

2001-2002

**HOUSE
WAYS & MEANS**

MINUTES



**HOUSE STANDING COMMITTEE
ON
WAYS AND MEANS
2001 –2002 SESSIONS**

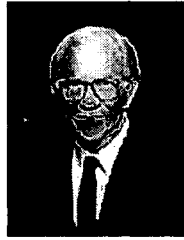
BOOK 1 of 1

Representative Cary Allred, Chairman

**Committee Counsel:
Jeff Hudson,
Research Division**

**Committee Assistant:
Jean Allred**

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE WAYS AND MEANS COMMITTEE
2001 – 2002 SESSION



Rep. Allred
Chair



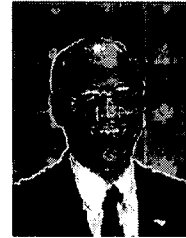
Rep. Blue



Rep. Bowie



Rep. Cox



Rep. Decker



Rep. Eddins



Rep. Haire



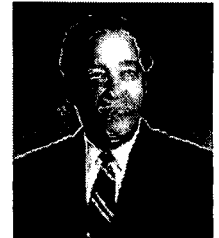
Rep. McMahan



Rep. Michaux



Rep. Morris



Rep. Nye



Rep. Oldham



Rep. Pope



Rep. Redwine



Rep. Starnes



Rep. Weiss

HOUSE COMMITTEE ON WAYS AND MEANS

2001/2002 SESSIONS


MEMBER	CLERK	PHONE	OFFICE	SEAT
Rep. Cary D. Allred, Chairman	Jean Allred, Committee Clerk	733-5878	611	26
Rep. Daniel "Dan" T. Blue	Lin Threatt	715-2528	1227	80
Rep. Joanne "Joni" Bowie	Sharon Gaudette	733-5877	538	77
Rep. Leslie Cox	Ferebee Stainback	733-5746	1220	15
Rep. Michael "Mike" P. Decker	Linda Hines	733-5988	1021	87
Rep. Rick L. Eddins	Dorie Monroe	733-5800	1319	74
Rep. Phillip "Phil" Haire	Sara Jane Lennard	715-3005	419B	47
Rep. Edwin "Ed" McMahan	Sharon Cram	733-5934	1140	54
Rep. H. M. "Mickey" Michaux	Anita Wilder	733-5772	1325	57
Rep. Mia Morris	Joy Feagin	733-5741	1315	65
Rep. Edd Nye	Jo Bobbitt	733-5477	639	1
Rep. Warren "Pete" Oldham	Delta Prince	715-2530	634	58
Rep. Art Pope	Barbara Rhodes	733-5809	539	53
Rep. E. David Redwine	Nancy Brantley	733-5829	635	19
Rep. Edgar V. Starnes	Pattie Fleming	715-9664	617	112
Rep. Jennifer Weiss	Susan Doty	733-5781	2221	16



North Carolina General Assembly
House of Representatives
State Legislative Building
Raleigh 27601-1096

REPRESENTATIVE DANIEL TERRY BLUE, JR.
21ST DISTRICT

MEMO

TO: Speaker Jim Black
FROM: Representative Dan Blue 
DATE: April 3, 2001
SUBJECT: Committee Appointment

Mr. Speaker, I am officially requesting that I be removed from the House Ways and Means Committee for the year 2001-2002, effective immediately.

DTBjr:lt

cc: Rep. Allred, Chair ✓
Ways and Means Committee

ATTENDANCE

HOUSE STANDING COMMITTEE ON WAYS AND MEANS

2001/2002 Sessions

— 2001 —

2002

[illegible]

North Carolina General Assembly
Through House Committee on
Ways and Means

Date: 10/03/2002
Time: 15:45
Page: 001 of 002
Leg. Day: H-255/S-241

2001-2002 Biennium

Bill	Introducer	Short Title	Latest Action	In Date	Out Date
H0014=	Jarrell	MUNICIPAL INCORPORATION POPULATION ESTIMATES.	H Ref To Com On Ways and Means	02-20-01	
H0020=	Sutton	CONTRACT AGENT RATE	H Re-ref Com On Ways and Means	02-20-01	
H0075	Haire	APPELLATE REPORTS TO CHEROKEE SUPREME COURT.	HR Ch. SL 2001-280	02-20-01	03-20-01
H0307=	Arnold	MINIMUM HOUSING STANDARDS.	HR Ch. SL 2001-283	02-28-01	04-19-01
H0326=	Mitchell	AMEND WELL CONTRACTORS CERTIFICATION.	H Ref To Com On Ways and Means	03-01-01	
H0558	Redwine	REAL ESTATE/TRAVEL AGENT FEES REGULATED.	*HR Ch. SL 2001-293	03-12-01	04-03-01
H0598	McMahan	BUILDING INSPECTIONS CONTRACTED.	*HR Ch. SL 2001-278	03-14-01	03-27-01
H0806	Allred	REFRIGERATION CONTRACTORS AMENDMENT.	*H Ref To Com On Commerce	03-26-01	04-18-01
H0924	Pope	SOCIAL SECURITY NUMBER USE.	HH Postponed Indefinitely	03-29-01	10-03-02
H0968	Culp	SOIL AND WATER EMPLOYEE JUDGMENTS.	*HR Ch. SL 2001-300	04-04-01	04-19-01
H0982	Edwards	HOUSING AUTHORITY EXEMPTIONS.	H Ref To Com On Ways and Means	04-05-01	
H0998	Pope	STATE PRIVACY ACT.	*HR Ch. SL 2001-256	04-11-01	04-25-01
H1065	Luebke	SWIMMING POOL SAFETY ACT.	H Ref To Com On Ways and Means	04-10-01	
H1119	Nye	ENGINEERING/LAND SURVEYING ACT.	H Ref To Com On Finance	04-12-01	04-19-01
H1219=	Jeffus	CITY OF ROCKINGHAM TREES.	*H Ref To Com On Local Government I	04-12-01	04-24-01
H1269	McComas	RENTAL CARS-ADVERTISING AND CHARGES.	*HR Ch. SL 2001-432	04-12-01	04-19-01
H1269	McComas	RENTAL CARS-ADVERTISING AND CHARGES.	*HR Ch. SL 2001-432	04-23-01	04-25-01
H1307	Holmes	AMEND MORTGAGE LENDING ACT.	*H Concurred On 3rd Reading	04-12-01	04-19-01
H1323	McMahan	REVISE STATE BUILDING CODE/COUNCIL PROCEDURES.	H Ref To Com On Ways and Means	04-12-01	
H1325	Blue	PRODUCTS LIABILITY/EXTEND STATUTE OF REPOSE.	HH Postponed Indefinitely	04-12-01	10-03-02
S0012=	Fletcher L. Hart	MUNICIPAL INCORPORATION POPULATION ESTIMATES.	*H Ref To Com On Ways and Means	03-26-01	
S0123	Robert C. Carpen	SPECIAL OBLIGATION BONDS FOR WATER/SEWER.	*HR Ch. SL 2001-238	03-29-01	05-15-01
S0274	David W. Hoyle	REPEAL OBSOLETE EXCHANGE/MARKETPLACE EXEMPT.	HR Ch. SL 2001-149	04-25-01	05-22-01
S0312=	David W. Hoyle	AMEND ENVIRONMENTAL/HEALTH LAWS.	*HR Ch. SL 2001-440	04-23-01	06-05-01

* '\$' 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
Ways and Means

Date: 10/03/2002
Time: 15:45
Page: 002 of 002
Leg. Day: H-255/S-241

2001-2002 Biennium

Bill	Introducer	Short Title	Latest Action	In Date	Out Date
S0387	Tony Rand	REQUIRE EXPERIENCE OF GENERAL CONTRACTORS.	*HF Failed 3rd Reading	04-23-01	06-19-01
S0398	Virginia Foxx	CHECK CASHER ACT SUNSET EXTENDED.	*HR Ch. SL 2001-323	04-16-01	05-22-01
S0431	David W. Hoyle	ADJUST LICENSE THRESHOLDS FOR INFLATION.	HR Ch. SL 2001-140	04-03-01	05-22-01
S0471=	A. B Swindell	MINIMUM HOUSING STANDARDS.	*H Re-ref Com On Ways and Means	03-29-01	07-03-01
S0471=	A. B Swindell	MINIMUM HOUSING STANDARDS.	*H Re-ref Com On Ways and Means	07-12-01	
S0795	Fletcher L. Hart	REPEAL CHAPTER 78B/ AMEND SECURITIES ACT.	*HR Ch. SL 2001-201	04-26-01	06-12-01
S1023	Kay R. Hagan	REVISE UNIFORM ELECTRONIC TRANSACTIONS ACT.	*HR Ch. SL 2001-295	04-24-01	05-15-01
S1056=	Kay R. Hagan	FINANCIAL OVERSIGHT FOR HOUSING AUTHORITIES.	*HR Ch. SL 2001-206	04-24-01	05-23-01
S1059	Stephen M. Metca	CLARIFY DEFINITION OF CONTRACTOR.	H Ref To Com On Ways and Means	04-30-01	

*'\$' 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.

AGENDA

HOUSE COMMITTEE MEETING ON WAYS AND MEANS

March 20, 2001

1:00 P.M.

Room 605 LOB

OPENING REMARKS

Representative Cary Allred, Chair

BILLS TO BE DISCUSSED IN COMMITTEE

(Listed in numerical order; not necessarily in agenda order.)

HB 75 APPELLATE REPORTS TO CHEROKEE SUPREME COURT
Representative Phillip Haire, Bill Sponsor

ADJOURNMENT

**MINUTES
HOUSE COMMITTEE ON
WAYS AND MEANS**

March 20, 2001


The House Committee on Ways and Means met on Tuesday, March 20, 2001, in Room 605 of the Legislative Office Building at 1:00 P.M. The following members were present: Chairman Cary Allred, Representatives Cox, Decker, Eddins, Haire, McMahan, Oldham, Pope and Redwine. Jeff Hudson, Staff Counselor was in attendance.


The Chairman called the meeting to order and recognized Representative Haire, bill sponsor, to explain **HB 75, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE DISTRIBUTION OF COPIES OF THE APPELLATE DIVISION REPORTS TO THE CHEROKEE SUPREME COURT.**

The Committee discussed the bill and Jeff Hudson, Staff Counselor was called upon to answer a question regarding any expense involved with providing the reports. He told the committee that the reports were already in the warehouse and the only costs would be shipping. Upon a motion by Representative McMahan, the bill received a favorable report.

There being no further business, Chairman Allred adjourned the meeting at 1:15 P.M.

Respectfully submitted,


Representative Cary Allred
Chairman


Jean B. Allred
Committee Assistant

Attachments
Committee Report

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 75

Short Title: Appellate Reports to Cherokee Supreme Court.

(Public)

Sponsors: Representative Haire.

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

February 8, 2001

A BILL TO BE ENTITLED
AN ACT TO PROVIDE FOR THE DISTRIBUTION OF COPIES OF THE
APPELLATE DIVISION REPORTS TO THE CHEROKEE SUPREME COURT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7A-343.1 reads as rewritten:

"§ 7A-343.1. Distribution of copies of the appellate division reports.

The Administrative Officer of the Courts shall, at the State's expense distribute such number of copies of the appellate division reports to federal, State departments and agencies, and to educational institutions of instruction, as follows:

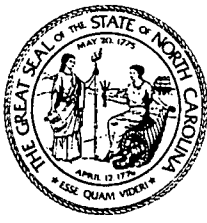
Governor, Office of the	1
Lieutenant Governor, Office of the	1
Secretary of State, Department of the	2
State Auditor, Department of the	1
Treasurer, Department of the State	1
Superintendent of Public Instruction	1
Office of the Attorney General	11
State Bureau of Investigation	1
Agriculture and Consumer Services, Department of	1
Labor, Department of	1
Insurance, Department of	1
Budget Bureau, Department of Administration	1
Property Control, Department of Administration	1
State Planning, Department of Administration	1
Environment and Natural Resources, Department of	1
Revenue, Department of	1
Health and Human Services, Department of	1
Juvenile Justice and Delinquency Prevention, Department of	1

1	Commission for the Blind	1
2	Transportation, Department of	1
3	Motor Vehicles, Division of	1
4	Utilities Commission	8
5	Industrial Commission	11
6	State Personnel Commission	1
7	Office of State Personnel	1
8	Office of Administrative Hearings	2
9	Community Colleges, Department of	38
10	Employment Security Commission	1
11	Commission of Correction	1
12	Parole Commission	1
13	Archives and History, Division of	1
14	Crime Control and Public Safety, Department of	2
15	Cultural Resources, Department of	3
16	Legislative Building Library	2
17	Justices of the Supreme Court	1 ea.
18	Judges of the Court of Appeals	1 ea.
19	Judges of the Superior Court	1 ea.
20	Clerks of the Superior Court	1 ea.
21	District Attorneys	1 ea.
22	Emergency and Special Judges of the Superior Court	1 ea.
23	Supreme Court Library	AS MANY AS REQUESTED
24	Appellate Division Reporter	1
25	University of North Carolina, Chapel Hill	71
26	University of North Carolina, Charlotte	1
27	University of North Carolina, Greensboro	1
28	University of North Carolina, Asheville	1
29	North Carolina State University, Raleigh	1
30	Appalachian State University	1
31	East Carolina University	1
32	Fayetteville State University	1
33	North Carolina Central University	17
34	Western Carolina University	1
35	Duke University	17
36	Davidson College	2
37	Wake Forest University	25
38	Lenoir Rhyne College	1
39	Elon College	1
40	Campbell University	25
41	Federal, Out-of-State and Foreign Secretary of State	1
42	Secretary of Defense	1
43	Secretary of Health, Education and Welfare	1
44	Secretary of Housing and Urban Development	1

1	Secretary of Transportation	1
2	Attorney General	1
3	Department of Justice	1
4	Internal Revenue Service	1
5	Veterans' Administration	1
6	Library of Congress	5
7	Federal Judges resident in North Carolina	1 ea.
8	Marshal of the United States Supreme Court	1
9	Federal District Attorneys resident in North Carolina	1 ea.
10	Federal Clerks of Court resident in North Carolina	1 ea.
11	Supreme Court Library exchange list	1
12	<u>Cherokee Supreme Court, Eastern Band of Cherokee Indians</u>	<u>1</u>

13 Each justice of the Supreme Court and judge of the Court of Appeals shall receive
14 for private use, one complete and up-to-date set of the appellate division reports. The
15 copies of reports furnished each justice or judge as set out in the table above may be
16 retained personally to enable the justice or judge to keep up-to-date the personal set of
17 reports. "

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



HOUSE BILL 75: Appellate Reports to Cherokee Supreme Court

BILL ANALYSIS

Committee: House Ways and Means
Date: March 20, 2001
Version: First Edition

Introduced by: Representative Haire
Summary by: Jeff Hudson
Committee Counsel

SUMMARY: *House Bill 75 would require the Administrative Officer of the Courts to provide, at the State's expense, copies of the appellate division reports to the Cherokee Supreme Court, Eastern Band of Cherokee Indians.*

CURRENT LAW: Under current law, the Administrative Officer of the Courts must distribute, at the State's expense, copies of the appellate division reports (opinions of the North Carolina Supreme Court and the North Carolina Court of Appeals) to a number of entities, including State agencies, departments, and commissions; federal agencies and departments; State and federal courts; and public and private universities located in North Carolina.

BILL ANALYSIS: House Bill 75 would add the Cherokee Supreme Court, Eastern Band of Cherokee Indians, to the list of entities that would receive copies of the appellate division reports.

EFFECTIVE DATE: House Bill 75 is effective when it becomes law.

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

☐ Committee Substitute for

H.B. 75 A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE DISTRIBUTION
OF COPIES OF THE APPELLATE DIVISION REPORTS TO THE CHEROKEE
SUPREME COURT.

☒ 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

AGENDA

HOUSE COMMITTEE MEETING ON WAYS AND MEANS

March 27, 2001

1:00 P.M.

Room 605 LOB

OPENING REMARKS

Representative Cary Allred, Chair

BILLS TO BE DISCUSSED IN COMMITTEE

(Listed in numerical order; not necessarily in agenda order.)

**HB 558 Real Estate/Travel Agent Fees Regulated
Representative Redwine - Bill Sponsor**

**HB 598 Building Inspections Contracted
Representative McMahan - Bill Sponsor**

ADJOURNMENT

MINUTES **HOUSE COMMITTEE ON** **WAYS AND MEANS**

March 27, 2001

The Committee on Ways and Means met on Tuesday, March 27, 2001, in Room 605 of the Legislative Office Building at 1:14 P.M. The following members were present: Chairman Cary Allred, Representatives, Bowie, Cox, Decker, Eddins, McMahan, Morris, Nye, Redwine, Starnes and Weiss. Jeff Hudson, Staff Counselor was in attendance. Assisting our meeting were House Pages, Emily Troutman, Lee County sponsored by Representative Cox and Ron Jailall, Johnston County sponsored by Representative Daughtry, and Maxine Holley, House Sergeant-at-Arms and Donnell Leather, House Sergeant-at-Arms. Also, we were honored to have in attendance students and teachers from Chairman Allred's home county of Alamance. A Visitors Registration list is attached and made part of the minutes.

Representative Allred, Chair, called the meeting to order and asked the Pages to introduce themselves. He recognized students and teachers from Williams High School in Burlington and Western High School in northern Alamance County.

Representative McMahan, bill sponsor, was recognized to present **HB 598 – A BILL TO BE ENTITLED AN ACT TO ALLOW COUNTIES AND MUNICIPALITIES TO CONTRACT WITH PRIVATE INDIVIDUALS TO PERFORM BUILDING INSPECTIONS.**

Representative McMahan moved to adopt an amendment to the bill for discussion. The motion passed and Representative McMahan explained the amendment and the bill. HB 598 would remove the limitation that cities and counties may only contract with private building inspectors for specifically designated projects. Cities and counties would be able to "out source" inspection services to private companies to help speed up the inspection process. Those inspecting must be qualified to inspect and must not have a conflict of interest with the project to be inspected. HB 598 broadens the bill passed in 1999 by permitting cities and counties to have flexibility in "out sourcing" inspections with privately owned companies and private individuals. Representative McMahan knows of no opposition to the bill. However, there was some concern with conflict of interest; making sure that inspection services would not be out sourced to companies or individuals who might have an interest or investment with a project. Henry Jones, NCAPHCC, Inc., commented that he was satisfied that the bill addressed conflict of interest after reviewing it.

The Committee discussed and debated the bill. Representative Starnes wanted to know how many projects had been out sourced last year and what kind of success had there been. Representative McMahan responded that he did not have any

figures but in Charlotte/Mecklenburg the building inspector had asked for this and it had been very successful, well done and well received by the inspectors and builders.

Representative Cox asked if "everyone is required to out source inspection services?" Representative McMahan explained that with this bill, all cities and counties would have the option but not have to out source.

Jeff Hudson, Committee Counsel, was called upon to clarify Members' questions. Representative Redwine had questions concerning conflict of interest which were previously addressed by Representative McMahan and Representative Bowie wanted to know who is prosecuted if the inspections are done wrong. Discussion followed.

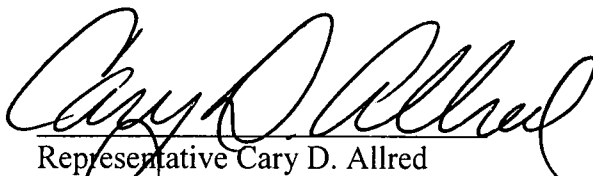
Representative Weiss pointed out a section in the bill which states that the county in which the inspection was being done would have the same liability, if any, and that the company or individual doing the inspections would be required to have insurance coverage acceptable to the county.

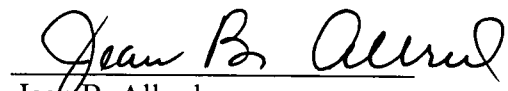
Henry Jones, NC Association of Plumbing-Heating-Cooling Contractors, Inc., addressed the committee, as did James Blackburn, NC Association of County Commissioners. Their organizations are in support of the bill.

Representative Eddins moved for a favorable report. Representative Allred called for a vote on Representative Eddins motion to incorporate the amendment into a Committee Substitute, giving it a favorable report, which changes the title, unfavorable as to the original bill.

The motion passed and the meeting was adjourned at 1:45 A.M.

Respectfully submitted,


Representative Cary D. Allred
Chairman


Jean B. Allred
Committee Assistant

Committee Report
Attachments
Visitors Registration

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

☐ Committee Substitute for

H.B. 598 A BILL TO BE ENTITLED AN ACT TO ALLOW COUNTIES AND
MUNICIPALITIES TO CONTRACT WITH PRIVATE INDIVIDUALS TO PERFORM
BUILDING INSPECTIONS.

☐ 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.

☐ 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 598

Short Title: Building Inspections Contracted.

(Public)

Sponsors: Representatives McMahan; Alexander, Earle, Easterling, Harrington,
Rayfield, and C. Wilson.

Referred to: Ways and Means.

March 14, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW COUNTIES AND MUNICIPALITIES TO CONTRACT WITH
3 PRIVATE INDIVIDUALS TO PERFORM BUILDING INSPECTIONS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 153A-353 reads as rewritten:

6 "§ 153A-353. Joint inspection department; other arrangements.

7 A county may enter into and carry out contracts with one or more other counties or
8 cities under which the parties agree to create and support a joint inspection department
9 for enforcing those State and local laws and local ordinances and regulations specified
10 in the agreement. The governing bodies of the contracting units may make any
11 necessary appropriations for this purpose.

12 In lieu of a joint inspection department, a county may designate an inspector from
13 another county or from a city to serve as a member of the county inspection department,
14 with the approval of the governing body of the other county or city. A county may also
15 contract with an individual who is not a city or county employee but who holds one of
16 the applicable certificates as provided in G.S. 153A-351.1 or G.S. 160A-411.1 or with
17 the employer of an individual who holds one of the applicable certificates as provided in
18 G.S. 153A-351.1 or G.S. 160A-411.1. ~~Contracts with an individual or with the~~
19 ~~employer of an individual who is not an employee of another county or a city may be~~
20 ~~entered into only for specifically designated projects.~~ The inspector, if designated from
21 another county or city under this section, while exercising the duties of the position, is a
22 county employee. The county shall have the same potential liability, if any, for
23 inspections conducted by an individual who is not an employee of the county as it does
24 for an individual who is an employee of the county. The company or individual with
25 whom the county contracts shall have errors and omissions and other insurance
26 coverage acceptable to the county."

27 SECTION 2. G.S. 160A-413 reads as rewritten:

1 **"§ 160A-413. Joint inspection department; other arrangements.**

2 A city council may enter into and carry out contracts with another city, county, or
3 combination thereof under which the parties agree to create and support a joint
4 inspection department for the enforcement of State and local laws specified in the
5 agreement. The governing boards of the contracting parties are authorized to make any
6 necessary appropriations for this purpose.

7 In lieu of a joint inspection department, a city council may designate an inspector
8 from any other city or county to serve as a member of its inspection department with the
9 approval of the governing body of the other city or county. A city may also contract
10 with an individual who is not a city or county employee but who holds one of the
11 applicable certificates as provided in G.S. 160A-411.1 or G.S. 153A-351.1 or with the
12 employer of an individual who holds one of the applicable certificates as provided in
13 G.S. 160A-411.1 or G.S. 153A-351.1. ~~Contracts with an individual or with the~~
14 ~~employer of an individual who is not an employee of another city or a county may be~~
15 ~~entered into only for specifically designated projects.~~ The inspector, if designated from
16 another city or county under this section, shall, while exercising the duties of the
17 position, be considered a municipal employee. The city shall have the same potential
18 liability, if any, for inspections conducted by an individual who is not an employee of
19 the city as it does for an individual who is an employee of the city. The company or
20 individual with whom the city contracts shall have errors and omissions and other
21 insurance coverage acceptable to the city.

22 The city council of any city may request the board of county commissioners of the
23 county in which the city is located to direct one or more county building inspectors to
24 exercise their powers within part or all of the city's jurisdiction, and they shall thereupon
25 be empowered to do so until the city council officially withdraws its request in the
26 manner provided in G.S. 160A-360(g)."

27 **SECTION 3.** This act becomes effective October 1, 2001.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 598
PROPOSED COMMITTEE SUBSTITUTE H598-PCS8125-SB-13

Short Title: Building Inspections Contracted.

(Public)

Sponsors:

Referred to:

March 14, 2001

A BILL TO BE ENTITLED

AN ACT TO REPEAL THE REQUIREMENT THAT COUNTIES AND MUNICIPALITIES MAY ONLY ENTER INTO CONTRACTS WITH PRIVATELY EMPLOYED INDIVIDUALS OR THEIR EMPLOYERS FOR BUILDING INSPECTION SERVICES FOR SPECIFICALLY DESIGNATED PROJECTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-353 reads as rewritten:

"§ 153A-353. Joint inspection department; other arrangements.

A county may enter into and carry out contracts with one or more other counties or cities under which the parties agree to create and support a joint inspection department for enforcing those State and local laws and local ordinances and regulations specified in the agreement. The governing bodies of the contracting units may make any necessary appropriations for this purpose.

In lieu of a joint inspection department, a county may designate an inspector from another county or from a city to serve as a member of the county inspection department, with the approval of the governing body of the other county or city. A county may also contract with an individual who is not a city or county employee but who holds one of the applicable certificates as provided in G.S. 153A-351.1 or G.S. 160A-411.1 or with the employer of an individual who holds one of the applicable certificates as provided in G.S. 153A-351.1 or G.S. 160A-411.1. ~~Contracts with an individual or with the employer of an individual who is not an employee of another county or a city may be entered into only for specifically designated projects.~~ The inspector, if designated from another county or city under this section, while exercising the duties of the position, is a county employee. The county shall have the same potential liability, if any, for inspections conducted by an individual who is not an employee of the county as it does for an individual who is an employee of the county. The company or individual with whom the county contracts shall have errors and omissions and other insurance coverage acceptable to the county."

1 **SECTION 2.** G.S. 160A-413 reads as rewritten:

2 **"§ 160A-413. Joint inspection department; other arrangements.**

3 A city council may enter into and carry out contracts with another city, county, or
4 combination thereof under which the parties agree to create and support a joint
5 inspection department for the enforcement of State and local laws specified in the
6 agreement. The governing boards of the contracting parties are authorized to make any
7 necessary appropriations for this purpose.

8 In lieu of a joint inspection department, a city council may designate an inspector
9 from any other city or county to serve as a member of its inspection department with the
10 approval of the governing body of the other city or county. A city may also contract
11 with an individual who is not a city or county employee but who holds one of the
12 applicable certificates as provided in G.S. 160A-411.1 or G.S. 153A-351.1 or with the
13 employer of an individual who holds one of the applicable certificates as provided in
14 G.S. 160A-411.1 or G.S. 153A-351.1. ~~Contracts with an individual or with the~~
15 ~~employer of an individual who is not an employee of another city or a county may be~~
16 ~~entered into only for specifically designated projects.~~ The inspector, if designated from
17 another city or county under this section, shall, while exercising the duties of the
18 position, be considered a municipal employee. The city shall have the same potential
19 liability, if any, for inspections conducted by an individual who is not an employee of
20 the city as it does for an individual who is an employee of the city. The company or
21 individual with whom the city contracts shall have errors and omissions and other
22 insurance coverage acceptable to the city.

23 The city council of any city may request the board of county commissioners of the
24 county in which the city is located to direct one or more county building inspectors to
25 exercise their powers within part or all of the city's jurisdiction, and they shall thereupon
26 be empowered to do so until the city council officially withdraws its request in the
27 manner provided in G.S. 160A-360(g)."

28 **SECTION 3.** This act becomes effective October 1, 2001.



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 598

H598-ASB-10 [v.1]

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

Page 1 of 1

Date _____, 2001

Comm. Sub. [NO]
Amends Title [YES]
First Edition

Representative _____

1 moves to amend the bill on page 1, lines 2 and 3,
2 by rewriting those lines to read:

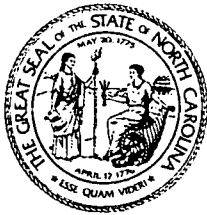
3

4 "AN ACT TO REPEAL THE REQUIREMENT THAT COUNTIES AND
5 MUNICIPALITIES MAY ONLY ENTER INTO CONTRACTS WITH
6 PRIVATELY EMPLOYED INDIVIDUALS OR THEIR EMPLOYERS FOR
7 BUILDING INSPECTION SERVICES FOR SPECIFICALLY DESIGNATED
8 PROJECTS."

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____



HOUSE BILL 598: Building Inspections Contracted

BILL ANALYSIS

Committee: House Ways and Means
Date: March 27, 2001
Version: First Edition

Introduced by: Representative McMahan
Summary by: Jeff Hudson
Committee Counsel

SUMMARY: *Under current law, cities and counties that contract with privately employed individuals or their employers for building inspection services may only do so for specifically designated projects. House Bill 598 would remove the limitation that cities and counties may only contract with private building inspectors for specifically designated projects. House Bill 598 would become effective October 1, 2001.*

CURRENT LAW: Under current law, cities and counties are required to enforce State and local laws relating to the construction and maintenance of buildings. A city or county may do this by forming its own inspection department, by creating a joint inspection department with other units of local government, by contracting with other units of local government for inspection services, or by contracting with privately employed individuals or their employers for building inspection services. All individuals, whether publicly or privately employed, who conduct building inspections for a city or county must hold applicable building inspection certificates. Cities and counties that contract with privately employed individuals or their employers for building inspection services may only do so for specifically designated projects.

BILL ANALYSIS: House Bill 598 would remove the limitation that cities and counties may only contract with private building inspectors for **specifically designated projects**.

BACKGROUND: In 1999, the General Assembly enacted S.L. 1999-392 (Senator Clodfelter's Senate Bill 966) that authorized cities and counties to contract with the employers of privately employed individuals for building inspection services. S.L. 1999-392 provided that a city or county that contracts with privately employed individuals or their employers for building inspection services may only do so for **specifically designated projects**. S.L. 1999-392 also provided that a city or county must find a conflict of interest if the individual, company, or employee of a company contracting to perform building inspections:

- Has worked for the owner, developer, or project manager of the project to be inspected within the last 2 years.
- Is closely related to the owner, developer, or project manager of the project to be inspected.
- Has a financial interest in the project to be inspected.

VISITOR REGISTRATION SHEET

WAYS AND MEANS

March 27, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Sharon Harrison

WCPSS

Mary Carnahan

REB 1c

Jim Blackburn

Friend of Mary
Carnelia

Henry Jones

Attorney - Raleigh

Tina Misten

2 c Home Buildings Assn

Brian Francis

Meck Cay

AGENDA

HOUSE COMMITTEE MEETING ON WAYS AND MEANS

April 3, 2001

1:00 P.M.

