle
Bill Sponsor
SUBJECT: HB 409 REVIEW STATE GOVERNMENT EMPLOYMENT (Short Title)

I request that HB 409 not be considered by the Committee on State Government.


(Sponsor's Signature)

10-3-02 Date

Shirlyn MacPherson (Rep. Gibson)

From: Edna Lee Collar (Rep. Jarrell)
Sent: Wednesday, September 25, 2002 10:56 AM
To: Rep. Pryor Gibson
Subject: HB 1309 REDUCE LITTER/INCREASE STATE RECYCLING
Importance: High

MEMORANDUM

DATE: September 25, 2002
TO: Representative Pryor Gibson
FROM: Representative Mary Jarrell
SUBJECT: Bills Pending in the Committee on State Government

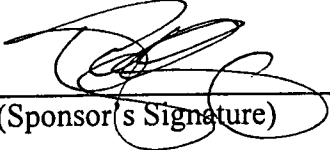
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MEMORANDUM

TO: Representative Mary Jarrell
FROM: Representative Pryor Gibson
Bill Sponsor
SUBJECT: HB 1309 REDUCE LITTER/INCREASE STATE RECYCLING (Short Title)

I request that HB 1309 not be considered by the Committee on State Government.


(Sponsor's Signature)

9/25/02

Date

9/25/2002

MEMORANDUM

DATE: October 2, 2002

TO: Representative Mary Jarrell

FROM: Representative Alice Underhill

SUBJECT: Bills Pending in the Committee on State Government

Pursuant to House Rule 36(a) all House bills and resolutions shall be reported from the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair(s) of the standing committee or permanent subcommittee that the bill not be considered.**

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MEMORANDUM

TO: Representative Mary Jarrell

FROM: Representative Alice Underhill
Bill Sponsor

SUBJECT: HB 1309, REDUCE LITTER/INCREASE STATE RECYCLING
(Short Title)

I request that HB 1309 not be considered by the Committee on State Government.

Alice G. Underhill
(Sponsor's Signature)

Oct. 2, 2002 Date

Shirlyn MacPherson (Rep. Gibson)

From: Edna Lee Collar (Rep. Jarrell)
Sent: Wednesday, September 25, 2002 11:02 AM
To: Rep. Pryor Gibson
Subject: HB 1310 EXEMPT EMPLOYEE CHANGES
Importance: High

MEMORANDUM

DATE: September 25, 2002
TO: Representative Pryor Gibson
FROM: Representative Mary Jarrell
SUBJECT: Bills Pending in the Committee on State Government

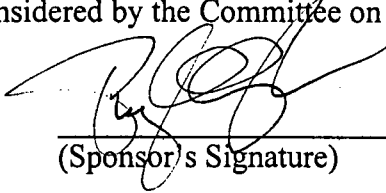
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MEMORANDUM

TO: Representative Mary Jarrell
FROM: Representative Pryor Gibson
Bill Sponsor
SUBJECT: HB 1310 EXEMPT EMPLOYEE CHANGES (Short Title)

I request that HB 1310 not be considered by the Committee on State Government.



(Sponsor's Signature)

9/25/02

Date

Vera Holshouser (Sen. Hagan)

Importance: High

MEMORANDUM

DATE: September 25, 2002
TO: Senator Kay Hagan
FROM: Representative Mary Jarrell
SUBJECT: Bills Pending in the Committee on State Government

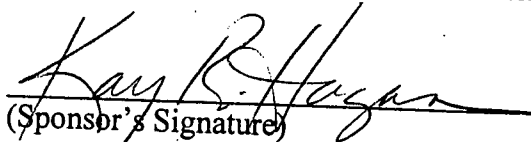
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MEMORANDUM

TO: Representative Mary Jarrell
FROM: Senator Kay Hagan
Bill Sponsor
SUBJECT: SB 685 UNC-GREENSBORO PARKING JURISDICTION (Short Title)

I request that SB 685 not be considered by the Committee on State Government.


(Sponsor's Signature)

9-25-02

Date