Room 605 LOB

OPENING REMARKS

Representative Cary Allred, Chair

BILLS TO BE DISCUSSED IN COMMITTEE

(Listed in numerical order; not necessarily in agenda order.)

**HB 558 Real Estate/Travel Agent Fees Regulated
Representative Redwine - Bill Sponsor**

ADJOURNMENT

**MINUTES
HOUSE COMMITTEE ON
WAYS AND MEANS**

April 3, 2001

The Committee on Ways and Means met on Tuesday, April 03, 2001, in Room 605 of the Legislative Office Building at 1:10 P.M. The following Members were present: Chairman Cary Allred, Representatives, Cox, Decker, Eddins, Haire, Nye, Pope, Redwine, Starnes and Weiss. Jeff Hudson, Staff Counselor was in attendance. Assisting the meeting were House Sergeants-at-Arms, Maxine Holley and Martha Gadison. A Visitors Registration was available and is attached and made part of the minutes.

The Chairman, Representative Allred, called the meeting to order and introduced the House Page, Jerrod Rogers of Iredell County, sponsored by Speaker Black.

Representative Redwine, bill sponsor, was recognized to present a Proposed Committee Substitute for **HB 558 – A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE REAL ESTATE COMMISSION TO PERMIT REAL ESTATE BROKERS TO PAY TRAVEL AGENTS FOR PROCURING POTENTIAL TENANTS IN VACATION RENTAL TRANSACTIONS.**

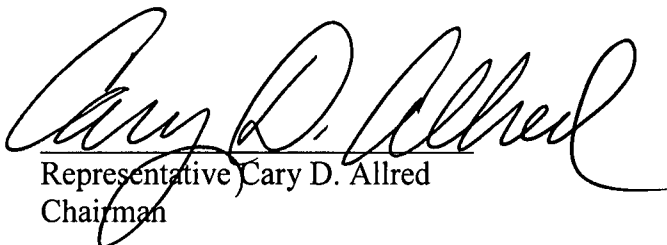
Representative Decker so moved that the PCS be adopted for discussion.

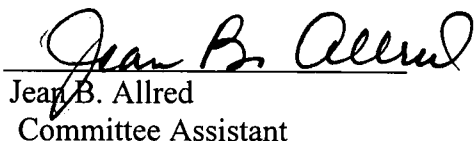
Representative Redwine explained HB 558 would authorize the Real Estate Commission to adopt rules to permit and regulate the payment of fees by real estate agents to travel agents for the procurement of potential tenants in vacation rentals. Under the current law, real estate brokers are prohibited from paying a fee to travel agents for procuring potential tenants in a vacation rental. HB 558 would become effective January 1, 2001.

Representative Nye said this was a good bill and moved for a favorable report. Representative Allred called for a favorable report as to the committee substitute bill, which changes the title, unfavorable as to original bill.

The motion passed and the meeting was adjourned at 1:20 P.M.

Respectfully submitted,


Representative Cary D. Allred
Chairman


Jean B. Allred
Committee Assistant

Committee Report
Attachments
Visitors Registration

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

- ☐ Committee Substitute for
H.B. 558 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE REAL ESTATE
COMMISSION TO PERMIT REAL ESTATE BROKERS TO PAY TRAVEL AGENTS
FOR PROCURING POTENTIAL TENANTS IN VACATION RENTAL TRANSACTIONS.
- ☐ 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.
- ☐ 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 558

Short Title: Real Estate/Travel Agent Fees Regulated.

(Public)

Sponsors: Representative Redwine.

Referred to: Ways and Means.

March 12, 2001

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE REAL ESTATE COMMISSION TO PERMIT REAL
ESTATE BROKERS TO PAY TRAVEL AGENTS FOR PROCURING
POTENTIAL TENANTS IN VACATION RENTAL TRANSACTIONS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 93A of the General Statutes is amended by adding a
new section to read:

"§ 93A-12. Travel agent fees paid by brokers.

The Commission may issue rules permitting a real estate broker to pay a fee or other
valuable consideration to a travel agent for the introduction or procurement of tenants or
potential tenants in vacation rental transactions as defined in G.S. 42A-4.

The rules issued pursuant to this section may include all of the following:

(1) A definition of the term 'travel agent' for purposes of this section.

(2) Regulation of the conduct of permitted transactions.

(3) A limitation of the amount of the fee or the value of the consideration
that may be paid to the travel agent.

The Commission may not authorize a person or entity not licensed as a broker or
salesperson to negotiate on behalf of another or others any real estate transaction or the
payment of any fees that may be authorized pursuant to this section."

SECTION 2. This act becomes effective January 1, 2002.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 558
PROPOSED COMMITTEE SUBSTITUTE H558-CSSB-11 [v.3]

3/26/2001 5:30:50 PM

Short Title: Real Estate/Travel Agent Fees Regulated.

(Public)

Sponsors:

Referred to:

March 12, 2001

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE REAL ESTATE COMMISSION TO ADOPT
RULES TO PERMIT REAL ESTATE BROKERS TO PAY TRAVEL AGENTS
FOR PROCURING POTENTIAL TENANTS IN VACATION RENTALS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 93A-3 is amended by adding a new subsection to read:

"(c1) The provisions of G.S. 93A-1 and G.S. 93A-2 notwithstanding, the Commission may adopt rules to permit a real estate broker to pay a fee or other valuable consideration to a travel agent for the introduction or procurement of tenants or potential tenants in vacation rentals as defined in G.S. 42A-4. Rules adopted pursuant to this subsection may include a definition of the term 'travel agent', may regulate the conduct of permitted transactions, and may limit the amount of the fee or the value of the consideration that may be paid to the travel agent. However, the Commission may not authorize a person or entity not licensed as a broker or salesperson to negotiate on behalf of another any real estate transaction."

SECTION 2. G.S. 93A-3(c) reads as rewritten:

"(c) The Commission shall have power to make reasonable bylaws, rules and regulations that are not inconsistent with the provisions of this Chapter and the General Statutes; provided, however, the Commission shall not make rules or regulations regulating commissions, salaries, or fees to be charged by licensees under this Chapter.

(c2) The Commission shall adopt a seal for its use, which shall bear thereon the words "North Carolina Real Estate Commission." Copies of all records and papers in the office of the Commission duly certified and authenticated by the seal of the Commission shall be received in evidence in all courts and with like effect as the originals."

SECTION 3. This act becomes effective January 1, 2002.



HOUSE BILL 558: Real Estate/Travel Agent Fees Regulated.

BILL ANALYSIS

Committee: House Ways and Means	Introduced by: Representative Redwine
Date: April 3, 2001	Summary by: Jeff Hudson
Version: H558-CSSB-11 [v.3]	Committee Counsel

SUMMARY: *House Bill 558 would authorize the Real Estate Commission to adopt rules to permit and regulate the payment of fees by real estate agents to travel agents for the procurement of potential tenants in vacation rentals.*

CURRENT LAW: Current law prohibits a real estate broker from paying a fee to a travel agent for the procurement of potential tenants in a vacation rental. The North Carolina Court of Appeals, in *Gower v. Strout Realty, Inc.*, held that allowing an unlicensed individual to carry on traditional brokerage activities for a finder's fee would violate the State's real estate licensing statutes. Traditional brokerage activities include renting or offering to rent real estate. Under the *Gower* decision, allowing a travel agent who does not hold a real estate license issued by the State to accept a finder's fee from a real estate agent for procuring a tenant in a vacation rental would violate the State's real estate licensing statutes.

BILL ANALYSIS: House Bill 558 would authorize the Real Estate Commission to adopt rules to permit and regulate the payment of fees by real estate agents to travel agents for the procurement of potential tenants in vacation rentals. The rules may define "travel agent", regulate the types of transactions between real estate brokers and travel agents, and limit the amount of allowable fees. The rules may not authorize an unlicensed person, such as a travel agent, to negotiate a real estate transaction on behalf of another.

EFFECTIVE DATE: House Bill 558 would become effective January 1, 2001.

H558-SMSB-001

VISITOR REGISTRATION SHEET

WAYS AND MEANS

Name of Committee

April 03, 2001

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Stephanie Mann

NCAR

John McMillan

MF & S P.A.

Tim KENT

NC Assn. of Realtors

Mary Carmichael

REBIC

Timothy

W C Home Builders Assn

AGENDA

HOUSE COMMITTEE MEETING ON WAYS AND MEANS

April 10, 2001

1:00 P.M.

Room 605 LOB

OPENING REMARKS

Representative Cary Allred, Chair

BILLS TO BE DISCUSSED IN COMMITTEE

(Listed in numerical order; not necessarily in agenda order.)

**HB 806 – Air/Heating Contractors Amendment.
Representative Cary Allred, Bill Sponsor**

**HB 924 – Social Security # Use.
Representative Art Pope, Bill Sponsor**

ADJOURNMENT

**MINUTES
HOUSE COMMITTEE ON
WAYS AND MEANS**

April 10, 2001

The Committee on Ways and Means met on Tuesday, April 10, 2001, in Room 605 of the Legislative Office Building at 1:05 P.M. The following Members were present: Chairman Cary Allred, Representatives Bowie, Cox, Decker, Eddins, Haire, McMahan, Morris, Nye, Oldham, Pope, Redwine and Weiss. Jeff Hudson, Staff Counselor was in attendance. Ann Lassiter and James Worth, House Sergeants-at-Arms staff, assisted with the meeting. A Visitors Registration was available and is attached and made part of the minutes.

Representative Allred, Chairman, called the meeting to order and introduced the House Pages, Sharice Dowe and Nikki Brooks from Cumberland County, sponsored by Representative Lucas.

Chairman Allred explained to the Committee that **HB 806 – A BILL TO BE ENTITLED AN ACT TO ALLOW CERTAIN LICENSED HEATING CONTRACTORS TO INSTALL AIR CONDITIONING SYSTEMS IF NO INDIVIDUAL UNIT IN THE SYSTEM EXCEEDS FIFTEEN TONS.** – had been removed from the Agenda to be heard at another time. However, he offered to recognize anyone for comments on **HB 806** who might have made a special trip to the Ways and Means Committee meeting.

Next Representative Pope, bill sponsor, **HB 924 – A BILL TO BE ENTITLED AN ACT REQUIRING REDUCTION OF SOCIAL SECURITY NUMBERS ON COPIES OF PUBLIC RECORDS PROVIDED TO THE PUBLIC.** – was recognized to explain the bill. HB 924 would require the custodian of a public record to redact any social security identification number contained in the public record prior to making the public record or copy of the public record available to the public. He recognized that there were some problems with the bill and it was merely a starting point in addressing the requirement of social security numbers on records.

Discussion followed; Representative Haire asked how long have social security numbers (SS#'s) been required to be on public records. Debra Ross, ACLU-NC, responded that when the Federal Welfare Law was passed, whenever children were involved, asked that SS#'s as an identifier be put in to identify the recipients. Ms. Ross supports the concept of the bill because of misuse of social SS#'s by the public.

Pamela Bass, Administrative Office of Courts, said the bill would protect privacy, would avoid people acting like someone else, and prevent fraud. Representative Bowie was concerned with the legitimate use of SS#'s and how the records would

MINUTES
April 10, 2001
HOUSE COMMITTEE ON WAYS AND MEANS
Page 2

be redacted whenever copies of records were requested. It was discussed that by simply using a magic marker to redact a copy of the record and then by making a copy of the copy would be one way to make sure the SS#'s were removed. Ms. Bass said that it would be time consuming and could possibly require an additional employee to the Wake County Clerk of Court just to take care of redacting SS#'s from documents.

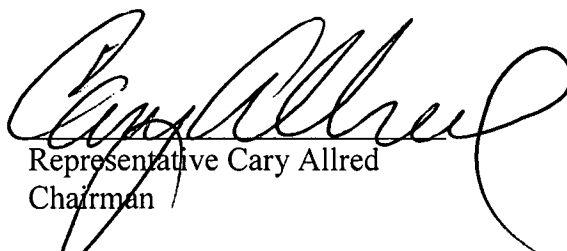
Representatives Eddins, Cox and Haire want to toughen the bill and put some teeth in it. But Representative Cox cautions that it should be done carefully; not to use this bill to pile on, as there could be a cause for civil rights problems. Representative Eddins sees two problems with the use of SS#'s; 1 – stealing ID's for profit and 2 – underage and illegal people using fake ID's. Representative Haire wants to really penalize those guilty of misuse of SS#'s. Representative Redwine also spoke on the bill.

Shelia Pope, Secretary of State office, sees the bill as opening the door to problems. She said that we had to address what to do with existing documents with SS#'s already in them and, what to do with new documents. Ms. Pope stated that the "blocks on forms" asking for a SS# are not required to be filled in even though the form may ask for the information. She told the committee that the NC Secretary of State's office sometimes uses SS#'s as an identifier, example, for Notary's because sometimes people have the same names and may even have similar birth dates, etc.

After lengthy discussion it was decided that no action would be taken on HB 924 and that Representative Pope would confer with the Chairs of Judiciary II and Ways and Means to possibly combine two of his bills offering one committee a proposed committee substitute at a later time better addressing the issue.

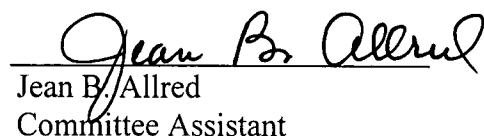
The meeting adjourned at 1:40 P.M.

Respectfully submitted,



Representative Cary Allred
Chairman

Attachments
Visitors Registration



Jean B. Allred
Committee Assistant

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 924

Short Title: Social Security # Use.

(Public)

Sponsors: Representatives Pope, Goodwin, Walend; and Hilton.

Referred to: Ways and Means.

March 29, 2001

A BILL TO BE ENTITLED

AN ACT REQUIRING REDACTION OF SOCIAL SECURITY NUMBERS ON
COPIES OF PUBLIC RECORDS PROVIDED TO THE PUBLIC.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 132 of the General Statutes is amended by adding a
new section to read:

"§ 132-1.6. Redaction of social security numbers.

**Whenever a public record contains the social security identification number of an
individual, the custodian of the record shall redact such number before making the
record available to the public or making a copy of the record for the public."**

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



HOUSE BILL 924: Social Security # Use

BILL ANALYSIS

Committee: House Ways and Means
Date: April 10, 2001
Version: First Edition

Introduced by: Representatives Pope,
Goodwin, and Walend
Summary by: Jeff Hudson
Committee Counsel

SUMMARY: *House Bill 924 would require the custodian of a public record to redact any social security identification number contained in the public record prior to making the public record or a copy of the public record available to the public.*

CURRENT LAW: Under current law, there is no general prohibition against releasing a social security number contained in a public record to a member of the public.

BILL ANALYSIS: House Bill 924 would require the custodian of a public record to redact any social security identification number contained in the public record prior to making the public record or a copy of the public record available to the public. "Public record" means all documents, papers, letters, maps, books, photographs, films, sound recordings, magnetic or other tapes, electronic data-processing records, artifacts, or other documentary material, regardless of physical form or characteristics, made or received pursuant to law or ordinance in connection with the transaction of public business by any agency of North Carolina government or its subdivisions. "Agency of North Carolina government or its subdivisions" means every public office, public officer or official (State or local, elected or appointed), institution, board, commission, bureau, council, department, authority or other unit of government of the State or of any county, unit, special district or other political subdivision of government.

EFFECTIVE DATE: House Bill 924 would become effective when it becomes law.

H924-SMSB-001

VISITOR REGISTRATION SHEET

WAYS AND MEANS

April 10, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Monroe Perry	Perry's Energy Contractors
Bill Tomlinson	NO STATE Board of Exm of Pg & Hy
Scott Tomploten	See State
Robert Wilson	Sec of State
Mike Papp	Sec. of State
Deby Norris	DAHWA
Paul St	AOC

AGENDA

HOUSE COMMITTEE MEETING ON WAYS AND MEANS

April 17, 2001

1:00 P.M.

Room 605 LOB

OPENING REMARKS

Representative Cary Allred, Chair

BILLS TO BE DISCUSSED IN COMMITTEE

(Listed in numerical order; not necessarily in agenda order.)

HB 806 - AIR/HEATING CONTRACTORS AMENDMENT - Rep. Allred, Sponsor

HB 924 - SOCIAL SECURITY # USE - Rep. Pope, Sponsor

HB 982 - HOUSING AUTHORITY EXEMPTIONS - Rep. Edwards, Sponsor

HB 998 - STATE PRIVACY ACT - Rep. Pope, Sponsor

ADJOURNMENT

MINUTES HOUSE COMMITTEE ON WAYS AND MEANS

April 17, 2001

The Committee on Ways and Means met on Tuesday, April 17, 2001 in Room 605 of the Legislative Office Building at 1:05 P.M. The following Members were present: Chairman Cary Allred, Representatives Cox, Decker, Eddins, McMahan, Morris, Nye and Starnes. Staff Counselor, Jeff Hudson was in attendance. Assisting with the meeting were Maxine Holley and Dusty Rhodes, House Sergeants-at-Arms. A Visitors Registration was available and is attached and made part of the minutes.

Representative Allred, Chairman called the meeting to order and introduced the House Pages: Jessica Chong, Wayne County, sponsored by Representative Russell, Brandon Webster, Nash County, Sponsored by Representative Tolson and Pete Silliman, Matthews, Sponsored by Speaker Black.

The first order of business was to adopt for discussion a proposed committee substitute for **HB806- A BILL TO BE ENTITLED AN ACT TO ALLOW CERTAIN LICENSED HEATING CONTRACTORS TO INSTALL AIR CONDITIONING SYSTEMS IF NO INDIVIDUAL UNIT IN THE SYSTEM EXCEEDS FIFTEEN TONS** – as was moved by Representative Nye.

Representative Baker was recognized to explain the PCS for HB806. Section 1 of the proposed committee substitute for HB806 would amend G.S. 87-58(a) to return the language that existed prior to the enactment of Session Law 1998-216 during the 1998 Session of the General Assembly. The PCS for HB806 would become effective when it becomes law.

Discussion followed: Representative Eddins asked if there were any opposition to the bill. Representative Baker responded that he knew of none but that not many people knew about the bill. Representative Cox said he did not think there had been enough time and that we needed to hear from the refrigeration people. Representative Eddins said the language got changed in 1997 or so and this was putting it back. Representative Starnes said that this was a practical effect dealing with additional repairs when you have a repairman on the job and it was too hard to get them to come back out. Representative Decker moved for a favorable report as to the PCS, which changes the title, unfavorable to the original bill. The motion passed.

Next Representative Edwards, bill sponsor was recognized to speak on **HB982 – A BILL TO BE ENTITLED AN ACT REVISING THE HOUSING AUTHORITY EXEMPTION FROM STATUTES REGULATING REAL ESTATE BROKERS AND SALESMEN AND CLARIFYING THE HOUSING AUTHORITY**

EXEMPTION FROM STATUTES REGULATING PROCUREMENT.

Representative Edwards asked that the Committee consider a Proposed Committee Substitute for HB 982 and explained that the PCS would be the bill a local bill instead of a public bill. Representative Morris moved for adoption of the PCS for HB982 for discussion.

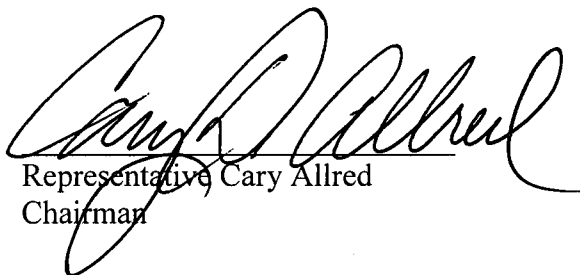
Representative Edwards asked Chairman Allred to recognize Mr. W.I. "Bill" Cochran, Jr., Executive Director of the Washington/Mid-East Regional Housing Authority, the purpose of the bill. The PCS for HB982 would amend the housing authority exemption from the real estate broker licensing statutes and would amend other housing authority powers and exemptions for the Washington/Mid-East Regional Housing Authority. *Please see attachment for exemptions.* Discussion followed with Representatives Morris and Eddins asking questions of Mr. Cochran.

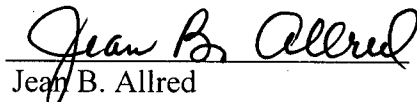
Stephanie Mansur, N.C. REALTORS, Inc., Lobbyist spoke in opposition to the bill as did Tom Miller, Legal Counsel for the N. C. Real Estate Commission. Mr. Miller said that citizens who need the safeguards most would not get them if the exemptions passed in this bill. He explained that Housing Authorities do not operate under government.

Discussion followed with Representatives Starnes, Decker, McMahan and Cox asking questions of Mr. Miller and Representative Edwards. Time expired with no action being taken on HB 982.

The meeting adjourned at 1:45 P.M.

Respectfully submitted,


Representative Cary Allred
Chairman


Jean B. Allred
Committee Assistant

Attachments
Committee Report
Visitors Registration

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

- ☐ Committee Substitute for
H.B. 806 A BILL TO BE ENTITLED AN ACT TO ALLOW CERTAIN LICENSED
HEATING CONTRACTORS TO INSTALL AIR CONDITIONING SYSTEMS IF NO
INDIVIDUAL UNIT IN THE SYSTEM EXCEEDS FIFTEEN TONS.
- ☐ 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.
- ☐ 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 806

Short Title: Air/Heating Contractors Amendment.

(Public)

Sponsors: Representatives Allred and Cole (By Request) (Primary Sponsors).

Referred to: Ways and Means.

March 26, 2001

A BILL TO BE ENTITLED

AN ACT TO ALLOW CERTAIN LICENSED HEATING CONTRACTORS TO
INSTALL AIR CONDITIONING SYSTEMS IF NO INDIVIDUAL UNIT IN THE
SYSTEM EXCEEDS FIFTEEN TONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 87-21(b) reads as rewritten:

"(b) Classes of Licenses; Eligibility and Examination of Applicant; Necessity for
License. –

...

(5a) Any person issued a license by the Board to install a system in heating,
group number three, as defined in G.S. 87-21(a)(4), may also install a
system in heating, group number two, as defined in G.S. 87-21(a)(3),
without having to obtain a license in that classification, if no individual
unit of the air conditioning system has a mechanical refrigeration
capacity in excess of 15 tons."

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 806
PROPOSED COMMITTEE SUBSTITUTE H806-PCS4149-SV-14

Short Title: Refrigeration Contractors Amendment.

(Public)

Sponsors:

Referred to:

March 26, 2001

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE DEFINITION OF REFRIGERATION TRADE OR
BUSINESS UNDER THE LAWS RELATING TO REFRIGERATION
CONTRACTORS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 87-58(a) reads as rewritten:

"§ 87-58. Definitions; contractors licensed by Board; examinations.

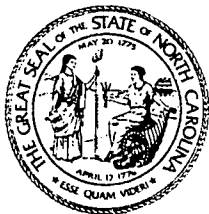
(a) As applied in this Article, "refrigeration trade or business" is defined to include all persons, firms or corporations engaged in the installation, maintenance, servicing and repairing of refrigerating machinery, equipment, devices and components relating thereto and within limits as set forth in the codes, laws and regulations governing refrigeration installation, maintenance, service and repairs within the State of North Carolina or any of its political subdivisions. This Article shall not apply to the replacement of lamps and fuses and to the installation and servicing of domestic household refrigerators and freezers or domestic ice-making appliances connected by means of attachment plug-in devices to suitable receptacles which have been permanently installed. The provisions of this Article shall not repeal any wording, phrase, or paragraph as set forth in Article 2 of Chapter 87 of the General Statutes. This Article shall not apply to employees of persons, firms, or corporations or persons, firms or corporations, not engaged in refrigeration contracting as herein defined, that install, maintain and service their own refrigerating machinery, equipment and devices. The provisions of this Article shall not apply to any person, firm or corporation engaged in the business of selling, repairing and installing any ~~comfort cooling devices or systems~~ air conditioning units, devices, or systems for the purpose of cooling offices, buildings, houses, works, manufacturing plants, or any machinery, manufactured article, or processing of material."

SECTION 2. G.S. 87-58 is amended by adding a new subsection to read:

"(a1) This Article shall not apply to the repair or replacement of parts or components of a refrigeration system provided that the repair or replacement of the part

1 or component is performed by any person, firm, or corporation licensed under G.S. 87-
2 21(a)(1) or (a)(3) or G.S. 87-43.3."

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



HOUSE BILL 806: Air/Heating Contractors Amendment

BILL ANALYSIS

Committee: House Ways and Means
Date: April 17, 2001
Version: Proposed Committee Substitute
H806-CSSV-14[v.5]

Introduced by: Representatives Allred and
Cole
Summary by: Jeff Hudson
Committee Counsel

SUMMARY: *The proposed committee substitute for House Bill 806 would provide that the Article of the General Statutes governing the licensing of refrigeration contractors does not apply to:*

- *Any person, firm or corporation engaged in the business of selling, repairing and installing air conditioning units, devices, or systems for the purpose of cooling offices, buildings, houses, works, manufacturing plants, or any machinery, manufactured article, or processing of material.*
- *The repair or replacement of parts or components of a refrigeration system provided that the repair or replacement of the part or component is performed by any person, firm, or corporation licensed as a plumbing contractor, an air conditioning system contractor, or an electrical contractor.*

BACKGROUND: Section 1 of the proposed committee substitute for House Bill 806 would amend G.S. 87-58(a) to return the language that existed prior to the enactment of Session Law 1998-216 during the 1998 Session of the General Assembly.

EFFECTIVE DATE: The proposed committee substitute for House Bill 806 would become effective when it becomes law.

H806-SMSB-002

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

H

1

HOUSE BILL 982

Short Title: Housing Authority Exemptions.

(Public)

Sponsors: Representatives Edwards; and Barefoot.

Referred to: Ways and Means.

April 5, 2001

1 A BILL TO BE ENTITLED
2 AN ACT REVISING THE HOUSING AUTHORITY EXEMPTION FROM
3 STATUTES REGULATING REAL ESTATE BROKERS AND SALESMEN AND
4 CLARIFYING THE HOUSING AUTHORITY EXEMPTION FROM STATUTES
5 REGULATING PROCUREMENT.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. G.S. 93A-2(c)(8) reads as rewritten:

8 "(8) Any housing authority organized in accordance with the provisions of
9 Chapter 157 of the General Statutes and any regular salaried
10 employees of the housing authority ~~when performing who perform any~~
11 acts authorized in this Chapter as to any ~~property owned or leased by~~
12 ~~the housing authority housing project~~ operated or managed by the
13 housing authority and the acts are performed in the regular course of or
14 as incident to the operation or management of the project. This
15 exception shall not apply to any person, partnership, corporation,
16 limited liability company, association, or other business entity that
17 contracts with a housing authority to sell or manage ~~property owned or~~
18 ~~leased by the housing authority a housing project.~~"

19 SECTION 2. G.S. 157-9 reads as rewritten:

20 "§ 157-9. Powers of authority.

21 "(a) An authority shall constitute a public body and a body corporate and politic,
22 exercising public powers, and having all the powers necessary or convenient to carry
23 out and effectuate the purposes and provisions of this Article, including the following
24 powers in addition to others herein granted:

25 (1) To investigate into living, dwelling and housing conditions and into
26 the means and methods of improving such ~~conditions; to conditions.~~

27 (2) To determine where ~~unsafe, unsafe~~ or unsanitary dwelling or housing
28 conditions ~~exist; to exist.~~

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 982
PROPOSED COMMITTEE SUBSTITUTE H982-CSLM-15 [v.3]

4/17/2001 11:43:27 AM

Short Title: Mid-East Region Housing Authority Exemption.

(Local)

Sponsors:

Referred to:

April 5, 2001

1 A BILL TO BE ENTITLED
2 AN ACT REVISING THE HOUSING AUTHORITY EXEMPTION FROM
3 STATUTES REGULATING REAL ESTATE BROKERS AND SALESMEN AND
4 CLARIFYING THE HOUSING AUTHORITY EXEMPTION FROM STATUTES
5 REGULATING PROCUREMENT FOR THE MID-EAST REGIONAL HOUSING
6 AUTHORITY.

7 The General Assembly of North Carolina enacts:

8 SECTION 1. G.S. 93A-2(c)(8) reads as rewritten:

9 "(8) Any housing authority organized in accordance with the provisions of
10 Chapter 157 of the General Statutes and any regular salaried
11 employees of the housing authority ~~when performing who perform any~~
12 ~~acts authorized in this Chapter as to any property owned or leased by~~
13 ~~the housing authority housing project operated or managed by the~~
14 ~~housing authority and the acts are performed in the regular course of or~~
15 ~~as incident to the operation or management of the project. This~~
16 ~~exception shall not apply to any person, partnership, corporation,~~
17 ~~limited liability company, association, or other business entity that~~
18 ~~contracts with a housing authority to sell or manage property owned or~~
19 ~~leased by the housing authority a housing project."~~

20 SECTION 2. G.S. 157-9 reads as rewritten:

21 "§ 157-9. Powers of authority.

22 "(a) An authority shall constitute a public body and a body corporate and politic,
23 exercising public powers, and having all the powers necessary or convenient to carry
24 out and effectuate the purposes and provisions of this Article, including the following
25 powers in addition to others herein granted:

26 (1) To investigate into living, dwelling and housing conditions and into
27 the means and methods of improving such ~~econditions; teconditions.~~

28 (2) To determine where ~~unsafe, unsafe~~ or unsanitary dwelling or housing
29 conditions exist; ~~toexist.~~

- (3) To study and make recommendations concerning the plan of any city or municipality located within its boundaries in relation to the problem of clearing, replanning and reconstruction of areas in which unsafe or unsanitary dwelling or housing conditions exist, and the providing of dwelling accommodations for persons of low income, and to cooperate with any city municipal or regional planning agency; ~~to agency.~~
- (4) To prepare, carry out and operate housing projects; ~~to projects.~~
- (5) To approve, assist, and cooperate with, as its instrumentality, a nonprofit corporation in providing financing by the issuance by such nonprofit corporation's obligations (which obligations shall not be or be deemed to be indebtedness of a housing authority) for one or more housing projects, pursuant to the United States Housing Act of 1937, as amended, and applicable regulations thereunder, specifically including, but not limited to, programs to make construction and other loans to developers or owners of residential housing, and to acquire, operate or manage such a housing project, and to administer federal housing assistance subsidy payments for such projects; ~~to projects.~~
- (6) To provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof; ~~to thereof.~~
- (7) To take over by purchase, lease or otherwise any housing project located within its boundaries undertaken by any government, or by any city or municipality located in whole or in part within its boundaries; ~~to boundaries.~~
- (8) To manage as agent of any city or municipality located in whole or in part within its boundaries any housing project constructed or owned by such city; ~~to city.~~
- (9) To act as agent for the federal government in connection with the acquisition, construction, operation and/or management of a housing project or any part thereof; ~~to thereof.~~
- (10) To arrange with any city or municipality located in whole or in part within its boundaries or with a government for the furnishing, planning, replanning, installing, opening or closing of streets, roads, roadways, alleys, sidewalks or other places or facilities or for the acquisition by such city, municipality, or government of property, options or property rights or for the furnishing of property or services in connection with a project; ~~to project.~~
- (11) To arrange with the State, its subdivisions and agencies, and any county, city or municipality of the State, to the extent that it is within the scope of each of their respective ~~functions;~~ functions: (i) to cause the services customarily provided by each of them to be rendered for the benefit of such housing authority and/or the occupants of any

housing projects and (ii) to provide and maintain parks and sewage, water and other facilities adjacent to or in connection with housing projects and (iii) to change the city or municipality map, to plan, replan, zone or rezone any part of the city or ~~municipality~~; to municipality.

(12) To lease or rent any of the dwelling or other accommodations or any of the lands, buildings, structures or facilities embraced in any housing project and to establish and revise the rents or charges ~~therefor~~; to thereof.

(13) To enter upon any building or property in order to conduct investigations or to make surveys or ~~soundings~~; to soundings.

(14) To purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise any property real or personal or any interest therein from any person, firm, corporation, city, municipality, or ~~government~~; to government.

(15) To acquire by eminent domain any real property, including improvements and fixtures ~~thereon~~; to thereon.

(16) To sell, exchange, transfer, assign, or pledge any property real or personal or any interest therein to any person, firm, corporation, municipality, city, or ~~government~~; to government.

(17) To own, hold, operate, alter, repair, clear and improve ~~property~~; to property.

(18) To insure or provide for the insurance of the property or operations of the authority against such risks as the authority may deem ~~advisable~~; to advisable.

(19) To procure insurance or guarantees from a federal government of the payment of any debts or parts thereof secured by mortgages made or held by the authority on any property included in any housing ~~project~~; to project.

(20) To borrow money upon its bonds, notes, debentures or other evidences of indebtedness and to secure the same by pledges of its revenues, and by mortgages upon property held or to be held by it, or in any other ~~manner~~; in manner.

(21) In connection with any loan, to agree to limitations upon its right to dispose of any housing project or part thereof or to undertake additional housing ~~projects~~; in projects.

(22) In connection with any loan by a government, to agree to limitations upon the exercise of any powers conferred upon the authority by this ~~Article~~; to Article.

(23) To invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in

1 which savings banks may legally invest funds subject to their
2 control;~~to control.~~

3 (24) To sue and be sued; ~~to~~sued.

4 (25) To have a seal and to alter the same at ~~pleasure; to~~pleasure.

5 (26) To have perpetual ~~succcession; to~~succession.

6 (27) To make and execute contracts and other instruments necessary or
7 convenient to the exercise of the powers of the ~~authority; to~~authority.

8 (28) To make and from time to time amend and repeal bylaws, rules and
9 regulations not inconsistent with this Article, to carry into effect the
10 powers and purposes of the ~~authority; to~~authority.

11 (29) To conduct examinations and investigations and to hear testimony and
12 take proof under oath at public or private hearings on any matter
13 material for its ~~information; to~~information.

14 (30) To issue subpoenas requiring the attendance of witnesses or the
15 production of books and papers and to issue commissions for the
16 examination of witnesses who are out of the State or unable to attend
17 before the authority, or excused from ~~attendance; and to~~attendance.

18 (31) To make available to such agencies, boards or commissions as are
19 charged with the duty of abating or requiring the correction of
20 nuisances or like conditions, or of demolishing unsafe or unsanitary
21 structures within its territorial limits, its findings and recommendations
22 with regard to any building or property where conditions exist which
23 are dangerous to the public health, morals, safety or welfare.

24 (a1) Any of the investigations or examinations provided for in this Article may be
25 conducted by the authority or by a committee appointed by it, consisting of one or more
26 commissioners, or by counsel, or by an officer or employee specially authorized by the
27 authority to conduct it. Any commissioner, counsel for the authority, or any person
28 designated by it to conduct an investigation or examination shall have power to
29 administer oaths, take affidavits and issue subpoenas or commissions. An authority may
30 exercise any or all of the powers herein conferred upon it, either generally or with
31 respect to any specific housing project or projects, through or by an agent or agents
32 which it may designate, including any corporation or corporations which are or shall be
33 formed under the laws of this State, and for such purposes an authority may cause one
34 or more corporations to be formed under the laws of this State or may acquire the
35 capital stock of any corporation or corporations. Any corporate agent, (i) all of the stock
36 of which shall be owned by the authority or its nominee or nominees or (ii) the board of
37 directors of which shall be elected or appointed by the authority or is composed of the
38 commissioners of the authority or (iii) which is otherwise subject to the control of the
39 authority or the governmental entity which created the authority, may to the extent
40 permitted by law exercise any of the powers conferred upon the authority herein. In
41 addition to all of the other powers herein conferred upon it, an authority may do all
42 things necessary and convenient to carry out the powers expressly given in this Article.

1 (a2) No provisions with respect to the acquisition, ~~operation-operation~~, purchase,
2 or disposition of ~~property-property~~, the erection, construction, reconstruction,
3 deconstruction, demolition, alteration, or repair of buildings or other works or
4 improvements, or the contracting for any of the foregoing or any services by other
5 public bodies shall be applicable to an authority unless the legislature shall specifically
6 so state.

7 (b) Notwithstanding anything to the contrary contained in this Article or in any
8 other provision of law an authority may include in any contract let in connection with a
9 project, stipulations requiring that the contractor and any subcontractors comply with
10 requirements as to minimum wages and maximum hours of labor, ~~and~~ comply with any
11 conditions which the federal government may have attached to its financial aid of the
12 ~~project-project~~, and comply with State bonding and other public contracts requirements.

13 (c) To the extent not inconsistent with the Constitution or statutes of this State or
14 the United States, an authority may adopt and enforce rules governing the lawful entry
15 of guests and visitors to its properties, including the visitors and guests of its tenants.
16 Prior to adopting such rules, an authority shall make reasonable efforts to consult with
17 or obtain comments from its tenants or their representatives. Persons who enter or
18 remain on the property of an authority in violation of such rules shall be subject to
19 prosecution as applicable under G.S. 14-159.12 or G.S. 14-159.13."

20 **SECTION 3.** This act applies only to the Mid-East Regional Housing
21 Authority.

22 **SECTION 4.** This act is effective when it becomes law.
23



HOUSE BILL 982: Housing Authority Exemptions

BILL ANALYSIS

Committee: House Ways and Means
Date: April 17, 2001
Version: Proposed Committee Substitute
H982-CSLM-15 [v.2]

Introduced by: Representative Edwards
Summary by: Jeff Hudson
Committee Counsel

SUMMARY: *The proposed committee substitute for House Bill 982 would amend the housing authority exemption from the real estate broker licensing statutes and would amend other housing authority powers and exemptions for the Mid-East Regional Housing Authority.*

Section 1.

Under current law, the real estate broker licensing statutes do not apply to an employee of a housing authority who performs the acts of a real estate broker as to property owned or leased by the housing authority. Section 1 would provide that these statutes do not apply to an employee of a housing authority who performs the acts of a real estate broker as to a housing project operated or managed by the housing authority when the employee is acting in the regular course of operating or managing the project.

Section 2.

Section 2 would:

- Expand the powers of housing authorities to include the power to operate, alter, and repair property.
- Expand the list of housing authority activities that are exempt from other generally applicable laws to include purchase of property; the erection, construction, reconstruction, deconstruction, demolition, alteration, or repair of buildings or other works or improvements; or the contracting for any of the foregoing or any services.
- Provide that a housing authority may include in any contract let in connection with a housing project a requirement that the contractor or subcontractor comply with State bonding and other public contract requirements.
- Make a number of technical changes to the statute governing the powers of a housing authority.

Section 3.

Section 3 provides that the provisions of the proposed committee substitute for House Bill 982 apply only to the Mid-East Regional Housing Authority.

EFFECTIVE DATE: The proposed committee substitute for House Bill 982 would become effective when it becomes law.

H982-SMSB-001

VISITOR REGISTRATION SHEET

WAYS AND MEANS

April 17, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

W. G. Cochrane Jr	Washington/real Est. Reg. Housing Authorities
Tom Miller	NCREC
Shirley L. Gore	505
John S. Anson	Housing Authority of ROK
Margaret Westbrook	Kennedy Covington
Paul W. St	AOC
Deb Ross	ACHU
Joy Barbour	Concerned Biker's Assoc./ABATE of N.C.
Ray Barbour	Concerned Biker's Assoc./ABATE of N.C.
Tracy Stoner	DTR CARY NC
James Earl Rich	Rich's Heating & A/C Wallace N.C.

VISITOR REGISTRATION SHEET

WAYS AND MEANS

Name of Committee

April 17, 2001

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Henry Jones	Attorney - Raleigh
Therese Perry	Pennings Energy Contractors N.C.
Bell Thompson	STATE Board of Ex. of Hg. & F.S.
Smiles O'Brien	Director STATE Bd. of Hg. & F.S.
Alice Parlano	Electricities
Mary Carlinia	REBIC
Beth Biggels	Alley Associates
John Phelps	NCLM
Don McConquodale	SAS
Stephanie Mann	NCAR

AGENDA

HOUSE COMMITTEE MEETING ON WAYS AND MEANS

April 19, 2001

1:00 P.M.

Room 424 LOB

OPENING REMARKS

Representative Cary Allred, Chair

BILLS TO BE DISCUSSED IN COMMITTEE

(Listed in numerical order; not necessarily in agenda order.)

HB 307 - Minimum Housing Standards - Rep. Arnold, Sponsor

HB 968 - Soil and Water Employee Judgements - Rep. Culp, Sponsor

HB 1119 - Engineering/Land Surveying Act - Rep. Nye, Sponsor

HB 1219 - Financial Oversight for Housing Authorities - Rep. Jeffus, Sponsor

HB 1307 - Conversion to Planned Community - Rep. Gibson, Sponsor

ADJOURNMENT

MINUTES

HOUSE COMMITTEE ON WAYS AND MEANS

April 19, 2001

The Committee on Ways and Means met on Thursday, April 19, 2001 in Room 424 of the Legislative Office Building at 1:05 P.M. The following Members were present: Chairman Cary Allred, Representatives Cox, Eddins, Haire, McMahan, Morris, Nye, Oldham and Pope. Staff Counselor, Jeff Hudson was in attendance. Assisting with the meeting were Martha Dunn and James Worth, House Sergeants-at-Arms. A Visitors Registration was available and is attached and made part of the minutes.

Representative Cary Allred, Chairman, called the meeting to order and introduced the House Page, Brandon Webster from Nash County, sponsored by Representative Tolson.

First on the agenda was **HB 307 – A BILL TO BE ENTITLED AN ACT TO APPLY A LAW CLOSING A LOOPHOLE IN THE MINIMUM HOUSING STANDARDS ACT AS IT APPLIES TO MUNICIPALITIES LOCATED IN COUNTIES WITH POPULATIONS IN EXCESS OF SEVENTY-ONE THOUSAND PEOPLE BY THE LAST CENSUS WHERE THE OWNER CAN AVOID ORDERS TO REPAIR, REMOVE, OR DEMOLISH A RENTAL UNIT BY SIMPLY CLOSING IT SO THAT IT WILL APPLY IN THE ENTIRETY OF A MUNICIPALITY LOCATED IN MORE THAN ONE COUNTY WHERE SOME OF THE MUNICIPALITY IS LOCATED IN A COUNTY THAT MEETS THE POPULATION THRESHOLD.** Representative Arnold, bill sponsor, explained that the bill would amend the applicability provisions of the minimum housing standards statute so that the statute would apply to a municipality that is located in more than one county and a least one of these counties has population of more than 71,000. Rep. McMahan moved for a favorable report the motion was seconded by Representative Haire. The motion passed.

The next order of business was to recognize Representative Jeffus to explain **HB 1219 – A BILL TO BE ENTITLED AN ACT TO AMEND THE APPLICABILITY OF THE LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT TO HOUSING AUTHORITIES UNDER CHAPTER 157 OF THE GENERAL STATUTES.** A technical amendment on page 3 line 31 to delete “and” was moved by Representative McMahan. Erica Churchill, Staff Attorney, explained that the bill would clarify the applicability of the Local Government Budget and Fiscal Control Act to housing authorities not operated as a department of a county or municipality, effective for fiscal years beginning on or after October 1, 2001. Discussion followed. Representative Nye moved for a favorable report as amended, rolled into a proposed committee substitute, unfavorable as to original bill. Motion passed.

Next to be discussed was **HB 968 – A BILL TO BE ENTITLED AN ACT TO CLARIFY THE AUTHORITY OF COUNTIES AND CITIES TO PROVIDE FOR THE DEFENSE OF AND TO PAY JUDGMENTS AGAINST SOIL AND WATER**

April 19, 2001

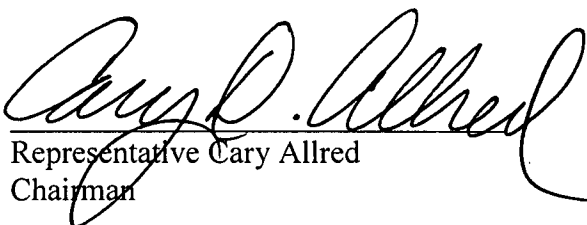
CONSERVATION SUPERVISORS AND EMPLOYEES – sponsored by Representative Culp comes over from the Institute of Government. The bill would simply add soil and water conservation supervisors and employees to the individuals for whom a local government may provide legal defense and payment of claims and judgments. Representative Haire gave the bill “his stamp of approval” but asked why the bill was necessary. Representative Clup said that some counties had it while some did not. They simply unified all county provisions. Representative McMahan moved for a favorable report. Motion carried.

Next, **HB 1269 – A BILL TO BE ENTITLED AN ACT REGARDING AIRPORT FEES AND CHARGE FOR RENTAL CARS**, sponsored by Representative McComas was discussed. HB 1269 would provide that the rental rate that a rental car company advertises and charges must include airport fees and rents. The bill has no opposition, was reviewed by the Attorney General’s office and is time sensitive. Representative Nye motioned for a favorable report, which carried.

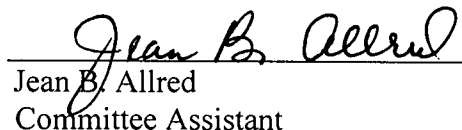
HB 1307 – A BILL TO BE ENTITLED AN ACT RELATING TO THE CONVERSION OF EXISTING RESIDENTIAL DEVELOPMENTS TO PLANNED COMMUNITIES, sponsored by Representative Gibson was discussed next. HB 1307 would provide that an existing community could convert to a planned community with the approval of 100% of the voting members of the association or the owners of 100% of the real property to become the planned community. Representative Eddins moved for a favorable report, which passed.

Last on the agenda, **HB 1119 – A BILL TO BE ENTITLED AN ACT AMENDING THE NORTH CAROLINA ENGINEERING AND LAND SURVEYING ACT AND AUTHORIZING THE STATE BOARD OF EXAMINERS OF ENGINEERS AND SURVEYORS TO ACQUIRE REAL PROPERTY, TO PURCHASE EQUIPMENT AND LIABILITY INSURANCE, AND TO INCREASE THE CIVIL PENALTY FROM TWO THOUSAND DOLLARS TO FIVE THOUSAND DOLLARS FOR VIOLATIONS OF THE ACT**, sponsored by Representative Nye, was discussed. HB 1119 would amend statutes governing the practice of engineering and land surveying. The act would become effective when it becomes law. Discussion followed with Representative Oldham moving for a favorable report.

With the motion passing and no other business, the committee adjourned at 1:50 P.M.



Representative Cary Allred
Chairman



Jean B. Allred
Committee Assistant

Attachments
Committee Reports
Visitor Registration Sheet

#1

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

☐ Committee Substitute for

H.B. 307 A BILL TO BE ENTITLED AN ACT TO APPLY A LAW CLOSING A LOOPHOLE IN THE MINIMUM HOUSING STANDARDS ACT AS IT APPLIES TO MUNICIPALITIES LOCATED IN COUNTIES WITH POPULATIONS IN EXCESS OF SEVENTY-ONE THOUSAND PEOPLE BY THE LAST CENSUS WHERE THE OWNER CAN AVOID ORDERS TO REPAIR, REMOVE, OR DEMOLISH A RENTAL UNIT BY SIMPLY CLOSING IT SO THAT IT WILL APPLY IN THE ENTIRETY OF A MUNICIPALITY LOCATED IN MORE THAN ONE COUNTY WHERE SOME OF THE MUNICIPALITY IS LOCATED IN A COUNTY THAT MEETS THE POPULATION THRESHOLD.

☒ 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

FOR JOURNAL USE ONLY

- ____ Pursuant to Rule 36(b), the bill is placed on the Calendar of _____.
- ____ The (committee substitute) bill/resolution (, as amended,) is (ordered engrossed and) re-referred to the Committee on _____.
- ____ The bill/resolution is re-referred to the Committee on _____.
- ____ On motion of (Rep. _____,) (the Chair,) the (committee substitute) bill/resolution is (ordered engrossed and) re-referred to the Committee on _____.
- ____ Pursuant to Rule 36(b), the (House)committee substitute bill (No. _____)/resolution is placed on the Calendar of _____. (The original bill) (House Committee Substitute Bill No. _____)/resolution is placed on the Unfavorable Calendar.
- ____ On motion of Rep. _____, (the rules are suspended) (Rule _____ is suspended) and the bill/resolution is placed on today's calendar. (for immediate consideration.)
- ____ On motion of Rep. _____, Committee Amendment No.(s) _____ is/are adopted (by EV _____).
- ____ On motion of Rep. _____, Committee Amendment No.(s) _____ is/are adopted (by EV _____).
- ____ Rep. _____ offers Amendment No. _____ which (is adopted.) (fails of adoption.) (by EV _____.) () This amendment changes the title.
- ____ The bill/resolution (, as amended,) passes its second reading (by following vote, _____ RC) (, by EV _____,) and (remains on the Calendar,) (and there being no objection is read a third time).
- ____ The bill/resolution (, as amended,) passes its third reading (by the following vote, _____ RC) (, by EV _____,) and is ordered
____ sent to the Senate.
____ without engrossment. _____ by Special message.
____ sent to the Senate for concurrence in
____ House amendment (s).
____ House committee substitute.
____ enrolled.
- ____ On motion of Rep. _____, the House concurs in the (material) Senate _____ (by the following vote, _____ RC) (, by EV _____,) and the bill is ordered enrolled.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 307

Short Title: Minimum Housing Standards.

(Public)

Sponsors: Representative Arnold.

Referred to: Ways and Means.

February 28, 2001

A BILL TO BE ENTITLED

AN ACT TO APPLY A LAW CLOSING A LOOPHOLE IN THE MINIMUM HOUSING STANDARDS ACT AS IT APPLIES TO MUNICIPALITIES LOCATED IN COUNTIES WITH POPULATIONS IN EXCESS OF SEVENTY-ONE THOUSAND PEOPLE BY THE LAST CENSUS WHERE THE OWNER CAN AVOID ORDERS TO REPAIR, REMOVE, OR DEMOLISH A RENTAL UNIT BY SIMPLY CLOSING IT SO THAT IT WILL APPLY IN THE ENTIRETY OF A MUNICIPALITY LOCATED IN MORE THAN ONE COUNTY WHERE SOME OF THE MUNICIPALITY IS LOCATED IN A COUNTY THAT MEETS THE POPULATION THRESHOLD.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-443(5a) reads as rewritten:

"(5a) If the governing body shall have adopted an ordinance, or the public officer shall have:

- a. In a municipality located in counties which have a population in excess of 71,000 by the last federal ~~census~~, census (including the entirety of any municipality located in more than one county at least one county of which has a population in excess of 71,000), other than municipalities with a population in excess of 190,000 by the last federal census, issued an order, ordering a dwelling to be repaired or vacated and closed, as provided in subdivision (3)a, and if the owner has vacated and closed such dwelling and kept such dwelling vacated and closed for a period of one year pursuant to the ordinance or order;
- b. In a municipality with a population in excess of 190,000 by the last federal census, commenced proceedings under the substandard housing regulations regarding a dwelling to be repaired or vacated and closed, as provided in subdivision (3)a.,

1 and if the owner has vacated and closed such dwelling and kept
2 such dwelling vacated and closed for a period of one year
3 pursuant to the ordinance or after such proceedings have
4 commenced,

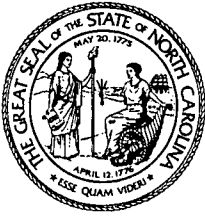
5 then if the governing body shall find that the owner has abandoned the
6 intent and purpose to repair, alter or improve the dwelling in order to
7 render it fit for human habitation and that the continuation of the
8 dwelling in its vacated and closed status would be inimical to the
9 health, safety, morals and welfare of the municipality in that the
10 dwelling would continue to deteriorate, would create a fire and safety
11 hazard, would be a threat to children and vagrants, would attract
12 persons intent on criminal activities, would cause or contribute to
13 blight and the deterioration of property values in the area, and would
14 render unavailable property and a dwelling which might otherwise
15 have been made available to ease the persistent shortage of decent and
16 affordable housing in this State, then in such circumstances, the
17 governing body may, after the expiration of such one year period,
18 enact an ordinance and serve such ordinance on the owner, setting
19 forth the following:

- 20 a. If it is determined that the repair of the dwelling to render it fit
21 for human habitation can be made at a cost not exceeding fifty
22 percent (50%) of the then current value of the dwelling, the
23 ordinance shall require that the owner either repair or demolish
24 and remove the dwelling within 90 days; or
25 b. If it is determined that the repair of the dwelling to render it fit
26 for human habitation cannot be made at a cost not exceeding
27 fifty percent (50%) of the then current value of the dwelling, the
28 ordinance shall require the owner to demolish and remove the
29 dwelling within 90 days.

30 This ordinance shall be recorded in the Office of the Register of Deeds
31 in the county wherein the property or properties are located and shall
32 be indexed in the name of the property owner in the grantor index. If
33 the owner fails to comply with this ordinance, the public officer shall
34 effectuate the purpose of the ordinance.

35 This subdivision only applies to municipalities located in counties
36 which have a population in excess of 71,000 by the last federal ~~census~~.
37 census (including the entirety of any municipality located in more than
38 one county at least one county of which has a population in excess of
39 71,000)."

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



HOUSE BILL 307: Minimum Housing Standards

BILL ANALYSIS

Committee: House Ways and Means
Date: April 19, 2001
Version: First Edition

Introduced by: Representative Arnold
Summary by: Jeff Hudson
Committee Counsel

SUMMARY: *House Bill 307 would amend the applicability provisions of the minimum housing standards statute so that the statute would apply to a municipality that is located in more than one county and at least one of those counties has population of more than 71,000.*

CURRENT LAW: Under current law, the minimum housing standards statute sets out procedures municipalities must follow when ordering the repair or demolition of substandard housing. Before a municipality may require property owners to repair or demolish substandard housing, the following must occur:

- The owner of the property must be provided notice and a hearing.
- A hearing officer must determine that the dwelling is unfit for human habitation, make written findings of fact, and issue an order served on the owner requiring the owner to repair, close, or demolish the dwelling.
- The dwelling must have been closed for one year pursuant to the order.
- The municipal governing body must determine that the owner has abandoned the intent to repair the dwelling.
- The municipal governing body must find that the closed dwelling is harmful to the health, safety, morals, and welfare of the municipality.

If the above conditions are met, the municipality may enact an ordinance and serve notice on the owner that:

- The owner must repair, demolish, or remove the dwelling within 90 days if the cost to repair the dwelling to render it fit for human habitation can be done for 50% or below the current value of the dwelling; or
- The owner must demolish and remove the dwelling within 90 days if the cost to repair the dwelling to render it fit for human habitation exceeds 50% of the current value of the dwelling.

If the owner fails to comply, the municipality must repair or demolish and remove the dwelling. **These provisions apply to municipalities located in counties that have a population of more than 71,000.**

BILL ANALYSIS: House Bill 307 would amend the applicability provisions of the minimum housing standards statute so that the statute would apply to a municipality that is located in more than one county and at least one of those counties has population of more than 71,000.

BACKGROUND: During the 2000 Regular Session, the General Assembly enacted S.L. 2000-186, which reduced the population threshold for applicability of the minimum housing standards statute from 163,000 to 71,000.

EFFECTIVE DATE: This act would become effective, when it becomes law.

Kristen Crossen, Research Assistant for Local Government Issues, contributed to the preparation of this summary.

H307-SMSB-001

2001 COMMITTEE REPORT HOUSE OF REPRESENTATIVES

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

-
- ☐ Committee Substitute for
H.B. 1219 A BILL TO BE ENTITLED AN ACT TO AMEND THE APPLICABILITY OF
THE LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT TO HOUSING
AUTHORITIES UNDER CHAPTER 157 OF THE GENERAL STATUTES.
- ☐ 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, unfavorable as to original bill.
- ☐ 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 1219

Short Title: Financial Oversight for Housing Authorities. (Public)

Sponsors: Representatives Jeffus; Baddour, Hurley, G. Wilson, and Wainwright.

Referred to: Ways and Means.

April 12, 2001

A BILL TO BE ENTITLED
AN ACT TO AMEND THE APPLICABILITY OF THE LOCAL GOVERNMENT
BUDGET AND FISCAL CONTROL ACT TO HOUSING AUTHORITIES
UNDER CHAPTER 157 OF THE GENERAL STATUTES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 3 of Chapter 159 of the General Statutes is amended by adding a new Part to read:

"Part 7. Public Housing Authorities.

"§ 159-42. Special regulations pertaining to public housing authorities.

(a) Definition. – As used in this Part, the term 'housing authority' means any entity as defined in G.S. 157-3(1) that is not subject to G.S. 157-4.2.

(b) Applicability. – Except as provided in this Part, none of the provisions of Part 1, 2, or 3 of this Article apply to housing authorities in compliance with this Part.

(c) Annual Budget. – Each housing authority shall operate under an annual budget. The budget shall take the form of estimated revenues plus fund balances available for the program, as defined by the U.S. Department of Housing and Urban Development regulations or their successors, that are equal to or greater than estimated expenditures. The proposed budget shall be available for public inspection in a manner consistent with G.S. 159-12(a). Before adopting the budget, the housing authority governing board shall hold a public hearing at which time any persons who wish to be heard on the budget may appear. The governing board shall cause notice of the public hearing to be published in a newspaper of general circulation in the area once a week for two consecutive weeks prior to the public hearing.

(d) Project Ordinances. – The annual budget shall not include those estimated revenues and expenditures accounted for in a project ordinance. A housing authority shall adopt a project ordinance, as defined by G.S. 159-13.2, for those programs which span two or more fiscal years. The form of the project ordinance shall be in accordance with the relevant funding agency guidelines for that project. The estimated revenues

1 plus fund balances available for a project shall be equal to or greater than the estimated
2 expenditures. The estimated revenues and expenditures related to approved projects for
3 a fiscal year may be included in the annual budget on an informational basis.

4 (e) Finance Officer. – The housing authority governing board shall appoint or
5 designate a finance officer with the following powers and duties:

6 (1) Preparation of the annual budget for presentation to the governing
7 board.

8 (2) Administration of the approved budget.

9 (3) Maintenance of the accounts and other financial records in accordance
10 with generally accepted principles of accounting.

11 (4) Preparation and filing of statements of the financial condition, at least
12 annually and at other times as requested by the governing board.

13 (5) Receipt and deposit, or supervision of the receipt and deposit, of all
14 moneys accruing to the housing authority.

15 (6) Supervision of the investment of the idle funds of the housing
16 authority.

17 (7) Maintenance of all records concerning the bonded debt of the housing
18 authority, if any.

19 (8) Maintenance of any sinking funds of the housing authority.

20 (f) Accounting Procedures. – A housing authority must comply with federal
21 rules and regulations issued by the U.S. Department of Housing and Urban
22 Development pertaining to procedures for the receipt, deposit, investment, transfer, and
23 disbursement of money and other assets. The Commission may inquire into and
24 investigate, with reasonable cause, the internal control procedures of a housing
25 authority. The Commission may require any modifications in internal control
26 procedures which, in the opinion of the Commission, are necessary or desirable to
27 prevent embezzlement, mishandling of funds, or continued operating deficits.

28 (g) Audits. – The accounting system of a housing authority shall be so designed
29 that the true financial condition of the housing authority can be determined at any time.
30 As soon as possible after the close of each fiscal year, the accounts shall be
31 independently audited by a certified public accountant. The auditor shall be selected by
32 the housing authority governing board and shall report directly to that body. The audit
33 contract or agreement shall be in writing and shall include all its terms and conditions.
34 The terms and conditions of the audit shall include the scope of the audit and the
35 requirement that upon completion of the examination the auditor shall prepare a written
36 report embodying the financial statements and the auditor's opinion and comments
37 relating thereto. The finance officer shall file a copy of the audit with the Secretary of
38 the Commission.

39 (h) Bonding of Employees. – The bonding requirements of G.S. 159-29 shall
40 apply to the finance officer and those employees of the housing authority handling or
41 having custody of more than one hundred dollars (\$100.00) at any one time or those
42 employees who have access to the inventories of the housing authority.

1 (i) Investments. – A housing authority may deposit or invest, at interest, all or
2 part of its cash balance pursuant to U.S. Department of Housing and Urban
3 Development regulations.

4 (j) Official Depository. – Housing authorities shall comply with G.S. 159-31,
5 except in those circumstances where the statute is in conflict with U.S. Department of
6 Housing and Urban Development guidance, which shall control.

7 (k) Deposits and Payments. – Housing authorities shall comply with G.S. 159-32,
8 159-32.1, and 159-33."

9 **SECTION 2.** G.S. 159-148(a) reads as rewritten:

10 "(a) Except as provided in subsection (b) of this section, this Article applies to any
11 contract, agreement, memorandum of understanding, and any other transaction having
12 the force and effect of a contract (other than agreements made in connection with the
13 issuance of revenue bonds, special obligation bonds issued pursuant to Chapter 159I of
14 the General Statutes, or of general obligation bonds additionally secured by a pledge of
15 revenues) made or entered into by a unit of local government (as defined by G.S.
16 159-7(b) or, in the case of a special obligation bond, as defined in Chapter 159I of the
17 General Statutes), relating to the lease, acquisition, or construction of capital assets,
18 which contract does all of the following:

19 (1) Extends for five or more years from the date of the contract, including
20 periods that may be added to the original term through the exercise of
21 options to renew or ~~extend, and extend.~~

22 (2) Obligates the unit to pay sums of money to another, without regard to
23 whether the payee is a party to the ~~contract, and contract.~~

24 (3) Obligates the unit over the full term of the contract, including periods
25 that may be added to the original term through the exercise of options
26 to renew or extend, ~~to the extent of at least five hundred thousand~~
27 ~~dollars (\$500,000) for baseball park districts and, for other units, to the~~
28 ~~extent of five hundred thousand dollars (\$500,000) or a sum equal to~~
29 ~~one-tenth of one percent (1/10 of 1%) of the assessed value of property~~
30 ~~subject to taxation by the contracting unit, whichever is less,~~
31 ~~and extend and:~~

32 a. For baseball park districts, to at least five hundred thousand
33 dollars (\$500,000).

34 b. For housing authorities, to at least five hundred thousand
35 dollars (\$500,000) or a sum equal to two thousand dollars
36 (\$2,000) per housing unit owned and under active management
37 by the housing authority, whichever is less.

38 c. For other units, to at least five hundred thousand dollars
39 (\$500,000) or a sum equal to one-tenth of one percent (1/10 of
40 1%) of the assessed value of property subject to taxation by the
41 contracting unit, whichever is less.

42 (4) Obligates the unit, expressly or by implication, to exercise its power to
43 levy taxes either to make payments falling due under the contract, or to

1 pay any judgment entered against the unit as a result of the unit's
2 breach of the contract.

3 Contingent obligation shall be included in calculating the value of the contract.
4 Several contracts that are all related to the same undertaking shall be deemed a single
5 contract for the purposes of this Article. When several contracts are considered as a
6 single contract, the term shall be that of the contract having the longest term, and the
7 sums to fall due shall be the total of all sums to fall due under all single contracts in the
8 group."

9 **SECTION 3.** Section 1 of this act is effective when it becomes law and
10 applies to the fiscal years of housing authorities beginning on or after October 1, 2001.
11 The remainder of this act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

D

HOUSE BILL 1219
PROPOSED COMMITTEE SUBSTITUTE H1219-PCS5210-ST-20

Short Title: Financial Oversight for Housing Authorities.

(Public)

Sponsors:

Referred to:

April 12, 2001

A BILL TO BE ENTITLED
AN ACT TO AMEND THE APPLICABILITY OF THE LOCAL GOVERNMENT
BUDGET AND FISCAL CONTROL ACT TO HOUSING AUTHORITIES
UNDER CHAPTER 157 OF THE GENERAL STATUTES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 3 of Chapter 159 of the General Statutes is amended by adding a new Part to read:

"Part 7. Public Housing Authorities.

"§ 159-42. Special regulations pertaining to public housing authorities.

(a) Definition. – As used in this Part, the term 'housing authority' means any entity as defined in G.S. 157-3(1) that is not subject to G.S. 157-4.2.

(b) Applicability. – Except as provided in this Part, none of the provisions of Part 1, 2, or 3 of this Article apply to housing authorities in compliance with this Part.

(c) Annual Budget. – Each housing authority shall operate under an annual budget. The budget shall take the form of estimated revenues plus fund balances available for the program, as defined by the U.S. Department of Housing and Urban Development regulations or their successors, that are equal to or greater than estimated expenditures. The proposed budget shall be available for public inspection in a manner consistent with G.S. 159-12(a). Before adopting the budget, the housing authority governing board shall hold a public hearing at which time any persons who wish to be heard on the budget may appear. The governing board shall cause notice of the public hearing to be published in a newspaper of general circulation in the area once a week for two consecutive weeks prior to the public hearing.

(d) Project Ordinances. – The annual budget shall not include those estimated revenues and expenditures accounted for in a project ordinance. A housing authority shall adopt a project ordinance, as defined by G.S. 159-13.2, for those programs which span two or more fiscal years. The form of the project ordinance shall be in accordance with the relevant funding agency guidelines for that project. The estimated revenues plus fund balances available for a project shall be equal to or greater than the estimated

1 expenditures. The estimated revenues and expenditures related to approved projects for
2 a fiscal year may be included in the annual budget on an informational basis.

3 (e) Finance Officer. – The housing authority governing board shall appoint or
4 designate a finance officer with the following powers and duties:

5 (1) Preparation of the annual budget for presentation to the governing
6 board.

7 (2) Administration of the approved budget.

8 (3) Maintenance of the accounts and other financial records in accordance
9 with generally accepted principles of accounting.

10 (4) Preparation and filing of statements of the financial condition, at least
11 annually and at other times as requested by the governing board.

12 (5) Receipt and deposit, or supervision of the receipt and deposit, of all
13 moneys accruing to the housing authority.

14 (6) Supervision of the investment of the idle funds of the housing
15 authority.

16 (7) Maintenance of all records concerning the bonded debt of the housing
17 authority, if any.

18 (8) Maintenance of any sinking funds of the housing authority.

19 (f) Accounting Procedures. – A housing authority must comply with federal
20 rules and regulations issued by the U.S. Department of Housing and Urban
21 Development pertaining to procedures for the receipt, deposit, investment, transfer, and
22 disbursement of money and other assets. The Commission may inquire into and
23 investigate, with reasonable cause, the internal control procedures of a housing
24 authority. The Commission may require any modifications in internal control
25 procedures which, in the opinion of the Commission, are necessary or desirable to
26 prevent embezzlement, mishandling of funds, or continued operating deficits.

27 (g) Audits. – The accounting system of a housing authority shall be so designed
28 that the true financial condition of the housing authority can be determined at any time.
29 As soon as possible after the close of each fiscal year, the accounts shall be
30 independently audited by a certified public accountant. The auditor shall be selected by
31 the housing authority governing board and shall report directly to that body. The audit
32 contract or agreement shall be in writing and shall include all its terms and conditions.
33 The terms and conditions of the audit shall include the scope of the audit and the
34 requirement that upon completion of the examination the auditor shall prepare a written
35 report embodying the financial statements and the auditor's opinion and comments
36 relating thereto. The finance officer shall file a copy of the audit with the Secretary of
37 the Commission.

38 (h) Bonding of Employees. – The bonding requirements of G.S. 159-29 shall
39 apply to the finance officer and those employees of the housing authority handling or
40 having custody of more than one hundred dollars (\$100.00) at any one time or those
41 employees who have access to the inventories of the housing authority.

1 (i) Investments. – A housing authority may deposit or invest, at interest, all or
2 part of its cash balance pursuant to U.S. Department of Housing and Urban
3 Development regulations.

4 (j) Official Depository. – Housing authorities shall comply with G.S. 159-31,
5 except in those circumstances where the statute is in conflict with U.S. Department of
6 Housing and Urban Development guidance, which shall control.

7 (k) Deposits and Payments. – Housing authorities shall comply with G.S. 159-32,
8 159-32.1, and 159-33."

9 **SECTION 2.** G.S. 159-148(a) reads as rewritten:

10 "(a) Except as provided in subsection (b) of this section, this Article applies to any
11 contract, agreement, memorandum of understanding, and any other transaction having
12 the force and effect of a contract (other than agreements made in connection with the
13 issuance of revenue bonds, special obligation bonds issued pursuant to Chapter 159I of
14 the General Statutes, or of general obligation bonds additionally secured by a pledge of
15 revenues) made or entered into by a unit of local government (as defined by G.S.
16 159-7(b) or, in the case of a special obligation bond, as defined in Chapter 159I of the
17 General Statutes), relating to the lease, acquisition, or construction of capital assets,
18 which contract does all of the following:

19 (1) Extends for five or more years from the date of the contract, including
20 periods that may be added to the original term through the exercise of
21 options to renew or ~~extend, and extend.~~

22 (2) Obligates the unit to pay sums of money to another, without regard to
23 whether the payee is a party to the ~~contract, and contract.~~

24 (3) Obligates the unit over the full term of the contract, including periods
25 that may be added to the original term through the exercise of options
26 to renew or extend, ~~to the extent of at least five hundred thousand~~
27 ~~dollars (\$500,000) for baseball park districts and, for other units, to the~~
28 ~~extent of five hundred thousand dollars (\$500,000) or a sum equal to~~
29 ~~one-tenth of one percent (1/10 of 1%) of the assessed value of property~~
30 ~~subject to taxation by the contracting unit, whichever is less,~~
31 ~~and extend:~~

32 a. For baseball park districts, to at least five hundred thousand
33 dollars (\$500,000).

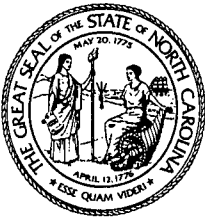
34 b. For housing authorities, to at least five hundred thousand
35 dollars (\$500,000) or a sum equal to two thousand dollars
36 (\$2,000) per housing unit owned and under active management
37 by the housing authority, whichever is less.

38 c. For other units, to at least five hundred thousand dollars
39 (\$500,000) or a sum equal to one-tenth of one percent (1/10 of
40 1%) of the assessed value of property subject to taxation by the
41 contracting unit, whichever is less.

- 1 (4) Obligates the unit, expressly or by implication, to exercise its power to
2 levy taxes either to make payments falling due under the contract, or to
3 pay any judgment entered against the unit as a result of the unit's
4 breach of the contract.

5 Contingent obligation shall be included in calculating the value of the contract.
6 Several contracts that are all related to the same undertaking shall be deemed a single
7 contract for the purposes of this Article. When several contracts are considered as a
8 single contract, the term shall be that of the contract having the longest term, and the
9 sums to fall due shall be the total of all sums to fall due under all single contracts in the
10 group."

11 **SECTION 3.** Section 1 of this act is effective when it becomes law and
12 applies to the fiscal years of housing authorities beginning on or after October 1, 2001.
13 The remainder of this act is effective when it becomes law.



HOUSE BILL 1219: Financial Oversight for Housing Authorities.

BILL ANALYSIS

Committee: House Ways and Means
Date: April 18, 2001
Version: First Edition

Introduced by: Representative Jeffus
Summary by: R. Erika Churchill
Staff Counsel

SUMMARY: *The bill would clarify the applicability of the Local Government Budget and Fiscal Control Act to housing authorities not operated as a department of a county or municipality, effective for fiscal years beginning on or after October 1, 2001.*

CURRENT LAW: The Local Government Budget and Fiscal Control Act (LGBFCA) requires units of local government to conform to certain standards with respect to financial matters, with oversight being provided by the Local Government Commission. The standards cover all aspects of finance, from budget adoption to accounting practices to long-term debt issuance. By definition, the LGBFCA applies to municipalities, counties, and public authorities. In the past, there has been discussion and debate over whether or not a public housing authority is subject to the LGBFCA that resulted in an Attorney General's opinion that the housing authorities are required to comply with the LGBFCA.

Housing authorities are defined and governed under Chapter 157 of the General Statutes. Although there are several variations on creating a housing authority, the two basic types of housing authorities are those accounted for and treated like a department within a county or municipality (*G.S. 157-4.2*) and those with independent non-profit status (*G.S. 157-4, G.S. 157-4.1, G.S. 157-33, G.S. 157-35*). Under either type of housing authority, *G.S. 157-9(a)* contains a statement that "No provisions with respect to the acquisition, operation or disposition of property by other public bodies shall be applicable to an authority unless the legislature shall specifically so state." This is the provision that sparked the debate as to whether the LGBFCA applies to housing authorities organized an independent body. Those housing authorities accounted for and treated like a department within a municipality or a county are explicitly covered by the LGBFCA, as the municipality or county is covered, and the *G.S. 157-4.2* specifically states that such a housing authority is under the LGBFCA.

There is no similar provision in Chapter 157 specifically stating that those housing authorities operating as an independent body are under the LGBFCA. The Attorney General's office in 1976 issued a written opinion that the LGBFCA does cover these housing authorities, as they are included in the definition of "public authority" in *G.S. 159-7(10)*.

Two of the main provisions of the LGBFCA are the requirement for an annual balanced budget, for the fiscal year July 1ST to June 30TH, and the requirement for an annual audit. Housing authorities generally receive a majority of their funding from the U.S. Department of Housing and Urban Development, which carries with it rules for expenditure. These rules do not require an annual audit to be submitted within four months of year end, but rather allows for audits to be completed up to 18 months after year end. Additionally, the federal budget cycle is from October 1ST to September 30TH.

BILL ANALYSIS: The bill would clarify and explicitly state that specific portions LGBFCA not inconsistent with federal requirements for HUD funding do apply to housing authorities operating as bodies independent from a municipality or county.

The bill would exempt those housing authorities not operated a department of a municipality or county from the generally applicable provisions of Budget, Capital Reserve Funds, and Fiscal Control of the LGBFCA. The bill would create similar requirements for the housing authorities such as:

HOUSE BILL 1219

Page 2

- An annual operating budget, adopted after a public hearing.
- Projects that span more than one fiscal year are to be accounted for in a separate budget (project ordinance).
- Appointing a finance officer, who is responsible for preparation and administration of the budget.
- Compliance with federal rules and regulations with respect to accounting for appropriations from the U.S. Department of Housing and Urban Development.
- Annual audit, with a copy filed with the Local Government Commission.
- Bonding of employees regularly handling over \$100.00 or with access to the inventories of the housing authority.
- Investments are permissible.
- Selection of an official depository, and required daily deposits.
- Acceptance of electronic payments is permitted.

The bill would also relieve a housing authority from seeking Local Government Commission approval prior to entering into a financing agreement or other financing arrangement when the agreement is for an amount equal to the lesser of:

1. \$500,000.
2. A sum equal to \$2,000 per housing unit owned and under active management by the housing authority.

EFFECTIVE DATE: The bill would become effective when it becomes law, and apply to fiscal years beginning on or after October 1, 2001.

2001 COMMITTEE REPORT HOUSE OF REPRESENTATIVES

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

-
- ☐ Committee Substitute for
H.B. 968 A BILL TO BE ENTITLED AN ACT TO CLARIFY THE AUTHORITY OF
COUNTIES AND CITIES TO PROVIDE FOR THE DEFENSE OF AND TO PAY
JUDGMENTS AGAINST SOIL AND WATER CONSERVATION SUPERVISORS AND
EMPLOYEES.
- ☒ 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 968

Short Title: Soil and Water Employee Judgments.

(Public)

Sponsors: Representatives Culp, Gibson (Primary Sponsors); Brubaker, Hackney, Hill, Insko, McCombs, Mitchell, Owens, Setzer, Teague, Tolson, Tucker, Underhill, Warwick, Weatherly, G. Wilson, and Yongue.

Referred to: Ways and Means.

April 4, 2001

A BILL TO BE ENTITLED
AN ACT TO CLARIFY THE AUTHORITY OF COUNTIES AND CITIES TO
PROVIDE FOR THE DEFENSE OF AND TO PAY JUDGMENTS AGAINST
SOIL AND WATER CONSERVATION SUPERVISORS AND EMPLOYEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-97 reads as rewritten:

"§ 153A-97. Defense of officers, employees and others.

A county may, pursuant to G.S. 160A-167, provide for the defense of:

- (1) Any county officer or employee, including the county board of elections or any county election official; official.
- (2) Any member of a volunteer fire department or rescue squad which receives public funds; and funds.
- (2a) Any soil and water conservation supervisor, and any local soil and water conservation employee (whether the employee is a county employee or an employee of a soil and water conservation district).
- (3) Any person or professional association who at the request of the board of county commissioners provides medical or dental services to inmates in the custody of the sheriff and is sued pursuant to 42 U.S.C. § 1983 with respect to the services."

SECTION 2. G.S. 160A-167 reads as rewritten:

"§ 160A-167. Defense of employees and officers; payment of judgments.

(a) Upon request made by or in behalf of any member or former member of the governing body of any authority, or any city, county, or authority employee or officer, or former employee or officer, any soil and water conservation supervisor or any local soil and water conservation employee (whether the employee is a district or county employee), or any member of a volunteer fire department or rescue squad which

1 receives public funds, any city, authority, ~~county~~ county, soil and water conservation
2 district, or county alcoholic beverage control board may provide for the defense of any
3 civil or criminal action or proceeding brought against him either in his official or in his
4 individual capacity, or both, on account of any act done or omission made, or any act
5 allegedly done or omission allegedly made, in the scope and course of his employment
6 or duty as an employee or officer of the city, authority, county or county alcoholic
7 beverage control board. The defense may be provided by the city, authority, county or
8 county alcoholic beverage control board by its own counsel, or by employing other
9 counsel, or by purchasing insurance which requires that the insurer provide the defense.
10 Providing for a defense pursuant to this section is hereby declared to be for a public
11 purpose, and the expenditure of funds therefor is hereby declared to be a necessary
12 expense. Nothing in this section shall be deemed to require any city, authority, county
13 or county alcoholic beverage control board to provide for the defense of any action or
14 proceeding of any nature.

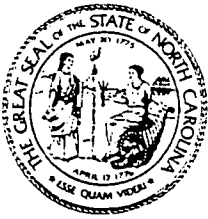
15 (b) Any city council or board of county commissioners may appropriate funds for
16 the purpose of paying all or part of a claim made or any civil judgment entered against
17 any of its members or former members of the governing body of any authority, or any
18 city, county, or authority employees or officers, or former employees or officers, or any
19 soil and water conservation supervisor or any local soil and water conservation
20 employee (whether the employee is a district or county employee), when such claim is
21 made or such judgment is rendered as damages on account of any act done or omission
22 made, or any act allegedly done or omission allegedly made, in the scope and course of
23 his employment or duty as ~~an members or former members~~ a member or former
24 member of the governing body of any authority, or any
25 city, county, district, or authority employee or officer of the city, authority, district, or
26 county; provided, however, that nothing in this section shall authorize any city,
27 authority, district, or county to appropriate funds for the purpose of paying any claim
28 made or civil judgment entered against any of its members or former members of the
29 governing body of any authority, or any city, county, district, or authority employees or
30 officers or former employees or officers if the city council or board of county
31 commissioners finds that such members or former members of the governing body of
32 any authority, or any city, county, or authority employee or officer acted or failed to act
33 because of actual fraud, corruption or actual malice on his part. Any city, authority, or
34 county may purchase insurance coverage for payment of claims or judgments pursuant
35 to this section. Nothing in this section shall be deemed to require any city, authority, or
36 county to pay any claim or judgment referred to herein, and the purchase of insurance
37 coverage for payment of any such claim or judgment shall not be deemed an assumption
38 of any liability not covered by such insurance contract, and shall not be deemed an
39 assumption of liability for payment of any claim or judgment in excess of the limits of
40 coverage in such insurance contract.

41 (c) Subsection (b) shall not authorize any city, authority, or county to pay all or
42 part of a claim made or civil judgment entered unless (1) notice of the claim or litigation
43 is given to the city council, authority governing board, or board of county
44 commissioners as the case may be prior to the time that the claim is settled or civil

1 judgment is entered, and (2) the city council, authority governing board, or board of
2 county commissioners as the case may be shall have adopted, and made available for
3 public inspection, uniform standards under which claims made or civil judgments
4 entered against members or former members of the governing body of any authority, or
5 any city, county, or authority employees or officers, or former employees or officers,
6 shall be paid.

7 (d) For the purposes of this section, "authority" means an authority organized
8 under Article 1 of Chapter 162A of the General Statutes, the North Carolina Water and
9 Sewer Authorities Act. "District" means a soil and water conservation district organized
10 under Chapter 139 of the General Statutes."

11 **SECTION 3.** This act is effective when it becomes law.



HOUSE BILL 968: Soil and Water Employee Judgments

BILL ANALYSIS

Committee: House Ways and Means
Date: April 19, 2001
Version: First Edition

Introduced by: Representatives Culp and
Gibson
Summary by: Jeff Hudson
Committee Counsel

SUMMARY: *House Bill 968 would add soil and water conservation supervisors and employees to the individuals for whom a local government may provide legal defense and payment of claims and judgments.*

CURRENT LAW: Current law provides that certain local government entities may provide for the defense of any civil or criminal action brought against certain local government employees or officials for any act done or omission made in the scope and course of the person's duty or employment. Current law also provides that a city or county may appropriate funds to pay for all or part of a claim or judgment entered against certain local government employees or officials when the claim or judgment is rendered as damages for any act done or omission made in the scope and course of the person's duty or employment.

BILL ANALYSIS: House Bill 968 would add soil and water conservation supervisors and employees (whether the employee works for the county or the district) to the individuals to whom local governments may provide legal defense and payment of claims and judgments.

EFFECTIVE DATE: This act would become effective when it becomes law.

H968-SMSB-001

#4

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

☐ Committee Substitute for

H.B. 1269 A BILL TO BE ENTITLED AN ACT REGARDING AIRPORT FEES AND
CHARGE FOR RENTAL CARS.

☒ 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 1269

Short Title: Rental Cars-Advertising and Charges.

(Public)

Sponsors: Representatives McComas; and Davis.

Referred to: Ways and Means.

April 12, 2001

A BILL TO BE ENTITLED
AN ACT REGARDING AIRPORT FEES AND CHARGE FOR RENTAL CARS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 66-202 reads as rewritten:

"§ 66-202. Rental car advertising.

(a) A rental car company shall only advertise and charge a rental rate that includes the entire amount, except taxes and a mileage charge if any, that a renter must pay to hire or lease a vehicle for the period of time to which the rental rate applies. The rental shall include applicable airport fees and rents.

(b) If a rental car company states a rental rate in a print advertisement or an in-person or computer-transmitted quotation, the rental car company shall clearly disclose or cause to be disclosed in that advertisement or quotation the terms of any mileage conditions relating to the advertised or quoted rental rate, including, but not limited to: To the extent applicable, the amount of mileage and fuel charges; the number of miles for which no charge will be imposed; and a description of the geographic driving limitations, if any, within the United States and Canada.

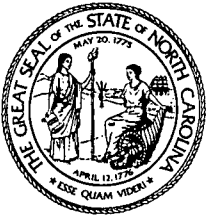
(c) A rental car company shall also include in all advertising the daily rate it charges for collision damage waivers; shall state in such advertising that collision damage waivers are not required; and shall state that prospective renters should examine or inquire about their automobile insurance policies to see whether such policies will cover damage to rental vehicles.

~~(d) An advertised rental rate does not have to include airport access charges that may be avoided, as long as the advertisement clearly and conspicuously discloses, immediately adjacent to the advertised rate, the range of airport access charges that exists in the area to which the advertised rental rate applies and clearly and conspicuously discloses the method of avoiding the airport access charge."~~

SECTION 2. G.S. 66-204(a) reads as rewritten:

1 "(a) In addition to the rental rate, taxes, and mileage charge, if any, a rental car
2 company may charge a renter for an item or service provided in connection with a
3 particular rental transaction if the renter can avoid incurring that charge by choosing not
4 to obtain or utilize the optional item or service. Items and services for which a rental car
5 company may impose an additional charge include, but are not limited to: Optional
6 insurance and accessories requested by the renter unless otherwise prohibited by law;
7 service charges incident to a person's optional return of the vehicle to a location other
8 than the location where the vehicle was hired or leased; ~~airport access charges that may~~
9 ~~be avoided by the renter, provided the requirements of G.S. 66-202(d) are met;~~ and
10 charges for refueling the vehicle at the conclusion of the rental transaction in the event
11 the rented vehicle is not returned with as much fuel as was in its fuel tank at the
12 beginning of the rental."

13 **SECTION 3.** This act is effective when it becomes law.



HOUSE BILL 1269: Rental Cars-Advertising and Charges

BILL ANALYSIS

Committee: House Ways and Means
Date: April 19, 2001
Version: First Edition

Introduced by: Representative McComas
Summary by: Jeff Hudson
Committee Counsel

SUMMARY: *House Bill 1269 would provide that the rental rate that a rental car company advertises and charges must include airport fees and rents.*

CURRENT LAW: Under current law, an advertised car rental rate does not have to include airport access charges if these charges may be avoided and the advertisement clearly discloses the range of charges and the method of avoiding them.

BILL ANALYSIS: House Bill 1269 would provide that the rental rate that a rental car company advertises and charges must include airport fees and rents.

EFFECTIVE DATE: House Bill 1269 would become effective when it becomes law.

H1269-SMSB-001

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

☐ Committee Substitute for

H.B. 1307 A BILL TO BE ENTITLED AN ACT RELATING TO THE CONVERSION OF
EXISTING RESIDENTIAL DEVELOPMENTS TO PLANNED COMMUNITIES.

☒ 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 1307

Short Title: Conversion to Planned Community.

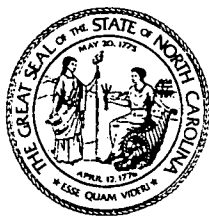
(Public)

Sponsors: Representatives Gibson and Holmes (Primary Sponsors).

Referred to: Ways and Means.

April 12, 2001

1 A BILL TO BE ENTITLED
2 AN ACT RELATING TO THE CONVERSION OF EXISTING RESIDENTIAL
3 DEVELOPMENTS TO PLANNED COMMUNITIES.
4 The General Assembly of North Carolina enacts:
5 **SECTION 1.** Chapter 47F of the General Statutes is amended by adding a
6 new section to read:
7 "§ 47F-2-102. Conversion of existing residential developments to planned
8 communities.
9 The owners of lots entitled to cast one hundred percent (100%) of the votes in an
10 association, or if there is no association, the owners of one hundred percent (100%) of
11 the total land area currently subject to a single recorded set of residential restrictive
12 covenants, may convert the real property to a planned community and elect to make the
13 provisions of this Chapter applicable to the property by executing and filing a
14 declaration creating a planned community in accordance with G.S. 47F-2-101. To the
15 extent the provisions, procedures, and requirements for amendment in the restrictive
16 covenants conflict with the provisions of this section, this section shall control with
17 respect to any amendment to provide that this Chapter applies to the development of the
18 real property as a planned community."
19 **SECTION 2.** This act is effective when it becomes law.



HOUSE BILL 1307: Conversion to Planned Community

BILL ANALYSIS

Committee: House Ways and Means
Date: April 19, 2001
Version: First Edition

Introduced by: Representatives Gibson and Holmes
Summary by: Jeff Hudson
Committee Counsel

SUMMARY: *House Bill 1307 would provide that an existing community could convert to a planned community with the approval of 100% of the voting members of the association or the owners of 100% of the real property to become the planned community.*

CURRENT LAW: Under G.S. 47F-2-101, a planned community may be established by a declaration to create a planned community that is executed in the same manner as a deed, recorded in every county in which any portion of the planned community is located, and indexed in the Grantee index in the name of the planned community and the association and in the Grantor index in the name of each person executing the declaration.

BILL ANALYSIS: House Bill 1307 would provide that the owners of lots entitled to cast 100% of the votes in an association or, if there is no association, the owners of 100% of the total land area subject to a single recoded set of residential restrictive covenants may convert the real property to a planned community subject to the North Carolina Planned Community Act by executing and filing a declaration creating a planned community in accordance with G.S. 47F-2-101. This statutory conversion process would control with respect to any contrary provisions contained in restrictive covenants on the property.

BACKGROUND: The North Carolina Planned Community Act was enacted by the General Assembly during the 1998 Regular Session.

EFFECTIVE DATE: House Bill 1307 would become effective when it becomes law.

ARTICLE 3.

*Management of Planned Community.***§ 47F-3-101. Organization of owners' association.**

A lot owners' association shall be incorporated no later than the date the first lot in the planned community is conveyed. The membership of the association at all times shall consist exclusively of all the lot owners or, following termination of the planned community, of all persons entitled to distributions of proceeds under G.S. 47F-2-118. Every association created after the effective date of this Chapter shall be organized as a nonprofit corporation. (1998-199, s. 1.)

Editor's Note. — Session Laws 1998-199, s. and applicable to planned communities created on or after that date.

§ 47F-3-102. (See editor's note for applicability) Powers of owners' association.

Subject to the provisions of the articles of incorporation or the declaration and the declarant's rights therein, the association may:

- (1) Adopt and amend bylaws and rules and regulations;
- (2) Adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from lot owners;
- (3) Hire and discharge managing agents and other employees, agents, and independent contractors;
- (4) Institute, defend, or intervene in litigation or administrative proceedings on matters affecting the planned community;
- (5) Make contracts and incur liabilities;
- (6) Regulate the use, maintenance, repair, replacement, and modification of common elements;
- (7) Cause additional improvements to be made as a part of the common elements;
- (8) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, provided that common elements may be conveyed or subjected to a security interest only pursuant to G.S. 47F-3-112;
- (9) Grant easements, leases, licenses, and concessions through or over the common elements;
- (10) Impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements other than the limited common elements and for services provided to lot owners;
- (11) Impose reasonable charges for late payment of assessments and, after notice and an opportunity to be heard, suspend privileges or services provided by the association (except rights of access to lots) during any period that assessments or other amounts due and owing to the association remain unpaid for a period of 30 days or longer;
- (12) After notice and an opportunity to be heard, impose reasonable fines or suspend privileges or services provided by the association (except rights of access to lots) for reasonable periods for violations of the declaration, bylaws, and rules and regulations of the association;
- (13) Impose reasonable charges in connection with the preparation and recordation of documents, including, without limitation, amendments to the declaration or statements of unpaid assessments;

- (14) Provide for the indemnification of and maintain liability insurance for its officers, executive board, directors, employees, and agents;
- (15) Assign its right to future income, including the right to receive common expense assessments;
- (16) Exercise all other powers that may be exercised in this State by legal entities of the same type as the association; and
- (17) Exercise any other powers necessary and proper for the governance and operation of the association. (1998-199, s. 1.)

NORTH CAROLINA COMMENT

1. No specific dollar limitations have been placed on the association's right to impose reasonable late payment charges under subdivision (11). This is intended to afford the association the maximum reasonable latitude in this area. Limitations on the amount of fines levied under subdivision (12) are set forth in G.S. 47F-3-107.1. None of the powers granted to the association in this section are subject to any limitations set forth in Chapter 24 of the General Statutes.

2. In subdivision (15), the association is granted the power to assign its right to future income, including assessments regardless of

whether or not its declaration expressly allows such assignments. This differs from the North Carolina Condominium Act and is intended to facilitate the acquisition of financing by the association, which is believed to be the primary goal of the provision.

3. Subdivisions (11) and (12) allow the association to suspend privileges and services under certain circumstances after notice and hearing in addition to other remedies provided for nonpayment of violations.

4. Subdivisions (1) through (6) and (11) through (17) apply to planned communities formed prior to January 1, 1999.

Editor's Note. — Session Laws 1998-199, s. 3, provides in part that G.S. 47E-3-102(1) through (6) and (11) through (17) apply to

planned communities created prior to the effective date of January 1, 1999.

§ 47F-3-103. Executive board members and officers.

(a) Except as provided in the declaration, in the bylaws, in subsection (b) of this section, or in other provisions of this Chapter, the executive board may act in all instances on behalf of the association. In the performance of their duties, officers and members of the executive board shall discharge their duties in good faith. Officers shall act according to the standards for officers of a nonprofit corporation set forth in G.S. 55A-8-42, and members shall act according to the standards for directors of a nonprofit corporation set forth in G.S. 55A-8-30.

(b) The executive board may not act unilaterally on behalf of the association to amend the declaration (G.S. 47F-2-117), to terminate the planned community (G.S. 47F-2-118), or to elect members of the executive board or determine the qualifications, powers and duties, or terms of office of executive board members (G.S. 47F-3-103(f)), but the executive board may unilaterally fill vacancies in its membership for the unexpired portion of any term. Notwithstanding any provision of the declaration or bylaws to the contrary, the lot owners, by a majority vote of all persons present and entitled to vote at any meeting of the lot owners at which a quorum is present, may remove any member of the executive board with or without cause, other than a member appointed by the declarant.

(c) Within 30 days after adoption of any proposed budget for the planned community, the executive board shall provide to all the lot owners a summary of the budget and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The executive board shall set a date for a meeting of the lot owners to consider

ratification of the budget within 60 days of the meeting, unless at that time a larger vote is obtained for the proposed budget. The budget shall be continued in effect if not proposed by the lot owners.

(d) The declarant, the association, the declarant, may board.

(e) Not later than 60 days after the election, the majority of the lot owners shall elect officers. The election. (1998-

§ 47F-3-104.

Except for the declarant right to terminate the planned community, the planned community shall be executed by the lot owners.

§ 47F-3-105.

If entered into the declaration, the planned community shall be terminated by the lot owners at the office upon notice.

§ 47F-3-106.

(a) The bylaws shall provide:

- (1) The number of officers and members of the executive board.
- (2) Election of officers and members of the executive board.
- (3) The qualifications for electing officers and members of the executive board.
- (4) Which officers and members of the executive board shall have the right to vote at meetings of the executive board.
- (5) Which officers and members of the executive board shall have the right to vote at meetings of the executive board.
- (6) The meeting of the executive board.

(b) The bylaws shall provide for the necessary and proper powers of the executive board.

2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

- ☐ Committee Substitute for
H.B. 1119 A BILL TO BE ENTITLED AN ACT AMENDING THE NORTH CAROLINA
ENGINEERING AND LAND SURVEYING ACT AND AUTHORIZING THE STATE
BOARD OF EXAMINERS OF ENGINEERS AND SURVEYORS TO ACQUIRE REAL
PROPERTY, TO PURCHASE EQUIPMENT AND LIABILITY INSURANCE, AND TO
INCREASE THE CIVIL PENALTY FROM TWO THOUSAND DOLLARS TO FIVE
THOUSAND DOLLARS FOR VIOLATIONS OF THE 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.
- ☐ 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 1119

Short Title: Engineering/Land Surveying Act.

(Public)

Sponsors: Representatives Nye; and Morris.

Referred to: Ways and Means.

April 12, 2001

A BILL TO BE ENTITLED

AN ACT AMENDING THE NORTH CAROLINA ENGINEERING AND LAND SURVEYING ACT AND AUTHORIZING THE STATE BOARD OF EXAMINERS OF ENGINEERS AND SURVEYORS TO ACQUIRE REAL PROPERTY, TO PURCHASE EQUIPMENT AND LIABILITY INSURANCE, AND TO INCREASE THE CIVIL PENALTY FROM TWO THOUSAND DOLLARS TO FIVE THOUSAND DOLLARS FOR VIOLATIONS OF THE ACT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 89C-10(g) reads as rewritten:

"(g) The Board may use its funds to ~~establish and conduct~~ establish, conduct, or support instructional programs for persons who are currently licensed to practice engineering or land surveying, as well as ~~refresher~~ courses for persons interested in ~~obtaining adequate instruction or programs of study to qualify them for licensure~~ pursuing licensure to practice engineering or land surveying. The Board may expend its funds for these purposes and may not only conduct, sponsor, and arrange for instructional programs, but also may carry out instructional programs through extension courses or other media. The Board may enter into plans or agreements with community colleges, public or private institutions of higher learning, State and county boards of education, or with the governing authority of any industrial education center for the purpose of planning, scheduling or arranging courses, instruction, extension courses, or in assisting in obtaining courses of study or programs in the field of engineering and land surveying. The Board shall encourage the educational institutions in this State to offer courses necessary to complete the educational requirements of this Chapter. For the purpose of carrying out these objectives, the Board may adopt rules as may be necessary for the educational programs, instruction, extension services, or for entering into plans or contracts with persons or educational and industrial institutions."

SECTION 2. G.S. 89C-10 is amended by adding the following new subsections to read:

1 "(i) The Board shall have the power to acquire, hold, rent, encumber, alienate,
2 and otherwise deal with real property in the same manner as a private person or
3 corporation, subject only to approval of the Governor and the Council of State as to the
4 acquisition, rental, encumbering, leasing, and sale of real property. Collateral pledged
5 by the Board for an encumbrance is limited to the assets, income, and revenues of the
6 Board.

7 (j) The Board may purchase, rent, or lease equipment and supplies and purchase
8 liability insurance or other insurance to cover the activities of the Board, its operations,
9 or its employees."

10 **SECTION 3. G.S. 89C-19.1 reads as rewritten:**

11 **"§ 89C-19.1. Engineer or surveyor who volunteers during an emergency or**
12 **disaster; qualified immunity.**

13 (a) A professional engineer or professional land surveyor who voluntarily,
14 without compensation, provides ~~structural, electrical, mechanical, or other~~ engineering
15 or surveying services at the scene of a declared disaster or emergency, declared under
16 federal law or in accordance with the provisions of Article 1 of Chapter 166A of the
17 General Statutes or Article 36A of Chapter 14 of the General Statutes, at the request of a
18 public official, law enforcement official, public safety official, or building inspection
19 official, acting in an official capacity, shall not be liable for any personal injury,
20 wrongful death, property damage, or other loss caused by the professional engineer's or
21 professional land surveyor's acts or omissions in the performance of the engineering or
22 surveying services.

23 (b) The immunity provided in subsection (a) of this section applies only ~~to an~~
24 ~~engineering service to:~~

25 (1) ~~For any structure, building, piping, or other engineered system, either~~
26 ~~publicly or privately owned.~~ Engineering or surveying services as
27 defined in G.S. 89C-3(6) and 89C-3(7) performed by the licensee or an
28 employee performing work under the supervision of the licensee.

29 (2) ~~That occurs~~ Services that occur within 45 days after the declaration of
30 the emergency or disaster, unless the 45-day immunity period is
31 extended by an executive order issued by the Governor under the
32 Governor's emergency executive powers.

33 (c) The immunity provided in subsection (a) of this section does not apply if it is
34 determined that the personal injury, wrongful death, property damage, or other loss was
35 caused by the gross negligence, wanton conduct, or intentional wrongdoing of the
36 professional ~~engineer, engineer or professional land surveyor~~ or arose out of the
37 operation of a motor vehicle.

38 (d) As used in this section:

39 (1) "Building inspection official" means any appointed or elected federal,
40 State, or local official with overall executive responsibility to
41 coordinate building inspection in the jurisdiction in which the
42 emergency or disaster is declared.

1 (2) "Law enforcement official" means any appointed or elected federal,
2 State, or local official with overall executive responsibility to
3 coordinate law enforcement in the jurisdiction in which the emergency
4 or disaster is declared.

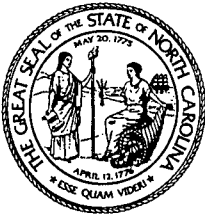
5 (3) "Public official" means any federal, State, or locally elected official
6 with overall executive responsibility in the jurisdiction in which the
7 emergency or disaster is declared.

8 (4) "Public safety official" means any appointed or elected federal, State,
9 or local official with overall executive responsibility to coordinate
10 public safety in the jurisdiction in which the emergency or disaster is
11 declared."

12 **SECTION 4.** G.S. 89C-21(c) reads as rewritten:

13 "(c) The Board may levy a civil penalty not in excess of ~~two thousand dollars~~
14 ~~(\$2,000)~~ five thousand dollars (\$5,000) for any engineer or land surveyor who violates
15 any of the provisions of subdivisions (1) through (4) of subsection (a) of this section.
16 The clear proceeds of all civil penalties collected by the Board, including civil penalties
17 collected pursuant to G.S. 89C-22(c), shall be remitted to the Civil Penalty and
18 Forfeiture Fund in accordance with G.S. 115C-457.2."

19 **SECTION 5.** This act is effective when it becomes law.



HOUSE BILL 1119: Engineering/Land Surveying Act

BILL ANALYSIS

Committee: House Ways and Means
Date: April 19, 2001
Version: First Edition

Introduced by: Representative Nye
Summary by: Jeff Hudson
Committee Counsel

SUMMARY: *House Bill 1119 would amend statutes governing the practice of engineering and land surveying.*

BILL ANALYSIS:

Section 1 would authorize the State Board of Examiners for Engineers and Surveyors (Board) to support as well as establish and conduct instructional programs for licensees and persons interested in becoming licensed.

Section 2 would authorize the Board to buy, rent, and sell real property subject to the approval of the Governor and the Council of State. The Board would be limited to the use of its assets, income, and revenues for this purpose. Section 2 would also authorize the Board to purchase, rent, or lease equipment and supplies and purchase insurance to cover the activities of the Board and its employees.

Section 3 would extend to professional land surveyors the qualified immunity from liability available to professional engineers who voluntarily and without compensation provide professional services at the scene of a declared disaster.

Section 4 would increase the civil penalty that the Board may levy for any engineer or land surveyor who is guilty of:

- Obtaining a license through fraud.
- Gross negligence or misconduct in the practice of the profession.
- Any felony or crime involving moral turpitude.
- Violation of the Board's Rules of Professional Conduct.

The civil penalty would be increased from two thousand dollars (\$2,000) to five thousand dollars (\$5,000).

EFFECTIVE DATE: The act would become effective when it becomes law.

H1119-SMSB-001

PAGE AND SERGEANT-AT-ARMS REGISTRATION SHEET

WAYS AND MEANS

Thursday, April 19, 2001

Name of Committee

Date

PAGES AND SERGEANTS-AT-ARMS:

PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK. THANK YOU.

NAME	COUNTY AND SPONSOR (FOR PAGES ONLY)
<i>Wm G Cochran Jr</i>	<i>Housing Authority</i>
<i>Steve Beam</i>	<i>Raleigh Housing Authority</i>
<i>Jimmy Carter</i>	<i>NC Bd. of Eng. & Surveyors</i>
<i>Tom Turner</i>	<i>NC Housing Authority Directors Association</i>
<i>JACK COZART</i>	<i>PARKER PTE</i>
<i>Duke Carter</i>	<i>NCASTA</i>
<i>Henry Jones</i>	<i>Attorney - Raleigh</i>

AGENDA

HOUSE COMMITTEE MEETING ON WAYS AND MEANS

April 25, 2001

10:00 A.M.

Room 605 LOB

OPENING REMARKS

Representative Cary Allred, Chair

BILLS TO BE DISCUSSED IN COMMITTEE

(Listed in numerical order; not necessarily in agenda order.)

HB 1269 - Rental Cars-Advertising and Charges – Rep. McComas, Sponsor

HB 998 – State Privacy Act - Rep. Pope, Sponsor

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON WAYS AND MEANS

April 25, 2001

The House Committee on Ways and Means met on Wednesday, April 25, 2001 in room 605 of the Legislative Office Building at 10:06 A.M. The following members were present: Representative Allred, Chairman, and Representatives Cox, Decker, Haire, McMahan, Morris, Nye, Oldham, Pope, Starnes and Weiss. Assisting with the meeting were Jeff Hudson, Staff Counsel, Jack Dossenbach and Martha Parrish House Sergeants-at-Arms and House Pages, Chris Shepard, Duplin County, sponsored by Representative Tucker and Mark Melanson, Swain County, sponsored by Representative Haire. A Visitor Registration Sheet was available and made part of the minutes.

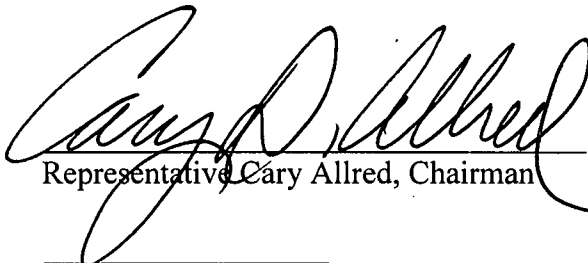
Chairman Allred welcomed everyone and called the meeting to order. He introduced the House Pages and the House Sergeants-at-Arms.

HB 1269 – A BILL TO BE ENTITLED AN ACT REGARDING AIRPORT FEES AND CHARGE FOR RENTAL CARS, sponsored by Representative McComas was back before the committee for some “house keeping” measures. Representative McComas explained that it had passed our committee but needed a clarifying change. Representative Decker moved to give the bill a favorable report, as amended on page 1 line 9 by deleting the word “include” and substituting the word “disclose”. The amendment was adopted and the motion carried.

Next for discussion was **HB 998 – A BILL TO BE ENTITLED AN ACT TO PROVIDE UNDER STATE LAW A MIRROR AS TO FEDERAL LAW ON WHEN A SOCIAL SECURITY NUMBER CAN BE REQUIRED TO BE PROVIDED** sponsored by Representative Pope. HB 998 would enact provisions of the federal Privacy Act of 1974 governing the disclosure of social security numbers into State law and would become effective October 1, 2001. Representative Nye moved to give the bill a favorable report and the motion carried.

The meeting adjourned at 10:25 A.M.

Respectfully submitted,



Representative Cary Allred, Chairman

Jean Allred, Committee Assistant

Attachments
Committee Reports
Visitor Registration Sheet

1

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

☐ Committee Substitute for

H.B. 1269 A BILL TO BE ENTITLED AN ACT REGARDING AIRPORT FEES AND
CHARGE FOR RENTAL CARS.

☐ 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 1269

Short Title: Rental Cars-Advertising and Charges.

(Public)

Sponsors: Representatives McComas; and Davis.

Referred to: Ways and Means.

April 12, 2001

1 A BILL TO BE ENTITLED
2 AN ACT REGARDING AIRPORT FEES AND CHARGE FOR RENTAL CARS.
3 The General Assembly of North Carolina enacts:

4 SECTION 1. G.S. 66-202 reads as rewritten:

5 "§ 66-202. Rental car advertising.

6 (a) A rental car company shall only advertise and charge a rental rate that
7 includes the entire amount, except taxes and a mileage charge if any, that a renter must
8 pay to hire or lease a vehicle for the period of time to which the rental rate applies. The
9 rental shall include applicable airport fees and rents.

10 (b) If a rental car company states a rental rate in a print advertisement or an
11 in-person or computer-transmitted quotation, the rental car company shall clearly
12 disclose or cause to be disclosed in that advertisement or quotation the terms of any
13 mileage conditions relating to the advertised or quoted rental rate, including, but not
14 limited to: To the extent applicable, the amount of mileage and fuel charges; the
15 number of miles for which no charge will be imposed; and a description of the
16 geographic driving limitations, if any, within the United States and Canada.

17 (c) A rental car company shall also include in all advertising the daily rate it
18 charges for collision damage waivers; shall state in such advertising that collision
19 damage waivers are not required; and shall state that prospective renters should examine
20 or inquire about their automobile insurance policies to see whether such policies will
21 cover damage to rental vehicles.

22 ~~(d) An advertised rental rate does not have to include airport access charges that~~
23 ~~may be avoided, as long as the advertisement clearly and conspicuously discloses,~~
24 ~~immediately adjacent to the advertised rate, the range of airport access charges that~~
25 ~~exists in the area to which the advertised rental rate applies and clearly and~~
26 ~~conspicuously discloses the method of avoiding the airport access charge."~~

27 SECTION 2. G.S. 66-204(a) reads as rewritten:

1 "(a) In addition to the rental rate, taxes, and mileage charge, if any, a rental car
2 company may charge a renter for an item or service provided in connection with a
3 particular rental transaction if the renter can avoid incurring that charge by choosing not
4 to obtain or utilize the optional item or service. Items and services for which a rental car
5 company may impose an additional charge include, but are not limited to: Optional
6 insurance and accessories requested by the renter unless otherwise prohibited by law;
7 service charges incident to a person's optional return of the vehicle to a location other
8 than the location where the vehicle was hired or leased; ~~airport access charges that may~~
9 ~~be avoided by the renter, provided the requirements of G.S. 66-202(d) are met; and~~
10 charges for refueling the vehicle at the conclusion of the rental transaction in the event
11 the rented vehicle is not returned with as much fuel as was in its fuel tank at the
12 beginning of the rental."

13 **SECTION 3.** This act is effective when it becomes law.



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 1269

H1269-ALK-21 [v.1]

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

Page 1 of 1

Date 4-25, 2001

Comm. Sub. [NO]
Amends Title [NO]
First Edition

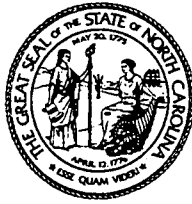
Representative McComas

- 1 moves to amend the bill on page 1, line 9,
- 2 by deleting "include" and substituting "disclose".
- 3

SIGNED *M. Decker*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 1269

H1269-ALK-21 [v.1]

AMENDMENT NO. 1
(to be filled in by
Principal Clerk)

Page 1 of 1

Date 4-25, 2001

Comm. Sub. [NO]
Amends Title [NO]
First Edition

Representative McComas

- 1 moves to amend the bill on page 1, line 9,
- 2 by deleting "include" and substituting "disclose".
- 3

SIGNED *M. Decker*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED ✓ FAILED _____ TABLED _____

2001 COMMITTEE REPORT HOUSE OF REPRESENTATIVES

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

- ☐ Committee Substitute for
H.B. 998 A BILL TO BE ENTITLED AN ACT TO PROVIDE UNDER STATE LAW A
MIRROR AS TO FEDERAL LAW ON WHEN A SOCIAL SECURITY NUMBER CAN
BE REQUIRED TO BE PROVIDED.
- ☒ 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 998

Short Title: State Privacy Act.

(Public)

Sponsors: Representatives Pope, Walend, and Goodwin (Primary Sponsors).

Referred to: Judiciary II.

April 5, 2001

A BILL TO BE ENTITLED

AN ACT TO PROVIDE UNDER STATE LAW A MIRROR AS TO FEDERAL LAW
ON WHEN A SOCIAL SECURITY NUMBER CAN BE REQUIRED TO BE
PROVIDED.

The General Assembly of North Carolina enacts:

SECTION 1. It is unlawful for any State or local government agency to deny to any individual any right, benefit, or privilege provided by law because of such individual's refusal to disclose his social security account number.

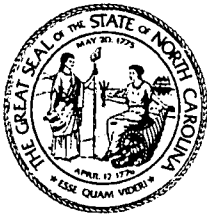
The provisions of this section shall not apply with respect to:

(1) Any disclosure which is required or permitted by Federal statute, or

(2) The disclosure of a social security number to any State or local agency maintaining a system of records in existence and operating before January 1, 1975, if such disclosure was required under statute or regulation adopted prior to such date to verify the identity of an individual.

Any State or local government agency which requests an individual to disclose his social security account number shall inform that individual whether that disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, and what uses will be made of it.

SECTION 2. This act becomes effective October 1, 2001.



HOUSE BILL 998: State Privacy Act

BILL ANALYSIS

Committee: House Ways and Means
Date: April 17, 2001
Version: First Edition

Introduced by: Representative Pope
Summary by: Jeff Hudson
Committee Counsel

SUMMARY: *House Bill 998 would enact provisions of the federal Privacy Act of 1974 governing the disclosure of social security numbers into State law.*

CURRENT LAW: Under current federal law, it is unlawful for any federal, state, or local government agency to deny any individual any right, benefit, or privilege provided by law because the individual refuses to disclose the individual's social security number unless the disclosure is (1) required by federal statute or (2) is required by a statute or regulation adopted prior to January 1, 1975 for a system of records maintained by a federal, state, or local agency prior to January 1, 1975. Federal law also provides that a federal, state, or local agency that requests an individual to disclose the individual's social security number must inform the individual whether the disclosure is mandatory or voluntary, under what authority the number is solicited, and what use will be made of it.

BILL ANALYSIS: House Bill 998 would enact provisions of the federal Privacy Act of 1974 governing the disclosure of social security numbers into State law.

EFFECTIVE DATE: House Bill 998 would become effective October 1, 2001.

H998-SMSB-001

VISITOR REGISTRATION SHEET

WAYS AND MEANS

April ²⁵~~24~~, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

John Phelps

NCLM

R. Paul Wilms

NCHBA

Arund Peckham

Attorney

Natalie English

Charlotte Chamber

AGENDA

HOUSE COMMITTEE MEETING ON WAYS AND MEANS

May 15, 2001

1:00 P.M.

Room 605 LOB

OPENING REMARKS

Representative Cary Allred, Chair

BILLS TO BE DISCUSSED IN COMMITTEE

(Listed in numerical order; not necessarily in agenda order.)

SB 123 – Special Obligation Bonds for Jails/Water/Sewer – Senator Carpenter

ADJOURNMENT

MINUTES HOUSE COMMITTEE ON WAYS AND MEANS

May 15, 2001

The House Committee on Ways and Means met on Tuesday, May 15, 2001 in Room 605 of the Legislative Office Building at 1:10 P. M. The following members were present: Chairman Cary Allred, Representatives Bowie, Decker, Eddins, Pope and Weiss. Assisting the meeting were Martha Gadison and Francis Poole, House Sergeants-at-Arms and T.J. Gatling, Gates County, sponsored by Rep. Hunter. A Visitors Registration was available and made part of the minutes.

Representative Allred, Chairman called the meeting to order and introduced the Sergeants-at-Arms and asked the House Page to introduce himself.

Senator Carpenter, bill sponsor, was recognized by Representative Allred, Chair, to present **SB 123, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE LOCAL GOVERNMENTS TO ISSUE SPECIAL OBLIGATION BONDS FOR JAILS AND FOR WATER AND SEWER PROJECTS.** Senator Carpenter explained that SB123 would expand local governments' existing authority to issue "special obligation bonds" for solid waste projects, to authorize issuance of "special obligation bonds" for water and sewer projects and jails.

Discussion followed; Representative Pope asked why *General Obligation Bonds* couldn't do the projects. Senator Carpenter responded that they could. Representative Decker wanted to know who brought the subject to Senator Carpenter's attention. Senator Carpenter explained that no one approached him but that by representing 10 counties in the mountains; mostly using wells for water sources it was time to expand it for other projects.

Ed Regan, North Carolina Association of County Commissioners, spoke in favor of the bill. Mr. Regan said the association supported SB123 and after having worked with Senator Carpenter on the water bill in the 90's, it was time to expand the concept. He said SB123 would give county commissioners in smaller towns and counties another tool to raise money for projects mentioned.

Chairman Allred asked if the county could contract with a private entity to provide a jail. Yes, that concept is called lease, purchase, financing responded Mr. Regan.

Bob High, Department of the State Treasury, also spoke in favor of the bill and added that it gives county commissioners the flexibility to allow them to do what they have to do when it is difficult to get bonds to pass in county vote. He also explained in great detail the different types of bond financing (so noted by Representative Decker in the minutes).

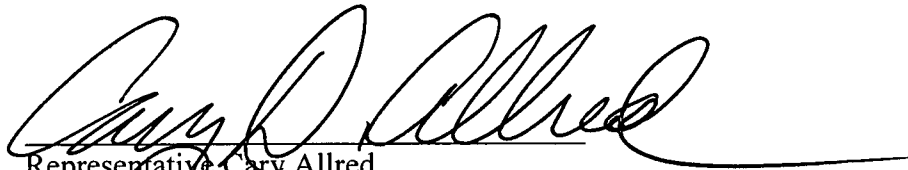
MINUTES
HOUSE COMMITTEE ON WAYS AND MEANS
PAGE 2

May 15, 2001

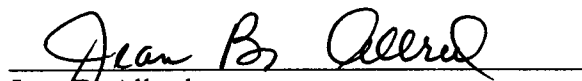
Representative Pope spoke in opposition of the bill stating that it was a "by-pass of the people and the voters" and moved that the bill be reported without prejudice and re-referred to the Committee on Finance.

Representative Bowie spoke in favor of the bill saying it was a good bill and needed to be moved on out of committee. She moved that SB 123 receive a favorable report and be re-referred to the Committee on Finance. The motion passed and the meeting was adjourned at 1:35 P.M.

Respectfully submitted,



Representative Cary Allred
Chairman



Jean B. Allred
Committee Assistant

Attachments
Committee Report
Visitors Registration

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

☐ Committee Substitute for

S.B. 123 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE LOCAL
GOVERNMENTS TO ISSUE SPECIAL OBLIGATION BONDS FOR JAILS AND FOR
WATER AND SEWER PROJECTS.

☐ With a favorable report.

☒ With a favorable report and recommendation that the bill be re-referred to the Committee on
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 123
Finance Committee Substitute Adopted 3/21/01

Short Title: Special Obligation Bonds for Jails/Water/Sewer.

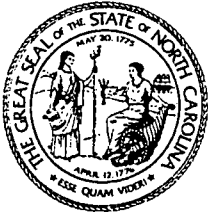
(Public)

Sponsors:

Referred to:

February 12, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE LOCAL GOVERNMENTS TO ISSUE SPECIAL
3 OBLIGATION BONDS FOR JAILS AND FOR WATER AND SEWER
4 PROJECTS.
5 The General Assembly of North Carolina enacts:
6 SECTION 1. G.S. 159I-30(a) reads as rewritten:
7 "(a) Authorization. – Any unit of local government may borrow money for the
8 purpose of financing or refinancing its cost of the acquisition or construction of a
9 project and may issue special obligation bonds and notes, including bond anticipation
10 notes and renewal notes, pursuant to the provisions of this section and the applicable
11 provisions of this Chapter for this purpose. As used in this section, the term 'project' has
12 the meaning provided in G.S. 159I-3 and also includes local confinement facilities as
13 defined in G.S. 153A-217 and any of the following as defined in S.L. 1998-132: water
14 supply systems, water conservation projects, water reuse projects, wastewater collection
15 systems, and wastewater treatment works."
16 SECTION 2. The title of Chapter 159I of the General Statutes reads as
17 rewritten:
18 "Chapter 159I.
19 "~~North Carolina Solid Waste Management Loan Program.~~ Program and
20 Local Government Special Obligation Bonds."
21 SECTION 3. This act is effective when it becomes law.



SENATE BILL 123: Special Obligation Bonds for Jails/Water/Sewer

BILL ANALYSIS

Committee: House Ways and Means
Date: May 15, 2001
Version: Second Edition

Introduced by: Senator Carpenter
Summary by: Jeff Hudson
Committee Counsel

SUMMARY: *Senate Bill 123 would expand local governments' existing authority to issue special obligation bonds for solid waste projects, to authorize issuance of special obligation bonds for water and sewer projects and jails. The bill would become effective when it becomes law.*

CURRENT LAW: In 1989, the General Assembly authorized local governments to issue special obligation bonds to finance solid waste management projects. A special obligation bond does not require a vote of the people because it does not pledge the taxing power or full faith and credit of the government issuing the bond. A solid waste special obligation bond must be secured by a pledge of designated nontax revenues. The nontax revenues can be fees or can be taxes that are levied by another unit of government and shared with the local government that proposes to issue the special obligation bonds. For example, a city can pledge its share of local sales and use taxes because the county levies those taxes. A county can pledge landfill fees or State-shared tax revenue, such as deed stamp tax revenue. Special obligation bonds are sometimes more appropriate than installment purchase financing for solid waste projects because lenders are reluctant to take a security interest in solid waste projects due to potential liability for environmental contamination.

BILL ANALYSIS: Senate Bill 123 would add two additional purposes for which local governments may issue special obligation bonds: local confinement facilities and water and sewer projects.

Local confinement facility: Defined in G.S. 153A-217 as a county or city jail, a local lockup, a regional or district jail, a juvenile detention facility, a detention facility for adults operated by a local government, and any other facility operated by a local government for confinement of persons awaiting trial or serving sentences except that it shall not include a county satellite jail/work release units.

Water and sewer projects:

- **Water supply system:** Defined in G.S. 159G-3 as a public water supply system consisting of facilities and works for supplying, treating and distributing potable water including, but not limited to, impoundments, reservoirs, wells, intakes, water filtration plants and other treatment facilities, tanks and other storage facilities, transmission mains, distribution piping, pipes connecting the system to other public water supply systems, pumping equipment and all other necessary appurtenances, equipment and structures.
- **Water conservation project:** Defined in S.L. 1998-132 as any construction, repair, renovation, expansion, replacement of components, or other capital improvement, including related equipment and land acquisition, designed to (1) eliminate the wasteful or unnecessary use or loss of water in the operations of a wastewater collection system, wastewater treatment works, or water supply system or (2) enhance the operation of a wastewater collection system, wastewater treatment works, or water supply system to provide a more efficient use of water.
- **Water reuse project:** S.L. 1998-132 defines water reuse as the actual use or application of treated wastewater in or on areas that require water but do not require potable water quality.

SENATE BILL 123

Page 2

- Wastewater collection system: Defined in G.S. 159G-3 as a unified system of pipes, conduits, pumping stations, force mains, and appurtenances other than interceptor sewers, for collecting and transmitting water-carried human wastes and other wastewater from residences, industrial establishments or any other buildings, and owned by a local government unit.
- Wastewater treatment works: Defined in G.S. 159G-3 as the various facilities and devices used in the treatment of sewage, industrial waste or other wastes of a liquid nature, including the necessary interceptor sewers, outfall sewers, phosphorous removal equipment, pumping, power and other equipment and their appurtenances.

Note: Martha Harris, with the Bill Drafting Division, and Cindy Avrette, with the Research Division, contributed substantially to this summary.

S123-SMSB-001

VISITOR REGISTRATION SHEET

WAYS AND MEANS

May 15, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Andy Romanet	NC LHM
Jim Blackburn	NC ASSN County Commissioners
Ed Regan	N.C.A.C.C.
Page Allen	FIRST UNION
Bob High	Dept of State Treas.
Cindy Avetta	NCGA staff

AGENDA

HOUSE COMMITTEE MEETING ON WAYS AND MEANS

May 22, 2001

OPENING REMARKS

Representative Cary Allred, Chair

BILLS TO BE DISCUSSED IN COMMITTEE

(listed in numerical order; not necessarily in agenda order)

SB 274 - Repeal Obsolete Exchange/Marketplace Exempt-AB.

Senator Hoyle, Bill Sponsor

SB 312 - Amend Well Contractors Certification-AB.

Senator Hoyle, Bill Sponsor

SB 398 - Lift Undue Family Hardship Sunset.

Senator Foxx, Bill Sponsor

SB 431 - Adjust License Thresholds for Inflation.

Senator Hoyle, Bill Sponsor

SB 1056 - Financial Oversight for Housing Authorities.

Senator Hagan, Bill Sponsor

ADJOURNMENT

MINUTES

HOUSE COMMITTEE ON WAYS AND MEANS

May 22, 2001

The House Committee on Ways and Means met on Tuesday, May 22, 2001 in Room 605 of the Legislative Office Building at 1:05 P.M. The following members were present: Representative Cary Allred, Chairman, Representatives Decker, Eddins, Haire, McMahan, Morris, Nye, Pope and Weiss. Assisting the meeting were Francis Poole and Matthew Myers, House Sergeants-at-Arms and House Page, Justin Jetton, Wake County, sponsored by Representative David Minor. A visitors Registration was available and made part of the minutes.

Representative Allred, Chairman, called the meeting to order, welcomed those attending, introduced the Sergeants-at-Arms and asked the House Page to introduce himself.

Senator Hagan, bill sponsor, for **SB 1056 – A BILL TO BE ENTITLED AN ACT TO AMEND THE APPLICABILITY OF THE LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT TO HOUSING AUTHORITIES UNDER CHAPTER 157 OF THE GENERAL STATUTES** was recognized by Chairman Allred to present her bill. Senator Hagan told the committee SB 1056 was a companion bill for HB 1219, sponsored by Rep. Jeffus, which passed out of the House Ways and Means Committee on April 19, 2001. However, because SB 1056 made cross over first, it would be the bill to move forward. The bill would end a thirty-eight (38) year controversy and would clarify the applicability of the Local Budget and Fiscal Control Act to housing authorities not operated as a department of a county or municipality, effective for fiscal years beginning October 1, 2001. Representative Eddins moved to amend the bill on page 3, line 31, by deleting the word “and” on that line. After discussion, Representative Morris motioned for a favorable report to SB 1056 as amended, unfavorable to original bill and roll it into a House committee substitute bill. The motion passed.

Next, Senator Hoyle, bill sponsor, was asked to present **SB 431 – A BILL TO BE ENTITLED AN ACT TO ADJUST THE VALUE THRESHOLDS OF LIMITED AND INTERMEDIATE LICENSES FOR INFLATION UNDER THE LAWS REGULATING GENERAL CONTRACTORS**. Representative Haire asked how long it had been since we adjusted. Marc Self said that 1993 was the last time it was adjusted and that the examination fees were adequate at this time. Representative McMahan moved for a favorable report.

Senator Hoyle, bill sponsor, explained **SB 274 – A BILL TO BE ENTITLED AN ACT TO REPEAL AN OBSOLETE PROVISION IN THE NORTH CAROLINA SECURITIES ACT**. very simply, SB 274 would repeal an unnecessary subdivision of G.S. 78A-16, which exempts certain securities from being registered with the Secretary of State, and would make a conforming amendment to G.S. 78A-18(a). Discussion followed from Representatives Pope and Haire. Rep. Haire asked David Massey, Secretary of State Liaison, if one can find a list of exemptions through any agency. Mr.

MINUTES
HOUSE COMMITTEE ON WAYS AND MEANS
PAGE 2

May 22, 2001

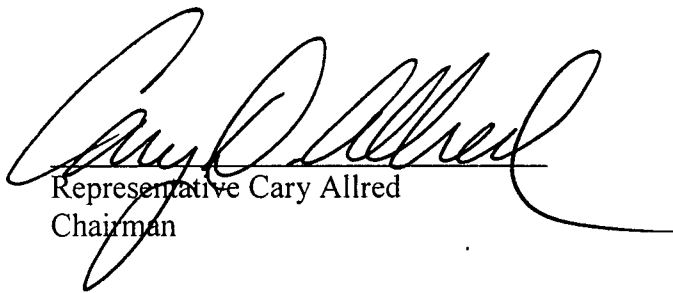
Massey said that the Secretary of State's office or on our web site was a listing of major exemptions. Representative Haire moved for a favorable report, which carried.

Next was **SB 312 – A BILL TO BE ENTITLED AN ACT TO AMEND CERTAIN LAWS RELATING TO THE CERTIFICATION OF WELL CONTRACTORS AND TO INCREASE THE MAXIMUM PENALTY THAT MAY BE ASSESSED FOR VIOLATIONS OF THE WELL CONTRACTORS CERTIFICATION ACT OR THE WELL CONSTRUCTION ACT.** – sponsored by Senator Hoyle. As Senator Hoyle explained the bill, there was discussion many questions from the committee members. It was decided by the Chair to take no action and to displace the bill until the next House Ways and Means committee meeting.

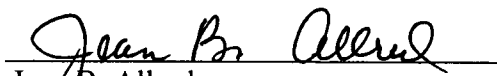
Last on the agenda, Senator Foxx was recognized to explain **SB 398 – A BILL TO BE ENTITLED AN ACT TO REPEAL THE SUNSET PROVISION RELATING TO THE DEFINITION OF UNDUE FAMILY HARDSHIP UNDER THE EMPLOYMENT SECURITY LAWS OF NORTH CAROLINA.** The Senator explained that the bill would remove the sunset on undue family hardship exceptions under the unemployment compensation law adopted in 1999 that are currently set to expire June 30, 2001. David Clegg, Employment Security Commission, said the sunset was put in place to gauge the need. It had worked well and was time for it to be removed. Representative Weiss moved for a favorable report.

The motion carried and the meeting adjourned at 1:40 P.M.

Respectfully submitted,



Representative Cary Allred
Chairman



Jean B. Allred
Legislative Assistant

Attachments
Committee Reports
Visitor Registration Sheet

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

- ☐ Committee Substitute for
S.B. 1056 A BILL TO BE ENTITLED AN ACT TO AMEND THE APPLICABILITY OF
THE LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT TO HOUSING
AUTHORITIES UNDER CHAPTER 157 OF THE GENERAL STATUTES.
- ☐ 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 House committee substitute bill, unfavorable as to original bill.
- ☐ 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 1056

Short Title: Financial Oversight for Housing Authorities. (Public)

Sponsors: Senators Hagan; Cunningham, Garrou, Garwood, Jordan, Martin of Guilford, Metcalf, Miller, Purcell, Reeves, and Shaw of Cumberland.

Referred to: Finance.

April 5, 2001

- 1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE APPLICABILITY OF THE LOCAL GOVERNMENT
3 BUDGET AND FISCAL CONTROL ACT TO HOUSING AUTHORITIES
4 UNDER CHAPTER 157 OF THE GENERAL STATUTES.
5 The General Assembly of North Carolina enacts:
6 **SECTION 1.** Article 3 of Chapter 159 of the General Statutes is amended by
7 adding a new Part to read:
8 "Part 7. Public Housing Authorities.
9 **"§ 159-42. Special regulations pertaining to public housing authorities.**
10 (a) Definition. – As used in this Part, the term 'housing authority' means any
11 entity as defined in G.S. 157-3(1) that is not subject to G.S. 157-4.2.
12 (b) Applicability. – Except as provided in this Part, none of the provisions of
13 Parts 1, 2, or 3 of this Article apply to housing authorities in compliance with this Part.
14 (c) Annual Budget. – Each housing authority shall operate under an annual
15 budget. The budget shall take the form of estimated revenues plus fund balances
16 available for the program, as defined by the U.S. Department of Housing and Urban
17 Development regulations or their successors, that are equal to or greater than estimated
18 expenditures. The proposed budget shall be available for public inspection in a manner
19 consistent with G.S. 159-12(a). Before adopting the budget, the housing authority
20 governing board shall hold a public hearing at which time any persons who wish to be
21 heard on the budget may appear. The governing board shall cause notice of the public
22 hearing to be published in a newspaper of general circulation in the area once a week for
23 two consecutive weeks prior to the public hearing.
24 (d) Project Ordinances. – The annual budget shall not include those estimated
25 revenues and expenditures accounted for in a project ordinance. A housing authority
26 shall adopt a project ordinance, as defined by G.S. 159-13.2, for those programs which
27 span two or more fiscal years. The form of the project ordinance shall be in accordance

1 with the relevant funding agency guidelines for that project. The estimated revenues
2 plus fund balances available for a project shall be equal to or greater than the estimated
3 expenditures. The estimated revenues and expenditures related to approved projects for
4 a fiscal year may be included in the annual budget on an informational basis.

5 (e) Finance Officer. – The housing authority governing board shall appoint or
6 designate a finance officer with the following powers and duties:

7 (1) Preparation of the annual budget for presentation to the governing
8 board.

9 (2) Administration of the approved budget.

10 (3) Maintenance of the accounts and other financial records in accordance
11 with generally accepted principles of accounting.

12 (4) Preparation and filing of statements of the financial condition, at least
13 annually and at other times as requested by the governing board.

14 (5) Receipt and deposit, or supervision of the receipt and deposit, of all
15 moneys accruing to the housing authority.

16 (6) Supervision of the investment of the idle funds of the housing
17 authority.

18 (7) Maintenance of all records concerning the bonded debt of the housing
19 authority, if any.

20 (8) Maintenance of any sinking funds of the housing authority.

21 (f) Accounting Procedures. – A housing authority must comply with federal
22 rules and regulations issued by the U.S. Department of Housing and Urban
23 Development pertaining to procedures for the receipt, deposit, investment, transfer, and
24 disbursement of money and other assets. The Commission may inquire into and
25 investigate, with reasonable cause, the internal control procedures of a housing
26 authority. The Commission may require any modifications in internal control
27 procedures which, in the opinion of the Commission, are necessary or desirable to
28 prevent embezzlement, mishandling of funds, or continued operating deficits.

29 (g) Audits. – The accounting system of a housing authority shall be so designed
30 that the true financial condition of the housing authority can be determined at any time.
31 As soon as possible after the close of each fiscal year, the accounts shall be
32 independently audited by a certified public accountant. The auditor shall be selected by
33 the housing authority governing board, and shall report directly to that body. The audit
34 contract or agreement shall be in writing, and shall include all its terms and conditions.
35 The terms and conditions of the audit shall include the scope of the audit and the
36 requirement that upon completion of the examination the auditor shall prepare a written
37 report embodying the financial statements and the auditor's opinion and comments
38 relating thereto. The finance officer shall file a copy of the audit with the Secretary of
39 the Commission.

40 (h) Bonding of Employees. – The bonding requirements of G.S. 159-29 shall
41 apply to the finance officer and those employees of the housing authority handling or
42 having custody of more than one hundred dollars (\$100.00) at any one time or those
43 employees who have access to the inventories of the housing authority.

1 (i) Investments. – A housing authority may deposit or invest, at interest, all or
2 part of its cash balance pursuant to U.S. Department of Housing and Urban
3 Development regulations.

4 (j) Official Depository. – Housing authorities shall comply with G.S. 159-31,
5 except in those circumstances where the statute is in conflict with U.S. Department of
6 Housing and Urban Development guidance, which shall control.

7 (k) Deposits and Payments. – Housing authorities shall comply with G.S. 159-32,
8 159-32.1, and 159-33."

9 **SECTION 2.** G.S. 159-148(a) reads as rewritten:

10 "(a) Except as provided in subsection (b) of this section, this Article applies to any
11 contract, agreement, memorandum of understanding, and any other transaction having
12 the force and effect of a contract (other than agreements made in connection with the
13 issuance of revenue bonds, special obligation bonds issued pursuant to Chapter 159I of
14 the General Statutes, or of general obligation bonds additionally secured by a pledge of
15 revenues) made or entered into by a unit of local government (as defined by G.S.
16 159-7(b) or, in the case of a special obligation bond, as defined in Chapter 159I of the
17 General Statutes), relating to the lease, acquisition, or construction of capital assets,
18 which contract does all of the following:

19 (1) Extends for five or more years from the date of the contract, including
20 periods that may be added to the original term through the exercise of
21 options to renew or ~~extend, and extend.~~

22 (2) Obligates the unit to pay sums of money to another, without regard to
23 whether the payee is a party to the ~~contract, and contract.~~

24 (3) Obligates the unit over the full term of the contract, including periods
25 that may be added to the original term through the exercise of options
26 to renew or extend, ~~to the extent of at least five hundred thousand~~
27 ~~dollars (\$500,000) for baseball park districts and, for other units, to the~~
28 ~~extent of five hundred thousand dollars (\$500,000) or a sum equal to~~
29 ~~one-tenth of one percent (1/10 of 1%) of the assessed value of property~~
30 ~~subject to taxation by the contracting unit, whichever is less,~~
31 ~~and extend and:~~

32 a. For baseball park districts, to at least five hundred thousand
33 dollars (\$500,000).

34 b. For housing authorities, to at least five hundred thousand
35 dollars (\$500,000) or a sum equal to two thousand dollars
36 (\$2,000) per housing unit owned and under active management
37 by the housing authority, whichever is less.

38 c. For other units, to at least five hundred thousand dollars
39 (\$500,000) or a sum equal to one-tenth of one percent (1/10 of
40 1%) of the assessed value of property subject to taxation by the
41 contracting unit, whichever is less.

42 (4) Obligates the unit, expressly or by implication, to exercise its power to
43 levy taxes either to make payments falling due under the contract, or to

1 pay any judgment entered against the unit as a result of the unit's
2 breach of the contract.

3 Contingent obligation shall be included in calculating the value of the contract.
4 Several contracts that are all related to the same undertaking shall be deemed a single
5 contract for the purposes of this Article. When several contracts are considered as a
6 single contract, the term shall be that of the contract having the longest term, and the
7 sums to fall due shall be the total of all sums to fall due under all single contracts in the
8 group."

9 **SECTION 3.** Section 1 of this act is effective when it becomes law, and
10 applies to the fiscal years of housing authorities beginning on or after October 1, 2001.
11 The remainder of this act is effective when it becomes law.



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1056

S1056-ASB-27 [v.1]

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

Page 1 of 1

Date _____, 2001

Comm. Sub. [NO]
Amends Title [NO]
First Edition

Representative _____

- 1 moves to amend the bill on page 3, line 31,
- 2 by deleting the word "and" on that line.
- 3

SIGNED _____

Amendment Sponsor

SIGNED _____

Committee Chair if Senate Committee Amendment

ADOPTED _____

FAILED _____

TABLED _____

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

D

SENATE BILL 1056
PROPOSED HOUSE COMMITTEE SUBSTITUTE S1056-PCS6289-ST-46

Short Title: Financial Oversight for Housing Authorities.

(Public)

Sponsors:

Referred to:

April 5, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE APPLICABILITY OF THE LOCAL GOVERNMENT
3 BUDGET AND FISCAL CONTROL ACT TO HOUSING AUTHORITIES
4 UNDER CHAPTER 157 OF THE GENERAL STATUTES.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Article 3 of Chapter 159 of the General Statutes is amended by
7 adding a new Part to read:

8 "Part 7. Public Housing Authorities.

9 "§ 159-42. Special regulations pertaining to public housing authorities.

10 (a) Definition. – As used in this Part, the term 'housing authority' means any
11 entity as defined in G.S. 157-3(1) that is not subject to G.S. 157-4.2.

12 (b) Applicability. – Except as provided in this Part, none of the provisions of
13 Parts 1, 2, or 3 of this Article apply to housing authorities in compliance with this Part.

14 (c) Annual Budget. – Each housing authority shall operate under an annual
15 budget. The budget shall take the form of estimated revenues plus fund balances
16 available for the program, as defined by the U.S. Department of Housing and Urban
17 Development regulations or their successors, that are equal to or greater than estimated
18 expenditures. The proposed budget shall be available for public inspection in a manner
19 consistent with G.S. 159-12(a). Before adopting the budget, the housing authority
20 governing board shall hold a public hearing at which time any persons who wish to be
21 heard on the budget may appear. The governing board shall cause notice of the public
22 hearing to be published in a newspaper of general circulation in the area once a week for
23 two consecutive weeks prior to the public hearing.

24 (d) Project Ordinances. – The annual budget shall not include those estimated
25 revenues and expenditures accounted for in a project ordinance. A housing authority
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27 span two or more fiscal years. The form of the project ordinance shall be in accordance
28 with the relevant funding agency guidelines for that project. The estimated revenues
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2 a fiscal year may be included in the annual budget on an informational basis.

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4 designate a finance officer with the following powers and duties:

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6 board.

7 (2) Administration of the approved budget.

8 (3) Maintenance of the accounts and other financial records in accordance
9 with generally accepted principles of accounting.

10 (4) Preparation and filing of statements of the financial condition, at least
11 annually and at other times as requested by the governing board.

12 (5) Receipt and deposit, or supervision of the receipt and deposit, of all
13 moneys accruing to the housing authority.

14 (6) Supervision of the investment of the idle funds of the housing
15 authority.

16 (7) Maintenance of all records concerning the bonded debt of the housing
17 authority, if any.

18 (8) Maintenance of any sinking funds of the housing authority.

19 (f) Accounting Procedures. – A housing authority must comply with federal
20 rules and regulations issued by the U.S. Department of Housing and Urban
21 Development pertaining to procedures for the receipt, deposit, investment, transfer, and
22 disbursement of money and other assets. The Commission may inquire into and
23 investigate, with reasonable cause, the internal control procedures of a housing
24 authority. The Commission may require any modifications in internal control
25 procedures which, in the opinion of the Commission, are necessary or desirable to
26 prevent embezzlement, mishandling of funds, or continued operating deficits.

27 (g) Audits. – The accounting system of a housing authority shall be so designed
28 that the true financial condition of the housing authority can be determined at any time.
29 As soon as possible after the close of each fiscal year, the accounts shall be
30 independently audited by a certified public accountant. The auditor shall be selected by
31 the housing authority governing board and shall report directly to that body. The audit
32 contract or agreement shall be in writing and shall include all its terms and conditions.
33 The terms and conditions of the audit shall include the scope of the audit and the
34 requirement that upon completion of the examination the auditor shall prepare a written
35 report embodying the financial statements and the auditor's opinion and comments
36 relating thereto. The finance officer shall file a copy of the audit with the Secretary of
37 the Commission.

38 (h) Bonding of Employees. – The bonding requirements of G.S. 159-29 shall
39 apply to the finance officer and those employees of the housing authority handling or
40 having custody of more than one hundred dollars (\$100.00) at any one time or those
41 employees who have access to the inventories of the housing authority.

1 (i) Investments. – A housing authority may deposit or invest, at interest, all or
2 part of its cash balance pursuant to U.S. Department of Housing and Urban
3 Development regulations.

4 (j) Official Depository. – Housing authorities shall comply with G.S. 159-31,
5 except in those circumstances where the statute is in conflict with U.S. Department of
6 Housing and Urban Development guidance, which shall control.

7 (k) Deposits and Payments. – Housing authorities shall comply with G.S. 159-32,
8 159-32.1, and 159-33."

9 **SECTION 2.** G.S. 159-148(a) reads as rewritten:

10 "(a) Except as provided in subsection (b) of this section, this Article applies to any
11 contract, agreement, memorandum of understanding, and any other transaction having
12 the force and effect of a contract (other than agreements made in connection with the
13 issuance of revenue bonds, special obligation bonds issued pursuant to Chapter 159I of
14 the General Statutes, or of general obligation bonds additionally secured by a pledge of
15 revenues) made or entered into by a unit of local government (as defined by G.S.
16 159-7(b) or, in the case of a special obligation bond, as defined in Chapter 159I of the
17 General Statutes), relating to the lease, acquisition, or construction of capital assets,
18 which contract does all of the following:

19 (1) Extends for five or more years from the date of the contract, including
20 periods that may be added to the original term through the exercise of
21 options to renew or ~~extend, and extend.~~

22 (2) Obligates the unit to pay sums of money to another, without regard to
23 whether the payee is a party to the ~~contract, and contract.~~

24 (3) Obligates the unit over the full term of the contract, including periods
25 that may be added to the original term through the exercise of options
26 to renew or extend, ~~to the extent of at least five hundred thousand~~
27 ~~dollars (\$500,000) for baseball park districts and, for other units, to the~~
28 ~~extent of five hundred thousand dollars (\$500,000) or a sum equal to~~
29 ~~one tenth of one percent (1/10 of 1%) of the assessed value of property~~
30 ~~subject to taxation by the contracting unit, whichever is less,~~
31 ~~and extend:~~

32 a. For baseball park districts, to at least five hundred thousand
33 dollars (\$500,000).

34 b. For housing authorities, to at least five hundred thousand
35 dollars (\$500,000) or a sum equal to two thousand dollars
36 (\$2,000) per housing unit owned and under active management
37 by the housing authority, whichever is less.

38 c. For other units, to at least five hundred thousand dollars
39 (\$500,000) or a sum equal to one-tenth of one percent (1/10 of
40 1%) of the assessed value of property subject to taxation by the
41 contracting unit, whichever is less.

(4) Obligates the unit, expressly or by implication, to exercise its power to levy taxes either to make payments falling due under the contract, or to pay any judgment entered against the unit as a result of the unit's breach of the contract.

Contingent obligation shall be included in calculating the value of the contract. Several contracts that are all related to the same undertaking shall be deemed a single contract for the purposes of this Article. When several contracts are considered as a single contract, the term shall be that of the contract having the longest term, and the sums to fall due shall be the total of all sums to fall due under all single contracts in the group."

SECTION 3. Section 1 of this act is effective when it becomes law and applies to the fiscal years of housing authorities beginning on or after October 1, 2001. The remainder of this act is effective when it becomes law.

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

- ☐ Committee Substitute for
S.B. 431 A BILL TO BE ENTITLED AN ACT TO ADJUST THE VALUE THRESHOLDS
OF LIMITED AND INTERMEDIATE LICENSES FOR INFLATION UNDER THE LAWS
REGULATING GENERAL CONTRACTORS.
- ☒ 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 431

Short Title: Adjust License Thresholds for Inflation.

(Public)

Sponsors: Senator Hoyle.

Referred to: Finance.

March 13, 2001

A BILL TO BE ENTITLED

AN ACT TO ADJUST THE VALUE THRESHOLDS OF LIMITED AND
INTERMEDIATE LICENSES FOR INFLATION UNDER THE LAWS
REGULATING GENERAL CONTRACTORS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 87-10(a) reads as rewritten:

"(a) Anyone seeking to be licensed as a general contractor in this State shall file an application for an examination on a form provided by the Board, at least 30 days before any regular or special meeting of the Board accompanied by an examination fee of fifty dollars (\$50.00) and by the sum of one hundred dollars (\$100.00) if the application is for an unlimited license, the sum of seventy-five dollars (\$75.00) if the application is for an intermediate license or the sum of fifty dollars (\$50.00) if the application is for a limited license; the fees and sum accompanying any application shall be nonrefundable. The holder of an unlimited license shall be entitled to act as general contractor without restriction as to value of any single project; the holder of an intermediate license shall be entitled to act as general contractor for any single project with a value of up to ~~five~~seven hundred thousand dollars (~~\$500,000~~); \$700,000; the holder of a limited license shall be entitled to act as general contractor for any single project with a value of up to ~~two~~three hundred fifty thousand dollars (~~\$250,000~~); \$350,000; and the license certificate shall be classified in accordance with this section. Before being entitled to an examination an applicant must show to the satisfaction of the Board from the application and proofs furnished that the applicant is possessed of a good character and is otherwise qualified as to competency, ability, integrity, and financial responsibility, and that the applicant has not committed or done any act, which, if committed or done by any licensed contractor would be grounds under the provisions hereinafter set forth for the suspension or revocation of contractor's license, or that the applicant has not committed or done any act involving dishonesty, fraud, or deceit, or that the applicant has never been refused a license as a general

1 contractor nor had such license revoked, either in this State or in another state, for
2 reasons that should preclude the granting of the license applied for, and that the
3 applicant has never been convicted of a felony involving moral turpitude, relating to
4 building or contracting, or involving embezzlement or misappropriation of funds or
5 property entrusted to the applicant: Provided, no applicant shall be refused the right to
6 an examination, except in accordance with the provisions of Chapter 150B of the
7 General Statutes."

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



SENATE BILL 431: Adjust License Thresholds for Inflation

BILL ANALYSIS

Committee: House Ways and Means
Date: May 22, 2001
Version: First Edition

Introduced by: Senator Hoyle
Summary by: Jeff Hudson,
Committee Counsel

SUMMARY: *Senate Bill 431 would increase the value thresholds of any single project a limited or intermediate licensee may construct. The value threshold for the limited license has not been increased since 1989. The value threshold for the intermediate license has not been increased since 1981. The bill becomes effective when it becomes law.*

CURRENT LAW: A person must be licensed as a general contractor by the State Licensing Board for General Contractors in order to construct a building, highway, public utility, grading or any improvement or structure in North Carolina where the cost of the project is more than \$30,000. The license must be renewed annually. A person who fails to comply with this law may be charged with a Class 2 misdemeanor.

The Board may issue one of five different classifications of licenses: a building contractor, a residential contractor, a highway contractor, a public utilities contractor, or a specialty contractor. To obtain a license, a person must apply to the State Licensing Board, pay the required fee, and successfully complete an examination for the classification of license the applicant desires. Within the classifications, there are three different levels of license. The amount of the application fee varies depending upon the level of license desired. The three different levels of licensure are:

- An unlimited license – Entitles the holder of the license to act as a general contractor without restriction as to the value of any single project.
- An intermediate license. – Entitles the holder of the license to act as a general contractor for any single project with a value of up to \$500,000.
- A limited license. – Entitles the holder of the license to act as a general contractor for any single project with a value of up to \$250,000.

BILL ANALYSIS: Senate Bill 431 would adjust the value thresholds of limited and intermediate licenses for inflation. The adjustments are as follows:

- An intermediate license. – Increases the value of a single project for which the licensee may construct from \$500,000 to \$700,000. Based on the Internet CPI calculator created by the Federal Reserve Bank of Minneapolis, the \$500,000 project value in 1981 is worth \$981,848 in 2001 dollars.
- A limited license. -- Increases the value of a single project for which the licensee may construct from \$250,000 to \$350,000. Based on the Internet CPI calculator created by the Federal Reserve Bank of Minneapolis, the \$250,000 project value in 1989 is worth \$359,879 in 2001 dollars.

Note: Cindy Avrette, Research Division, and Richard Bostic, Fiscal Research Division, contributed to this summary.

S431-SMSB-001

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

- ☐ Committee Substitute for
S.B. 274 A BILL TO BE ENTITLED AN ACT TO REPEAL AN OBSOLETE PROVISION
IN THE NORTH CAROLINA SECURITIES 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.
- ☐ 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 274

Short Title: Repeal Obsolete Exchange/Marketplace Exempt-AB. (Public)

Sponsors: Senator Hoyle.

Referred to: Commerce.

March 1, 2001

A BILL TO BE ENTITLED

AN ACT TO REPEAL AN OBSOLETE PROVISION IN THE NORTH CAROLINA
SECURITIES ACT.

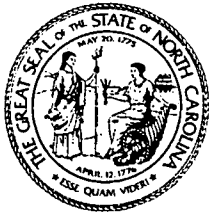
The General Assembly of North Carolina enacts:

SECTION 1. G.S. 78A-16(8) is repealed.

SECTION 2. G.S. 78A-18(a) reads as rewritten:

"(a) The Administrator may by order deny or revoke any exemption specified in subdivisions (8), subdivision (9), (11), or (15) of G.S. 78A-16 or in 78A-17 with respect to a specific security or transaction. No such order may be entered without appropriate prior notice to all interested parties, opportunity for hearing, and written findings of fact and conclusions of law, except that the Administrator may by order summarily deny or revoke any of the specified exemptions pending final determination of any proceeding under this section. Upon the entry of a summary order, the Administrator shall promptly notify all interested parties that it has been entered and of the reasons therefor and that within 15 days of the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the Administrator, the order will remain in effect until it is modified or vacated by the Administrator. If a hearing is requested or ordered, the Administrator, after notice of an opportunity for hearing to all interested persons, may not modify or vacate the order or extend it until final determination. No order under this subsection may operate retroactively. No person may be considered to have violated G.S. 78A-24 or 78A-49(d) by reason of any offer or sale effected after the entry of an order under this subsection if he sustains the burden of proof that he did not know, and in the exercise of reasonable care could not have known, of the order."

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



SENATE BILL 274: Repeal Obsolete Exchange/Marketplace Exempt.

BILL ANALYSIS

Committee: House Ways and Means
Date: May 22, 2001
Version: First Edition

Introduced by: Senator Hoyle
Summary by: Jeff Hudson,
Committee Counsel

SUMMARY: *Senate Bill 274 would repeal an unnecessary subdivision of G.S. 78A-16, which exempts certain securities from being registered with the Secretary of State, and would make a conforming amendment to G.S. 78A-18(a).*

BILL ANALYSIS: Senate Bill 274 would repeal subdivision (8) of G.S. 78A-16 and would make a conforming amendment to G.S. 78A-18(a). G.S. 78A-16 provides for exemptions for securities that would ordinarily have to be registered with the Secretary of State. Subdivision (8) provides an exemption for securities listed with major stock exchanges. Subdivision (15), which was added to the statute in 1990, provides a broader exemption that encompasses the securities that would be exempt under subdivision (8). With the addition of subdivision (15), subdivision (8) should have been repealed, but it was not.

Senate Bill 274 was requested by the Secretary of State's Office.

EFFECTIVE DATE: Senate Bill 274 would become effective when it becomes law.

Note: Steve Rose, Research Division, contributed to the preparation of this summary.

S274-SMSB-001

Displaced
until next w+m
meeting on 6/5/01

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

2

SENATE BILL 312*
Agriculture/Environment/Natural Resources Committee Substitute Adopted
4/17/01

Short Title: Amend Well Contractors Certification-AB.

(Public)

Sponsors:

Referred to:

March 5, 2001

A BILL TO BE ENTITLED

AN ACT TO AMEND CERTAIN LAWS RELATING TO THE CERTIFICATION OF
WELL CONTRACTORS AND TO INCREASE THE MAXIMUM CIVIL
PENALTY THAT MAY BE ASSESSED FOR VIOLATIONS OF THE WELL
CONTRACTORS CERTIFICATION ACT OR THE WELL CONSTRUCTION
ACT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 87-98.4(a) reads as rewritten:

"(a) Certification Required. – No well contractor shall perform or offer to perform
any well contractor activity without being certified under this Article. The Commission
may specify the types of general construction activities or geophysical activities that are
not directly related to locating, testing, or withdrawing groundwater; evaluating, testing,
developing, draining, or recharging any groundwater reservoir or aquifer; or controlling,
diverting, or otherwise causing the movement of water from or into any aquifer and are
therefore not well construction activities."

SECTION 2. G.S. 87-98.7 reads as rewritten:

**"§ 87-98.7. Issuance and renewal of certificates; temporary
~~certification~~certification; refusal to issue a certificate.**

(a) Issuance. – An applicant, upon satisfactorily meeting the appropriate
requirements, shall be certified to perform in the capacity of a well contractor and shall
be issued a suitable certificate by the Commission designating the level of the person's
competency. A certificate shall be valid for one year or until any of the following
occurs:

- (1) The certificate holder voluntarily surrenders the certificate to the Commission.
- (2) The certificate is revoked or suspended by the Commission for cause.

1 (b) Renewal. – A certificate shall be renewed annually by payment of the annual
2 fee. A person who fails to renew a certificate within ~~three months~~ 30 days of the
3 expiration of the certificate must reapply for certification under this Article.

4 (c) Temporary Certification. – A person may receive temporary certification to
5 construct a well upon submission of an application to the Commission and subsequent
6 approval in accordance with the criteria established by the Commission and upon
7 payment of a temporary certification fee. A temporary certification shall be granted to
8 the same person only once per calendar year and may not be valid for a period in excess
9 of 45 consecutive days. To perform additional well contractor activity during that same
10 calendar year, the person shall apply for certification under this Article.

11 (d) Refusal to Issue a Certificate. – The Commission shall not issue a certificate
12 under any of the following circumstances:

13 (1) The applicant has not paid civil penalties assessed against the applicant
14 under G.S. 87-94 for a violation of this Article, Article 7 of this
15 Chapter, or any rule adopted to implement either of those Articles.

16 (2) The applicant has not conducted all restoration activities ordered by
17 the Department related to a violation by the applicant of Article 7 of
18 this Chapter.

19 (3) As determined by the Commission, the applicant has a history of not
20 complying with this Article, Article 7 of this Chapter, or any rule
21 adopted to implement either of those Articles."

22 **SECTION 3.** G.S. 87-94(a) reads as rewritten:

23 "(a) Any person who violates any provision of this Article, Article 7A of this
24 Chapter, any order issued pursuant thereto, or any rule adopted thereunder, shall be
25 subject to a civil penalty of not more than ~~one hundred dollars (\$100.00)~~ one thousand
26 dollars (\$1,000) for each violation, as determined by the Secretary of Environment and
27 Natural Resources. Each day of a continuing violation shall be considered a separate
28 offense. No person shall be subject to a penalty who did not directly commit the
29 violation or cause it to be committed."

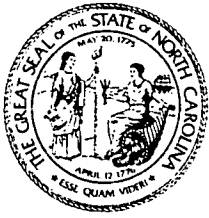
30 **SECTION 4.** G.S. 143B-301.11(b) reads as rewritten:

31 "(b) Delegation. – The Commission ~~may, by rule,~~ may delegate to the Secretary
32 any of its powers, other than the power to adopt rules."

33 **SECTION 5.** The Well Contractors Certification Commission may adopt
34 temporary and permanent rules to implement the provisions of this act and to alter the
35 minimum requirements of education, experience, and knowledge for certification of
36 well contractors adopted by the Commission pursuant to G.S. 87-98.6. This act
37 constitutes a recent act of the General Assembly within the meaning of G.S. 150B-21.1.
38 Notwithstanding G.S. 150B-21.1(a)(2) and 26 NCAC 2C.0102(11), the Well
39 Contractors Certification Commission may adopt temporary rules as provided in this
40 section until 1 April 2002. Prior to the adoption of a temporary rule under this section,
41 the Commission shall publish a notice of intent to adopt a temporary rule in the North
42 Carolina Register. The notice shall set out the text of the proposed temporary rule and
43 include the name and address of the person to whom questions and written comment on

- 1 the proposed temporary rule may be submitted. The Commission shall accept written
- 2 comment on the proposed temporary rule for at least 30 days after the notice of intent to
- 3 adopt a temporary rule is published in the North Carolina Register.

4 **SECTION 6.** This act is effective when it becomes law.



SENATE BILL 312: Amend Well Contractors Certification.

BILL ANALYSIS

Committee: House Ways and Means
Date: May 22, 2001
Version: Second Edition

Introduced by: Senator Hoyle
Summary by: Jeff Hudson,
Committee Counsel

SUMMARY: *Senate Bill 312 would amend the Well Contractors Certification Act (Act) to:*

- *Require that a contractor offering to perform any well contractor activity be certified under this Article.*
 - *Shorten the time allowed for renewal of contractor certification from three months to 30 days following expiration of certification.*
 - *Prohibit the Well Contractors Certification Commission (Commission) from issuing a certificate to a contractor who has outstanding penalties, failed to comply with restoration requirements, or who has a history of significant noncompliance.*
 - *Increase the maximum penalty for violations from one hundred dollars (\$100.00) to one thousand dollars (\$1,000) per violation.*
 - *Allow the Commission to delegate any of its powers, other than the power to adopt rules, to the Secretary of Environment and Natural Resources without having to adopt a rule.*
 - *Authorize the Commission to adopt temporary rules to implement this act and to alter minimum education, experience, and knowledge requirements related to certification until April 1, 2002.*
- The act would become effective when it becomes law.*

BILL ANALYSIS:

Section 1: The Act currently prohibits non-certified contractors from performing well contractor activities, but does not prevent non-certified contractors from offering to perform a well contractor activity. Well contractor activities include engaging in the construction, installation, repair, alteration, or abandonment of any well. Senate Bill 312 would prohibit well contractors from offering to perform well contractor activities without being certified.

Section 2: The Act currently allows well contractors up to three months to renew their certification by payment of an annual fee before requiring that they reapply for certification. In addition, the Act does not contain any circumstances under which the Well Contractors Certification Commission (Commission) may refuse to issue a certificate if the annual fee has been paid. Senate Bill 312 would shorten the certificate renewal period to thirty days, and also establish criteria under which the Commission may not issue a certificate to a contractor. These circumstances include:

- The applicant has outstanding civil penalties resulting from violation of the Act or any rule adopted to implement the Act.
- The applicant has not conducted all restoration activities ordered by the Department related to a violation of the Act.
- The applicant has a history of significant non-compliance with the Act or any rule adopted to implement the Act.

SENATE BILL 312

Page 2

Section 3: The maximum civil penalty for violating provisions of either the Well Construction Act or the Well Contractor Certification Act is statutorily set at one hundred dollars (\$100.00) per violation. Senate Bill 312 would increase the maximum penalty per violation to one thousand dollars (\$1,000).

Section 4: Under G.S. 143B-301.11(b), the Commission may, by rule, delegate to the Secretary of Environment and Natural Resources any of its powers, other than the power to adopt rules. Senate Bill 312 would streamline the process of delegating power to the Secretary by eliminating the requirement of adopting a rule to delegate authority.

Section 5: Senate Bill 312 would authorize the Commission to adopt temporary rules to implement this act and to alter minimum education, experience, and knowledge requirements related to certification until April 1, 2002. If the Commission adopts temporary rules pursuant to this provision, it must provide notice of the temporary rulemaking and provide a comment period of at least 30 days.

BACKGROUND: Senate Bill 312 is recommended by the Department of Environment and Natural Resources. A companion bill, House Bill 326, was introduced by Representative Mitchell and is currently in the House Ways and Means Committee.

The Well Contractors Certification Act was enacted in 1997. The Act created the Well Contractors Certification Commission, which is authorized to adopt rules for the certification of well contractors, to make final agency decisions regarding civil penalties assessed for violations of well contractor certification laws, and to adopt rules to secure federal aid for well contractor certification programs. The Act went into effect on August 4, 1997, with the exception of the requirements for certification to perform well contractor activities and the continuing education requirements, which went into effect on January 1, 2000.

Note: George Givens and Tim Dodge, Research Division, contributed to the preparation of this summary.

S312-SMSB-001

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

- ☐ Committee Substitute for
S.B. 398 A BILL TO BE ENTITLED AN ACT TO REPEAL THE SUNSET PROVISION
RELATING TO THE DEFINITION OF UNDUE FAMILY HARDSHIP UNDER THE
EMPLOYMENT SECURITY LAWS 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

S

1

SENATE BILL 398

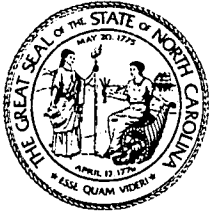
Short Title: Lift Undue Family Hardship Sunset. (Public)

Sponsors: Senators Foxx; Allran, Ballance, Ballantine, Berger, Bingham, Carpenter, Carrington, Forrester, Hartsell, Horton, Lucas, Martin of Guilford, Metcalf, Miller, Moore, Reeves, Rucho, Warren, Webster, Weinstein, and Wellons.

Referred to: Commerce.

March 12, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO REPEAL THE SUNSET PROVISION RELATING TO THE
3 DEFINITION OF UNDUE FAMILY HARDSHIP UNDER THE EMPLOYMENT
4 SECURITY LAWS OF NORTH CAROLINA.
5 The General Assembly of North Carolina enacts:
6 SECTION 1. Section 5 of S.L. 1999-196 reads as rewritten:
7 "Section 5. This act becomes effective July 1, 1999, and applies to unemployment
8 insurance claims filed on or after that date. ~~This act expires June 30, 2001.~~"
9 SECTION 2. This act is effective when it becomes law.



SENATE BILL 398: Lift Undue Family Hardship Sunset

BILL ANALYSIS

Committee: House Ways and Means
Date: May 22, 2001
Version: First Edition

Introduced by: Senator Foxx
Summary by: Jeff Hudson
Committee Counsel

SUMMARY: *Senate Bill 398 would remove the sunset on the undue family hardship exceptions under the unemployment compensation law adopted in 1999 that are currently set to expire June 30, 2001.*

PRE-1999 LAW: Prior to the enactment of S.L. 1999-196, the unemployment compensation law provided that an individual was eligible for unemployment benefits only if the Employment Security Commission (ESC) found that the individual was actively seeking work. The definition of "work" under G.S. 96-8(24) made no provision for individuals who were unable to accept employment during a particular shift due to lack of child care or elder care. Thus an individual could be denied unemployment benefits for failing to accept employment during a particular shift, even if accepting the employment would create a hardship due to lack of child care or elder care.

CURRENT LAW: As enacted in 1999, S.L. 1999-196 excluded from the definition of "work" employment that would result in an undue family hardship. This act provided that an undue family hardship exists when an individual is unable to accept employment during a particular shift due to the individual's inability to obtain care during the offered shift for: (i) a minor child under 14 years of age who is in the legally recognized custody of the individual or (ii) an aged and disabled parent of the individual. Under this law, the ESC could find that an individual is actively seeking work even if the individual has failed to accept employment during a particular shift due to lack of child care or elder care. S.L. 1999-196 also provided that separation from employment of an individual due to the individual's inability to work during a particular shift due to an undue family hardship would not be charged to the Unemployment Insurance Fund account of the employer.

The provisions of the unemployment compensation law allowing for the family hardship exception enacted in S.L. 1999-196 are scheduled to sunset June 30, 2001.

BILL ANALYSIS: Senate Bill 398 would repeal the sunset provisions of S.L. 1999-196 thereby making the undue family hardship exceptions permanent. If allowed to sunset, the law would return to the pre-1999 law.

EFFECTIVE DATE: The bill would become effective when it becomes law.

Note: Walker Reagan, Staff Attorney, Research Division, contributed to the preparation of this summary.

S398-SMSB-001

SENATE BILL 398

Page 2

SESSION LAW 1999-196
HOUSE BILL 277

AN ACT AMENDING THE EMPLOYMENT SECURITY LAWS TO PROVIDE THAT AN INDIVIDUAL MAY NOT BE DISQUALIFIED FOR UNEMPLOYMENT INSURANCE BENEFITS WHEN THE INDIVIDUAL'S INABILITY TO ACCEPT BONA FIDE PERMANENT EMPLOYMENT DURING A PARTICULAR SHIFT WOULD RESULT IN AN UNDUE FAMILY HARDSHIP AND TO PROVIDE THAT AN INDIVIDUAL MAY NOT BE DISQUALIFIED FOR UNEMPLOYMENT INSURANCE BENEFITS WHEN THE INDIVIDUAL'S DISCHARGE IS SOLELY DUE TO AN INABILITY TO ACCEPT WORK DURING A PARTICULAR SHIFT AS THE RESULT OF AN UNDUE FAMILY HARDSHIP.

Section 1. G.S. 96-8 is amended by adding a new subdivision to read:

"(10a) 'Undue family hardship' arises when an individual is unable to accept a particular shift because the individual is unable to obtain (i) child care during that shift for a minor child under 14 years of age who is in the legally recognized custody of the individual or (ii) elder care during that shift for an aged or disabled parent of the individual."

Section 2. G.S. 96-8(24) reads as rewritten:

"(24) Work, for purposes of this Chapter, means any bona fide permanent ~~employment~~ employment the acceptance of which would not result in an undue family hardship as defined in G.S. 96-8(10a). For purposes of this definition, 'bona fide permanent employment' is presumed to include only those employments of greater than 30 consecutive calendar days duration (regardless of whether work is performed on all those days) provided: (a) the presumption that an employment lasting 30 days or less is not bona fide permanent employment may be rebutted by a finding by the Commission, either on its own motion or upon a clear and convincing showing by an interested party that the application of the presumption would work a substantial injustice in view of the intent of this Chapter; (b) Any decision of the Commission on the question of bona fide employment may be disturbed on judicial review only upon a finding of plain error."

Section 3. G.S. 96-9(c)(2)b. reads as rewritten:

"b. Any benefits paid to any claimant under a claim filed for a period occurring after the date of such separations as are set forth in this paragraph and based on wages paid prior to the date of (i) the leaving of work by the claimant without good cause attributable to the employer; (ii) the discharge of claimant for misconduct in connection with his work; (iii) the discharge of the claimant for substantial fault as that term may be defined in G.S. 96-14; (iv) the discharge of the claimant solely for a bona fide inability to do the work for which he was hired but only where the claimant was hired pursuant to a job order placed with a local office of the Commission for referrals to probationary employment (with a probationary period no longer than 100 days), which job order was placed in such circumstances and which satisfies such conditions as the Commission may by regulation prescribe and only to the extent of the wages paid during such probationary employment; (v) separations made disqualifying under G.S. 96-14(2b) and (6a); ~~or~~ (vi) separation due to leaving for disability or health ~~condition-condition~~; or (vii) separation of claimant solely as the result of an undue family hardship shall not be charged to the account of the employer by whom the claimant was employed at the time of such separation; provided, however, said employer promptly furnishes the Commission with such notices regarding any separation of the individual from work as are or may be required by the regulations of the Commission.

Section 4. G.S. 96-14 is amended by adding a new subdivision to read:

"(1g) For purposes of this Chapter, separation or discharge solely due to an inability to accept work during a particular shift as a result of an undue family hardship shall constitute good cause for leaving work. Benefits paid on the basis of this section shall not be charged to the account of the employer."

Section 5. This act becomes effective July 1, 1999, and applies to unemployment insurance claims filed on or after that date. This act expires June 30, 2001.

In the General Assembly read three times and ratified this the 9th day of June, 1999.

Approved 10:19 p.m. this 18th day of June, 1999

VISITOR REGISTRATION SHEET

WAYS AND MEANS

May 22, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

W. S. Aepf	Mc Licensing Board / Gen Contractors
R. Carl Wilms	NCHBA
David J. Ruesing	SEC. OF STATE
Alfred E. Russ	SOS
Ray R. Brown	SOS
James Bean	RHA
Tim Minton	NC Home Builders Assn
Arthur Monberry	DENR Groundwater Section
Michelle Frazier	NCBA
Mike Carruth	NCHBA
Mike Oken	NC State AFL-CIO

VISITOR REGISTRATION SHEET

WAYS AND MEANS

May 22, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

CHARLES FRANKS

RHA Attorney / 6039 N V

David Pegg

ESC

AGENDA

HOUSE COMMITTEE MEETING ON WAYS AND MEANS

June 5, 2001

1:00 P.M.

Room 605 LOB

OPENING REMARKS

Representative Cary Allred, Chair

BILLS TO BE DISCUSSED IN COMMITTEE

(Listed in numerical order; not necessarily in agenda order.)

**SB 312 – AMEND WELL CONTRACTORS CERTIFICATION-AB.
Senator Hoyle, Bill Sponsor**

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON WAYS AND MEANS

June 5, 2001

The House Committee on Ways and Means met on Tuesday, June 5, 2001 in Room 605 of the Legislative Office Building at 1:05 P.M. The following members were present: Representative Allred, Chairman, and Representatives Bowie, Cox, Haire, McMahan, Morris and Weiss. Assisting with the meeting were Jeff Hudson, Staff Counsel, Matthew Myers and Francis Poole, House Sergeants-at-Arms and House Pages, Candace M. Lowery, Robeson County, sponsored by Representative Ronnie Sutton and Nikki Owens, Wake County, sponsored by Representative Bob Hensley. A Visitor Registration Sheet was available and made part of the minutes.

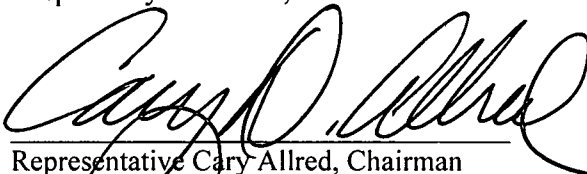
Representative Allred, Chairman, welcomed everyone and called the meeting to order. He introduced the Sergeants-at-Arms and asked the Pages to introduce themselves.

The only bill on the agenda for consideration was **SB 312 – A BILL TO BE ENTITLED AN ACT TO AMEND CERTAIN LAWS RELATING TO THE CERTIFICATION OF WELL CONTRACTORS AND TO INCREASE THE MAXIMUM CIVIL PENALTY THAT MAY BE ASSESSED FOR VIOLATIONS OF THE WELL CONTRACTORS CERTIFICATION ACT OR THE WELL CONSTRUCTION ACT.** – sponsored by Senator Hoyle. Chairman Allred told the committee that Senator Hoyle was unable to attend the meeting and reminded the members that SB 312 was discussed at the previous meeting, May 22, 2001. The first thing to be done was to adopt a proposed House Committee Substitute for SB 312, so moved by Representative Haire. Discussion followed with Chairman Allred and Jeff Hudson, Staff Counsel, explaining that the PHCS takes out the extra power that the original bill gave to the Secretary. They explained that the SB 312 would amend the Well Contractors Certification Act and the bill's intent was to give more clout to the Commission and to tighten up contractor activities.

Representative Cox asked who wanted the bill because he had not heard of anybody being in favor of it. Mr. R. Rogers, NCDENR, spoke in favor of the bill and said he had not heard of any opposition. Representative McMahan responding to Representative Cox said that he was at the last meeting when the bill was discussed. He thought it was a good bill and moved for a favorable report to the proposed House Committee Substitute, unfavorable to the original bill.

The motion carried and the meeting adjourned at 1:15 P.M.

Respectfully submitted,



Representative Cary Allred, Chairman



Jean B. Allred, Legislative Assistant

Attachments
Committee Report
Visitors Registration

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

- ☒ Committee Substitute for
S.B. 312 A BILL TO BE ENTITLED AN ACT TO AMEND CERTAIN LAWS RELATING
TO THE CERTIFICATION OF WELL CONTRACTORS AND TO INCREASE THE
MAXIMUM CIVIL PENALTY THAT MAY BE ASSESSED FOR VIOLATIONS OF THE
WELL CONTRACTORS CERTIFICATION ACT OR THE WELL CONSTRUCTION
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, 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 312*
Agriculture/Environment/Natural Resources Committee Substitute Adopted
4/17/01

Short Title: Amend Well Contractors Certification-AB.

(Public)

Sponsors:

Referred to:

March 5, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND CERTAIN LAWS RELATING TO THE CERTIFICATION OF
3 WELL CONTRACTORS AND TO INCREASE THE MAXIMUM CIVIL
4 PENALTY THAT MAY BE ASSESSED FOR VIOLATIONS OF THE WELL
5 CONTRACTORS CERTIFICATION ACT OR THE WELL CONSTRUCTION
6 ACT.

7 The General Assembly of North Carolina enacts:

8 SECTION 1. G.S. 87-98.4(a) reads as rewritten:

9 "(a) Certification Required. – No well contractor shall perform or offer to perform
10 any well contractor activity without being certified under this Article. The Commission
11 may specify the types of general construction activities or geophysical activities that are
12 not directly related to locating, testing, or withdrawing groundwater; evaluating, testing,
13 developing, draining, or recharging any groundwater reservoir or aquifer; or controlling,
14 diverting, or otherwise causing the movement of water from or into any aquifer and are
15 therefore not well construction activities."

16 SECTION 2. G.S. 87-98.7 reads as rewritten:

17 "§ 87-98.7. Issuance and renewal of certificates; temporary
18 ~~certification; certification; refusal to issue a certificate.~~

19 (a) Issuance. – An applicant, upon satisfactorily meeting the appropriate
20 requirements, shall be certified to perform in the capacity of a well contractor and shall
21 be issued a suitable certificate by the Commission designating the level of the person's
22 competency. A certificate shall be valid for one year or until any of the following
23 occurs:

- 24 (1) The certificate holder voluntarily surrenders the certificate to the
25 Commission.
26 (2) The certificate is revoked or suspended by the Commission for cause.

1 (b) Renewal. – A certificate shall be renewed annually by payment of the annual
2 fee. A person who fails to renew a certificate within ~~three months~~30 days of the
3 expiration of the certificate must reapply for certification under this Article.

4 (c) Temporary Certification. – A person may receive temporary certification to
5 construct a well upon submission of an application to the Commission and subsequent
6 approval in accordance with the criteria established by the Commission and upon
7 payment of a temporary certification fee. A temporary certification shall be granted to
8 the same person only once per calendar year and may not be valid for a period in excess
9 of 45 consecutive days. To perform additional well contractor activity during that same
10 calendar year, the person shall apply for certification under this Article.

11 (d) Refusal to Issue a Certificate. – The Commission shall not issue a certificate
12 under any of the following circumstances:

13 (1) The applicant has not paid civil penalties assessed against the applicant
14 under G.S. 87-94 for a violation of this Article, Article 7 of this
15 Chapter, or any rule adopted to implement either of those Articles.

16 (2) The applicant has not conducted all restoration activities ordered by
17 the Department related to a violation by the applicant of Article 7 of
18 this Chapter.

19 (3) As determined by the Commission, the applicant has a history of not
20 complying with this Article, Article 7 of this Chapter, or any rule
21 adopted to implement either of those Articles."

22 **SECTION 3.** G.S. 87-94(a) reads as rewritten:

23 "(a) Any person who violates any provision of this Article, Article 7A of this
24 Chapter, any order issued pursuant thereto, or any rule adopted thereunder, shall be
25 subject to a civil penalty of not more than ~~one hundred dollars (\$100.00)~~one thousand
26 dollars (\$1,000) for each violation, as determined by the Secretary of Environment and
27 Natural Resources. Each day of a continuing violation shall be considered a separate
28 offense. No person shall be subject to a penalty who did not directly commit the
29 violation or cause it to be committed."

30 **SECTION 4.** G.S. 143B-301.11(b) reads as rewritten:

31 "(b) Delegation. – The Commission ~~may, by rule, may~~ delegate to the Secretary
32 any of its powers, other than the power to adopt rules."

33 **SECTION 5.** The Well Contractors Certification Commission may adopt
34 temporary and permanent rules to implement the provisions of this act and to alter the
35 minimum requirements of education, experience, and knowledge for certification of
36 well contractors adopted by the Commission pursuant to G.S. 87-98.6. This act
37 constitutes a recent act of the General Assembly within the meaning of G.S. 150B-21.1.
38 Notwithstanding G.S. 150B-21.1(a)(2) and 26 NCAC 2C.0102(11), the Well
39 Contractors Certification Commission may adopt temporary rules as provided in this
40 section until 1 April 2002. Prior to the adoption of a temporary rule under this section,
41 the Commission shall publish a notice of intent to adopt a temporary rule in the North
42 Carolina Register. The notice shall set out the text of the proposed temporary rule and
43 include the name and address of the person to whom questions and written comment on

- 1 the proposed temporary rule may be submitted. The Commission shall accept written
2 comment on the proposed temporary rule for at least 30 days after the notice of intent to
3 adopt a temporary rule is published in the North Carolina Register.

4 **SECTION 6.** This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

D

SENATE BILL 312*

Agriculture/Environment/Natural Resources Committee Substitute Adopted
4/17/01

PROPOSED HOUSE COMMITTEE SUBSTITUTE S312*-PCS3484-SB-33

Short Title: Amend Well Contractors Certification-AB.

(Public)

Sponsors:

Referred to:

March 5, 2001

A BILL TO BE ENTITLED

AN ACT TO AMEND CERTAIN LAWS RELATING TO THE CERTIFICATION OF
WELL CONTRACTORS AND TO INCREASE THE MAXIMUM CIVIL
PENALTY THAT MAY BE ASSESSED FOR VIOLATIONS OF THE WELL
CONTRACTORS CERTIFICATION ACT OR THE WELL CONSTRUCTION
ACT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 87-98.4(a) reads as rewritten:

"(a) Certification Required. – No well contractor shall perform or offer to perform
any well contractor activity without being certified under this Article. The Commission
may specify the types of general construction activities or geophysical activities that are
not directly related to locating, testing, or withdrawing groundwater; evaluating, testing,
developing, draining, or recharging any groundwater reservoir or aquifer; or controlling,
diverting, or otherwise causing the movement of water from or into any aquifer and are
therefore not well construction activities."

SECTION 2. G.S. 87-98.7 reads as rewritten:

"§ 87-98.7. **Issuance and renewal of certificates; temporary
~~certification; certification; refusal to issue a certificate.~~**

(a) Issuance. – An applicant, upon satisfactorily meeting the appropriate
requirements, shall be certified to perform in the capacity of a well contractor and shall
be issued a suitable certificate by the Commission designating the level of the person's
competency. A certificate shall be valid for one year or until any of the following
occurs:

- (1) The certificate holder voluntarily surrenders the certificate to the Commission.
- (2) The certificate is revoked or suspended by the Commission for cause.

1 (b) Renewal. – A certificate shall be renewed annually by payment of the annual
2 fee. A person who fails to renew a certificate within ~~three months~~ 30 days of the
3 expiration of the certificate must reapply for certification under this Article.

4 (c) Temporary Certification. – A person may receive temporary certification to
5 construct a well upon submission of an application to the Commission and subsequent
6 approval in accordance with the criteria established by the Commission and upon
7 payment of a temporary certification fee. A temporary certification shall be granted to
8 the same person only once per calendar year and may not be valid for a period in excess
9 of 45 consecutive days. To perform additional well contractor activity during that same
10 calendar year, the person shall apply for certification under this Article.

11 (d) Refusal to Issue a Certificate. – The Commission shall not issue a certificate
12 under any of the following circumstances:

13 (1) The applicant has not paid civil penalties assessed against the applicant
14 under G.S. 87-94 for a violation of this Article, Article 7 of this
15 Chapter, or any rule adopted to implement either of those Articles.

16 (2) The applicant has not conducted all restoration activities ordered by
17 the Department related to a violation by the applicant of Article 7 of
18 this Chapter.

19 (3) As determined by the Commission, the applicant has a history of not
20 complying with this Article, Article 7 of this Chapter, or any rule
21 adopted to implement either of those Articles."

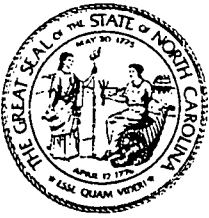
22 **SECTION 3.** G.S. 87-94(a) reads as rewritten:

23 "(a) Any person who violates any provision of this Article, Article 7A of this
24 Chapter, any order issued pursuant thereto, or any rule adopted thereunder, shall be
25 subject to a civil penalty of not more than ~~one hundred dollars (\$100.00)~~ one thousand
26 dollars (\$1,000) for each violation, as determined by the Secretary of Environment and
27 Natural Resources. Each day of a continuing violation shall be considered a separate
28 offense. No person shall be subject to a penalty who did not directly commit the
29 violation or cause it to be committed."

30 **SECTION 4.** The Well Contractors Certification Commission may adopt
31 temporary and permanent rules to implement the provisions of this act and to alter the
32 minimum requirements of education, experience, and knowledge for certification of
33 well contractors adopted by the Commission pursuant to G.S. 87-98.6. This act
34 constitutes a recent act of the General Assembly within the meaning of G.S. 150B-21.1.
35 Notwithstanding G.S. 150B-21.1(a)(2) and 26 NCAC 2C.0102(11), the Well
36 Contractors Certification Commission may adopt temporary rules as provided in this
37 section until 1 April 2002. Prior to the adoption of a temporary rule under this section,
38 the Commission shall publish a notice of intent to adopt a temporary rule in the North
39 Carolina Register. The notice shall set out the text of the proposed temporary rule and
40 include the name and address of the person to whom questions and written comment on
41 the proposed temporary rule may be submitted. The Commission shall accept written
42 comment on the proposed temporary rule for at least 30 days after the notice of intent to
43 adopt a temporary rule is published in the North Carolina Register.

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SECTION 5. This act is effective when it becomes law.



SENATE BILL 312: Amend Well Contractors Certification.

BILL ANALYSIS

Committee: House Ways and Means
Date: May 22, 2001
Version: Second Edition

Introduced by: Senator Hoyle
Summary by: Jeff Hudson,
Committee Counsel

SUMMARY: *Senate Bill 312 would amend the Well Contractors Certification Act (Act) to:*

- *Require that a contractor offering to perform any well contractor activity be certified under this Article.*
 - *Shorten the time allowed for renewal of contractor certification from three months to 30 days following expiration of certification.*
 - *Prohibit the Well Contractors Certification Commission (Commission) from issuing a certificate to a contractor who has outstanding penalties, failed to comply with restoration requirements, or who has a history of significant noncompliance.*
 - *Increase the maximum penalty for violations from one hundred dollars (\$100.00) to one thousand dollars (\$1,000) per violation.*
 - *Allow the Commission to delegate any of its powers, other than the power to adopt rules, to the Secretary of Environment and Natural Resources without having to adopt a rule.*
 - *Authorize the Commission to adopt temporary rules to implement this act and to alter minimum education, experience, and knowledge requirements related to certification until April 1, 2002.*
- The act would become effective when it becomes law.*

BILL ANALYSIS:

Section 1: The Act currently prohibits non-certified contractors from performing well contractor activities, but does not prevent non-certified contractors from offering to perform a well contractor activity. Well contractor activities include engaging in the construction, installation, repair, alteration, or abandonment of any well. Senate Bill 312 would prohibit well contractors from offering to perform well contractor activities without being certified.

Section 2: The Act currently allows well contractors up to three months to renew their certification by payment of an annual fee before requiring that they reapply for certification. In addition, the Act does not contain any circumstances under which the Well Contractors Certification Commission (Commission) may refuse to issue a certificate if the annual fee has been paid. Senate Bill 312 would shorten the certificate renewal period to thirty days, and also establish criteria under which the Commission may not issue a certificate to a contractor. These circumstances include:

- The applicant has outstanding civil penalties resulting from violation of the Act or any rule adopted to implement the Act.
- The applicant has not conducted all restoration activities ordered by the Department related to a violation of the Act.
- The applicant has a history of significant non-compliance with the Act or any rule adopted to implement the Act.

SENATE BILL 312

Page 2

Section 3: The maximum civil penalty for violating provisions of either the Well Construction Act or the Well Contractor Certification Act is statutorily set at one hundred dollars (\$100.00) per violation. Senate Bill 312 would increase the maximum penalty per violation to one thousand dollars (\$1,000).

Section 4: Under G.S. 143B-301.11(b), the Commission may, by rule, delegate to the Secretary of Environment and Natural Resources any of its powers, other than the power to adopt rules. Senate Bill 312 would streamline the process of delegating power to the Secretary by eliminating the requirement of adopting a rule to delegate authority.

Section 5: Senate Bill 312 would authorize the Commission to adopt temporary rules to implement this act and to alter minimum education, experience, and knowledge requirements related to certification until April 1, 2002. If the Commission adopts temporary rules pursuant to this provision, it must provide notice of the temporary rulemaking and provide a comment period of at least 30 days.

BACKGROUND: Senate Bill 312 is recommended by the Department of Environment and Natural Resources. A companion bill, House Bill 326, was introduced by Representative Mitchell and is currently in the House Ways and Means Committee.

The Well Contractors Certification Act was enacted in 1997. The Act created the Well Contractors Certification Commission, which is authorized to adopt rules for the certification of well contractors, to make final agency decisions regarding civil penalties assessed for violations of well contractor certification laws, and to adopt rules to secure federal aid for well contractor certification programs. The Act went into effect on August 4, 1997, with the exception of the requirements for certification to perform well contractor activities and the continuing education requirements, which went into effect on January 1, 2000.

Note: George Givens and Tim Dodge, Research Division, contributed to the preparation of this summary.

S312-SMSB-001

VISITOR REGISTRATION SHEET

HOUSE WAYS AND MEANS

Name of Committee

June 5, 2001

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Doug Howey

NCPIVA

R. ROGERS

NC DENA

AGENDA

HOUSE COMMITTEE MEETING ON WAYS AND MEANS

June 12, 2001

1:00 P.M.

Room 605 LOB

OPENING REMARKS

Representative Cary Allred, Chair

BILLS TO BE DISCUSSED IN COMMITTEE

(Listed in numerical order; not necessarily in agenda order.)

**SB 795 – Repeal Chapter 78B/Amend Securities Act.
Senator Hartsell, Bill Sponsor**

ADJOURNMENT

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

2

SENATE BILL 795
Judiciary I Committee Substitute Adopted 4/23/01

Short Title: Repeal Chapter 78B/Amend Securities Act.

(Public)

Sponsors:

Referred to:

April 3, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO REPEAL CHAPTER 78B OF THE GENERAL STATUTES, THE
3 TENDER OFFER DISCLOSURES ACT, AND TO AMEND CHAPTER 78A OF
4 THE GENERAL STATUTES, THE NORTH CAROLINA SECURITIES ACT,
5 AND TO CLARIFY THAT THE ACT APPLIES TO BUSINESS FORMS IN
6 ADDITION TO CORPORATIONS.

7 The General Assembly of North Carolina enacts:

8 SECTION 1. Chapter 78B of the General Statutes is repealed.

9 SECTION 2. G.S. 78A-2(2)e. reads as rewritten:

10 "e. A person who acts as a business broker with respect to a
11 transaction involving the offer or sale of all of the stock or other
12 equity interests in any closely held corporation provided that
13 such stock or other equity interest is sold to no more than one
14 person, as that term is defined herein."

15 SECTION 3. G.S. 78A-2 is amended by adding a new subdivision to read:

16 "(2a) 'Entity' includes a corporation, joint-stock company, limited liability
17 company, business trust, limited partnership or other partnership in
18 which the interests of the partners are evidenced by a security, trust in
19 which the interests of the beneficiaries are evidenced by a security, any
20 other unincorporated organization in which two or more persons have
21 a joint or common economic interest evidenced by a security, and
22 government or political subdivision of a government."

23 SECTION 4. G.S. 78A-2(4) reads as rewritten:

24 "(4) 'Guaranteed' means guaranteed as to payment of principal, interest, or
25 dividends, dividends, or other distributions."

26 SECTION 5. G.S. 78A-2(7) reads as rewritten:

27 "(7) 'Person' means an individual, ~~a corporation, a partnership, an~~
28 ~~association, a joint-stock company, a trust where the interests of the~~
29 ~~beneficiaries are evidenced by a security, an unincorporated~~

1 ~~organization, a government, or a political subdivision of a~~
2 ~~government.~~an entity, a partnership in which the interests of the
3 partners are not evidenced by a security, a trust in which the interests
4 of the beneficiaries are not evidenced by a security, or an
5 unincorporated organization."

6 **SECTION 6.** G.S. 78A-2(8) reads as rewritten:

- 7 "(8) a. 'Sale' or 'sell' includes every contract of sale of, contract to sell,
8 or disposition of, a security or interest in a security for value.
9 b. 'Offer' or 'offer to sell' includes every attempt or offer to dispose
10 of, or solicitation of an offer to buy, a security or interest in a
11 security for value.
12 c. Any security given or delivered with, or as a bonus on account
13 of, any purchase of securities or any other thing is considered to
14 constitute part of the subject of the purchase and to have been
15 offered and sold for value.
16 d. A purported gift of assessable stock or other ownership interest
17 obligating the owner to make future payments is considered to
18 involve an offer and sale.
19 e. Every sale or offer of a warrant or right to purchase or subscribe
20 to another security of the same or another issuer, as well as
21 every sale or offer of a security which gives the holder a present
22 or future right or privilege to convert into another security of
23 the same or another issuer, is considered to include an offer of
24 the other security.
25 f. The terms defined in this subdivision and the term 'purchase' as
26 used in this Chapter do not include any of the following:
27 1. Any bona fide loan, pledge, or other transaction creating
28 a bona fide security ~~interest;~~interest.
29 2. Any stock split and any security ~~dividend;~~dividend or
30 distribution, whether the ~~corporation;~~entity distributing
31 the dividend or distribution is the issuer of the security or
32 not, if nothing of value is given by security holders for
33 the dividend or distribution other than the surrender of a
34 right to a cash or property dividend or distribution when
35 each security holder may elect to take the dividend or
36 distribution in cash or property or in ~~securities;~~securities.
37 3. ~~Any transaction incident to a class vote by security~~
38 ~~holders, pursuant to the certificate of incorporation or the~~
39 ~~applicable corporation statute, on a merger,~~
40 ~~consolidation, reclassification of securities, or sale of~~
41 ~~corporate assets in consideration of the issuance of~~
42 ~~securities of another corporation; or~~

4. ~~Any transaction incident to a judicially approved reorganization in which a security is issued in exchange for one or more outstanding securities, claims or property interests, or partly in such exchange and partly for cash."~~

SECTION 7. G.S. 78A-16(11) reads as rewritten:

"(11) Any interest in an employees' stock or equity purchase, ~~stock~~ option, savings, pension, profit-sharing or other similar benefit plan;"

SECTION 8. G.S. 78A-17(8) reads as rewritten:

"(8) Any offer or sale to ~~a corporation~~ an entity which has a net worth in excess of one million dollars (\$1,000,000) as determined by generally accepted accounting principles, bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to a dealer, whether the purchaser is acting for itself or in some fiduciary capacity;"

SECTION 9. G.S. 78A-17(13) reads as rewritten:

"(13) Any offer or sale by a domestic ~~corporation~~ entity of its own securities if (i) the ~~corporation~~ entity was organized for the purpose of promoting community, agricultural or industrial development of the area in which the principal office is located, (ii) the offer or sale has been approved by resolution of the county commissioners of the county in which its principal office is located, and, if located in a municipality or within two miles of the boundaries thereof, by resolution of the governing body of such municipality, and (iii) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this State;"

SECTION 10. G.S. 78A-17(14) reads as rewritten:

"(14) Any offer, sale or issuance of securities pursuant to ~~an investment contract or stock option plan which~~ an employees' stock or equity purchase, option, savings, pension, profit-sharing, or other similar benefit plan that is exempt under the provisions of ~~G.S. 78A-16(11) of this Chapter;~~ G.S. 78A-16(11);."

SECTION 11. G.S. 78A-17(16) reads as rewritten:

"(16) Any offer to purchase or to sell or any sale or issuance of a security, other than a security covered under federal law, pursuant to a plan approved by the Administrator after a hearing conducted pursuant to the provisions of ~~G.S. 78A-30;~~ G.S. 78A-30 or any transaction incident to any other judicially or governmentally approved reorganization in which a security is issued in exchange for one or more outstanding securities, claims or property interests, or partly in such exchange and partly for cash."

1 **SECTION 12.** G.S. 78A-17 is amended by adding a new subdivision to
2 read:

3 "(18) Any transaction incident to a class vote by security holders, pursuant
4 to the articles of incorporation or similar organizational document or
5 the applicable statute governing the internal affairs of the entity, on a
6 merger, conversion, consolidation, share exchange, reclassification of
7 securities, or sale of an entity's assets in consideration of the issuance
8 of securities of another entity."

9 **SECTION 13.** G.S. 78A-25(a)(1) reads as rewritten:

10 "(1) Any security whose issuer and any predecessors have been in
11 continuous operation for at least five years if

12 a. There has been no default during the current fiscal year or
13 within the three preceding fiscal years in the payment of
14 principal, interest, ~~or dividends~~ dividends, or distributions on
15 any security of the issuer (or any predecessor) with a fixed
16 maturity or a fixed interest or dividend or distribution provision,
17 and

18 b. The issuer and any predecessors during the past three fiscal
19 years have had average net earnings, determined in accordance
20 with generally accepted accounting practices, (i) which are
21 applicable to all securities without a fixed maturity or a fixed
22 interest or dividend or distribution provision outstanding at the
23 date the registration statement is filed and equal at least five
24 percent (5%) of the amount of such outstanding securities (as
25 measured by the maximum offering price or the market price on
26 a day, selected by the registrant, within 30 days before the date
27 of filing the registration statement, whichever is higher, or book
28 value on a day, selected by the registrant, within 90 days of the
29 date of filing the registration statement to the extent that there is
30 neither a readily determinable market price nor a cash offering
31 price), or (ii) which, if the issuer and any predecessors have not
32 had any security of the type specified in clause (i) outstanding
33 for three full fiscal years, equal at least five percent (5%) of the
34 amount (as measured in clause (i)) of all securities which will
35 be outstanding if all the securities being offered or proposed to
36 be offered (whether or not they are proposed to be registered or
37 offered in this State) are issued;"

38 **SECTION 14.** G.S. 78A-30(d) reads as rewritten:

39 "(d) The Administrator's authority under this section shall extend to the issuance
40 or the delivery of securities or other consideration:

41 (1) By any ~~corporation~~ entity organized under the laws of this State; or

- 1 (2) In any transaction which is subject to the registration or qualification
2 requirements of this Chapter or which would be so subject except for
3 the availability of an exemption under G.S. 78A-16 or G.S. 78A-17, by
4 ~~reason of G.S. 78A-2(8)f.,~~ or by reason that the security is a security
5 covered under federal law."

6 **SECTION 13.** This act becomes effective October 1, 2001.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

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D

SENATE BILL 795

Judiciary I Committee Substitute Adopted 4/23/01

PROPOSED HOUSE COMMITTEE SUBSTITUTE S795-PCS3493-SB-41

Short Title: Repeal Chapter 78B/Amend Securities Act.

(Public)

Sponsors:

Referred to:

April 3, 2001

A BILL TO BE ENTITLED

AN ACT TO REPEAL CHAPTER 78B OF THE GENERAL STATUTES, THE
TENDER OFFER DISCLOSURES ACT; TO AMEND CHAPTER 78A OF THE
GENERAL STATUTES, THE NORTH CAROLINA SECURITIES ACT; AND TO
AMEND CHAPTER 55 OF THE GENERAL STATUTES, THE NORTH
CAROLINA BUSINESS CORPORATION ACT.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 78B of the General Statutes is repealed.

SECTION 2. G.S. 78A-2(2)e. reads as rewritten:

"e. A person who acts as a business broker with respect to a
transaction involving the offer or sale of all of the stock or other
equity interests in any closely held corporation provided that
such stock or other equity interest is sold to no more than one
person, as that term is defined herein."

SECTION 3. G.S. 78A-2 is amended by adding a new subdivision to read:

"(2a) 'Entity' includes a corporation, joint-stock company, limited liability
company, business trust, limited partnership or other partnership in
which the interests of the partners are evidenced by a security, trust in
which the interests of the beneficiaries are evidenced by a security, any
other unincorporated organization in which two or more persons have
a joint or common economic interest evidenced by a security, and
government or political subdivision of a government."

SECTION 4. G.S. 78A-2(4) reads as rewritten:

"(4) 'Guaranteed' means guaranteed as to payment of principal, interest, or
dividends, dividends, or other distributions."

SECTION 5. G.S. 78A-2(7) reads as rewritten:

"(7) 'Person' means an individual, a corporation, a partnership, an
association, a joint-stock company, a trust where the interests of the

beneficiaries are evidenced by a security, an unincorporated organization, a government, or a political subdivision of a government, an entity, a partnership in which the interests of the partners are not evidenced by a security, a trust in which the interests of the beneficiaries are not evidenced by a security, or an unincorporated organization."

SECTION 6. G.S. 78A-2(8) reads as rewritten:

- "(8) a. 'Sale' or 'sell' includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security for value.
- b. 'Offer' or 'offer to sell' includes every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value.
- c. Any security given or delivered with, or as a bonus on account of, any purchase of securities or any other thing is considered to constitute part of the subject of the purchase and to have been offered and sold for value.
- d. A purported gift of assessable stock or other ownership interest obligating the owner to make future payments is considered to involve an offer and sale.
- e. Every sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer, as well as every sale or offer of a security which gives the holder a present or future right or privilege to convert into another security of the same or another issuer, is considered to include an offer of the other security.
- f. The terms defined in this subdivision and the term 'purchase' as used in this Chapter do not include any of the following:
1. Any bona fide loan, pledge, or other transaction creating a bona fide security ~~interest;~~interest.
 2. Any stock split and any security ~~dividend, dividend or distribution,~~ whether the corporation entity distributing the dividend or distribution is the issuer of the security or not, if nothing of value is given by security holders for the dividend or distribution other than the surrender of a right to a cash or property dividend or distribution when each security holder may elect to take the dividend or distribution in cash or property or in securities;
 3. ~~Any transaction incident to a class vote by security holders, pursuant to the certificate of incorporation or the applicable corporation statute, on a merger, consolidation, reclassification of securities, or sale of~~

- 1 corporate assets in consideration of the issuance of
2 securities of another corporation; or
3 4. Any transaction incident to a judicially approved
4 reorganization in which a security is issued in exchange
5 for one or more outstanding securities, claims or
6 property interests, or partly in such exchange and partly
7 for cash."

8 **SECTION 7.** G.S. 78A-16(11) reads as rewritten:

9 "(11) Any interest in an employees' stock or equity purchase, stock option,
10 savings, pension, profit-sharing or other similar benefit plan;".

11 **SECTION 8.** G.S. 78A-17(8) reads as rewritten:

12 "(8) Any offer or sale to a ~~corporation~~ an entity which has a net worth in
13 excess of one million dollars (\$1,000,000) as determined by generally
14 accepted accounting principles, bank, savings institution, trust
15 company, insurance company, investment company as defined in the
16 Investment Company Act of 1940, pension or profit-sharing trust, or
17 other financial institution or institutional buyer, or to a dealer, whether
18 the purchaser is acting for itself or in some fiduciary capacity;".

19 **SECTION 9.** G.S. 78A-17(13) reads as rewritten:

20 "(13) Any offer or sale by a domestic ~~corporation~~ entity of its own securities
21 if (i) the ~~corporation~~ entity was organized for the purpose of promoting
22 community, agricultural or industrial development of the area in which
23 the principal office is located, (ii) the offer or sale has been approved
24 by resolution of the county commissioners of the county in which its
25 principal office is located, and, if located in a municipality or within
26 two miles of the boundaries thereof, by resolution of the governing
27 body of such municipality, and (iii) no commission or other
28 remuneration is paid or given directly or indirectly for soliciting any
29 prospective buyer in this State;".

30 **SECTION 10.** G.S. 78A-17(14) reads as rewritten:

31 "(14) Any offer, sale or issuance of securities pursuant to ~~an investment~~
32 ~~contract or stock option plan which~~ an employees' stock or equity
33 purchase, option, savings, pension, profit-sharing, or other similar
34 benefit plan that is exempt under the provisions of G.S. 78A-16(11) ~~of~~
35 ~~this Chapter;~~ G.S. 78A-16(11);".

36 **SECTION 11.** G.S. 78A-17(16) reads as rewritten:

37 "(16) Any offer to purchase or to sell or any sale or issuance of a security,
38 other than a security covered under federal law, pursuant to a plan
39 approved by the Administrator after a hearing conducted pursuant to
40 the provisions of G.S. 78A-30 ~~G.S. 78A-30~~ or any transaction incident
41 to any other judicially or governmentally approved reorganization in
42 which a security is issued in exchange for one or more outstanding

1 securities, claims or property interests, or partly in such exchange and
2 partly for cash."

3 **SECTION 12.** G.S. 78A-17 is amended by adding a new subdivision to
4 read:

5 "(18) Any transaction incident to a class vote by security holders, pursuant
6 to the articles of incorporation or similar organizational document or
7 the applicable statute governing the internal affairs of the entity, on a
8 merger, conversion, consolidation, share exchange, reclassification of
9 securities, or sale of an entity's assets in consideration of the issuance
10 of securities of another entity."

11 **SECTION 13.** G.S. 78A-25(a)(1) reads as rewritten:

12 "(1) Any security whose issuer and any predecessors have been in
13 continuous operation for at least five years if

14 a. There has been no default during the current fiscal year or
15 within the three preceding fiscal years in the payment of
16 principal, interest, ~~or dividends~~dividends, or distributions on
17 any security of the issuer (or any predecessor) with a fixed
18 maturity or a fixed interest or dividend or distribution provision,
19 and

20 b. The issuer and any predecessors during the past three fiscal
21 years have had average net earnings, determined in accordance
22 with generally accepted accounting practices, (i) which are
23 applicable to all securities without a fixed maturity or a fixed
24 interest or dividend or distribution provision outstanding at the
25 date the registration statement is filed and equal at least five
26 percent (5%) of the amount of such outstanding securities (as
27 measured by the maximum offering price or the market price on
28 a day, selected by the registrant, within 30 days before the date
29 of filing the registration statement, whichever is higher, or book
30 value on a day, selected by the registrant, within 90 days of the
31 date of filing the registration statement to the extent that there is
32 neither a readily determinable market price nor a cash offering
33 price), or (ii) which, if the issuer and any predecessors have not
34 had any security of the type specified in clause (i) outstanding
35 for three full fiscal years, equal at least five percent (5%) of the
36 amount (as measured in clause (i)) of all securities which will
37 be outstanding if all the securities being offered or proposed to
38 be offered (whether or not they are proposed to be registered or
39 offered in this State) are issued;".

40 **SECTION 14.** G.S. 78A-30(d) reads as rewritten:

41 "(d) The Administrator's authority under this section shall extend to the issuance
42 or the delivery of securities or other consideration:

- 1 (1) By any ~~corporation entity~~ organized under the laws of this State; or
2 (2) In any transaction which is subject to the registration or qualification
3 requirements of this Chapter or which would be so subject except for
4 the availability of an exemption under G.S. 78A-16 or G.S. 78A-17, ~~by~~
5 ~~reason of G.S. 78A-2(8)f.~~, or by reason that the security is a security
6 covered under federal law."

7 **SECTION 15.** G.S. 55-7-02(a) reads as rewritten:

8 "(a) A corporation shall hold a special meeting of shareholders:

- 9 (1) On call ~~of~~ by its board of directors or by one or more officers of the
10 corporation authorized to do so by the articles of incorporation or
11 bylaws or, in the case of a corporation that is not a public corporation,
12 by any other person or persons authorized to do so by the articles of
13 incorporation or the bylaws; or
14 (2) Within 30 days after the holders of at least ten percent (10%) of all the
15 votes entitled to be cast on any issue proposed to be considered at the
16 proposed special meeting sign, date, and deliver to the corporation's
17 secretary one or more written demands for the meeting describing the
18 purpose or purposes for which it is to be held; except however that,
19 unless otherwise provided in the articles of ~~incorporation or bylaws,~~
20 incorporation, the call of a special meeting by shareholders is not
21 available to the shareholders of a public corporation."

22 **SECTION 16.** G.S. 55-9A-01(b)(3) reads as rewritten:

- 23 "(3) 'Control share acquisition' means the acquisition by any person of
24 beneficial ownership of control shares, except that the acquisition of
25 beneficial ownership of any shares of a covered corporation does not
26 constitute a control share acquisition if the acquisition is consummated
27 in any of the following circumstances:
28 a. Before April 30, 1987.
29 b. Pursuant to a contract existing before April 30, 1987, with
30 either:
31 (i) The covered corporation; or
32 (ii) A seller of such shares who owned such shares before
33 April 30, 1987.
34 c. Pursuant to the laws of descent and distribution.
35 d. Pursuant to the satisfaction of a pledge or other security interest
36 created in good faith and not for the purpose of circumventing
37 this Article.
38 e. Pursuant to a ~~merger or share exchange transaction~~ transaction effected in
39 compliance with applicable law, but only if the transaction is
40 pursuant to an agreement of merger or share exchange to which
41 the covered corporation is a party.

- 1 f. Pursuant to the sale of such shares by the covered corporation
2 or its parent or subsidiary corporation.
3 g. Pursuant to a written agreement to which the covered
4 corporation is a party that permits the purchasers of shares from
5 the covered corporation or its parent or subsidiary corporation
6 also to purchase in any manner within 90 days before or after
7 the purchase from the covered corporation or its parent or
8 subsidiary up to the same aggregate number of shares as were
9 sold by the covered corporation or its parent or subsidiary
10 corporation.
11 h. By an employee benefit plan established by the covered
12 corporation.
13 i. Before the corporation became a covered corporation.
14 For purposes of this definition, shares acquired within any consecutive
15 90-day period or shares acquired pursuant to a plan to make a control
16 share acquisition are considered to have been acquired in the same
17 acquisition."

18 **SECTION 17.** Sections 1 through 14 of this act become effective October 1,
19 2001. The remaining provisions of this act are effective when it becomes law. Section
20 15 of this act applies to any meetings of shareholders held or called to be held on or
21 after the date on which this act becomes law.

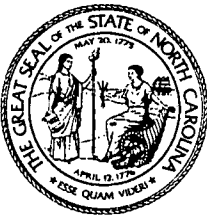
**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

- ☒ Committee Substitute for
S.B. 795 A BILL TO BE ENTITLED AN ACT TO REPEAL CHAPTER 78B OF THE
GENERAL STATUTES, THE TENDER OFFER DISCLOSURES ACT, AND TO AMEND
CHAPTER 78A OF THE GENERAL STATUTES, THE NORTH CAROLINA
SECURITIES ACT, AND TO CLARIFY THAT THE ACT APPLIES TO BUSINESS
FORMS IN ADDITION TO CORPORATIONS.
- ☐ 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



SENATE BILL 795: Repeal Chapter 78B/Amend Securities Act.

BILL ANALYSIS

Committee: House Ways and Means
Date: June 12, 2001
Version: Second Edition

Introduced by: Senator Hartsell
Summary by: Jeff Hudson
Committee Counsel

SUMMARY: *Senate Bill 795 would repeal the Tender Offer Disclosure Act and modernize the securities laws to recognize the different forms of ownerships in businesses in addition to corporations.*

CURRENT LAW: Current securities law recognizes the traditional business forms of corporations and partnerships and refers to distributions of interest in these business forms as dividends. The law does not recognize limited liability companies, limited partnerships, and business trusts.

BILL ANALYSIS: Senate Bill 795 would enact a definition of "entity" to include corporations, joint-stock companies, limited liability companies, business trusts, limited partnerships, general partnerships, and other business forms where evidence of an ownership interest in the business is a security. The bill would also add "distributions" to dividends as methods for paying out interest in business forms to reflect the methods used for limited liability companies and partnerships. Section 12 would add to the exemptions for the Securities Act transactions incident to a class vote by security holders for internal business reorganization. The bill would also repeal the Tender Offer Disclosure Act, the principal provisions of which have been declared unenforceable and preempted by federal law.

BACKGROUND: Senate Bill 795 is a recommendation of the North Carolina Bar Association.

EFFECTIVE DATE: The bill becomes effective October 1, 2001.

Note: Walker Reagan, Research Division, contributed to the preparation of this summary

S795-SMSB-001

VISITOR REGISTRATION SHEET

HOUSE WAYS AND MEANS

June 12, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

KENNEDY COVINGTON LOBDELL & HICKMAN, L.L.P.

Kennedy Covington

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AGENDA

HOUSE COMMITTEE MEETING ON WAYS AND MEANS

June 19, 2001

1:00 P.M.

Room 605 LOB

OPENING REMARKS

Representative Cary Allred, Chair

BILLS TO BE DISCUSSED IN COMMITTEE

(Listed in numerical order; not necessarily in agenda order.)

**SB 387 - Require Experience of General Contractors.
Senator Rand, Bill Sponsor**

ADJOURNMENT

MINUTES

HOUSE COMMITTEE ON WAYS AND MEANS

June 19, 2001

The House Committee on Ways and Means met on Tuesday, June 19, 2001 in Room 605 of the Legislative Office Building at 1:10 P.M. The following members were present: Representative Cary Allred, Chairman and Representatives Bowie, Cox, Eddins, McMahan, Morris, Pope, Starnes, and Weiss. Assisting the meeting was Charles Williams and Martha Parrish, House Sergeants at Arms and House Pages, Morgan Bowling, Jackson County, sponsored by Rep. Haire and Lindsay Creech, Cumberland County, sponsored by Rep. Hurley.

Representative Allred, Chairman, called the meeting to order, introduced the pages and welcomed those attending.

SB 387 – A BILL TO BE ENTITLED AN ACT REQUIRING THE STATE LICENSING BOARD OF GENERAL CONTRACTORS TO ESTABLISH MINIMUM EXPERIENCE REQUIREMENTS FOR APPLICANTS FOR LICENSURE AS GENERAL CONTRACTORS. – sponsored by Senator Rand was on the agenda to be considered by the committee. Senator Rand explained that SB 387 gives the State Licensing Board for General Contractors the authority to develop and implement rules requiring minimum experience for general contractors. They could possibly allow credit for classes and bachelor degrees and it would give more certainty that the general contractor had the experience and knowledge to build. The act would become effective when it becomes law.

Representative Starnes had questions about the necessity and need for the law and commented that if the law was in effect now, he would not have been able to get his general contractors license.

Dave Simpson, Lobbyist, Carolinas Associated General Contractors, responded to Representative Starnes concern saying his organization supported bill and they didn't want to hinder anyone who might want to enter the General Contractors profession.

Discussion followed with questions and comments from Representatives Pope, Cox, Bowie, Eddins, McMahan and Weiss. Representative Eddins was concerned that the bill would prevent him from acting as his own general contractor. Representatives Cox, Bowie, McMahan and Weiss spoke in favor of the bill and agreed that the requirement was a step in the right direction and would give the public more assurance in the General Contractor. This requirement would separate the men from the boys. It was noted that the experience requirement would not apply to those who were issued a license prior to the effective date of the new rules.

Chairman Allred commented that as the law is now, a general contractor has to keep up with the building code requirements and renew his license yearly. Representative Starnes

MINUTES

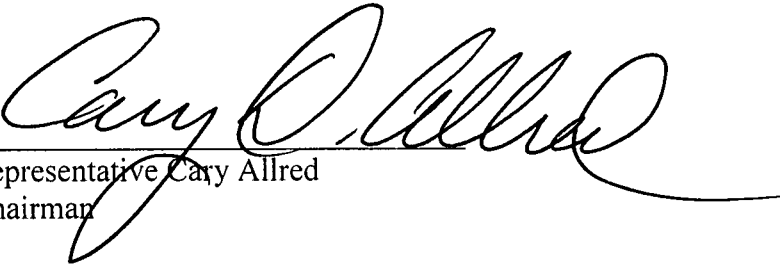
June 19, 2001

House Committee on Ways and Means

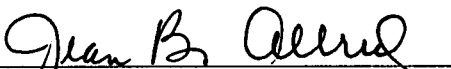
Page 2

remarked that the license has to be renewed each year only by an application, a fee, and a final statement but he said that even though the new continuing education requirement would put a premium on a General Contractors license he doubted that it would make the building any better.

Representative McMahan moved for a favorable report, the motion carried and the meeting adjourned at 1:45 P.M.



Representative Cary Allred
Chairman



Jean B. Allred
Committee Assistant

Attachments
Committee Report
Visitor Registration Sheet

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

- ☐ Committee Substitute for
S.B. 387 A BILL TO BE ENTITLED AN ACT REQUIRING THE STATE LICENSING
BOARD OF GENERAL CONTRACTORS TO ESTABLISH MINIMUM EXPERIENCE
REQUIREMENTS FOR APPLICANTS FOR LICENSURE AS GENERAL
CONTRACTORS.
- ☒ 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

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2

SENATE BILL 387
Second Edition Engrossed 4/18/01

Short Title: Require Experience of General Contractors. (Public)

Sponsors: Senator Rand.

Referred to: Commerce.

March 12, 2001

1 A BILL TO BE ENTITLED
2 AN ACT REQUIRING THE STATE LICENSING BOARD OF GENERAL
3 CONTRACTORS TO ESTABLISH MINIMUM EXPERIENCE REQUIREMENTS
4 FOR APPLICANTS FOR LICENSURE AS GENERAL CONTRACTORS.

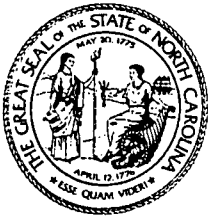
5 The General Assembly of North Carolina enacts:

6 SECTION 1. Article 1 of Chapter 87 of the General Statutes is amended by
7 adding a new section to read:

8 **"§ 87-10.2. Experience requirement.**

9 The Board shall develop and implement rules establishing minimum experience
10 requirements for applicants for licensure as general contractors. In establishing the
11 experience requirements, the Board shall consider both practical and management
12 experience. The rules adopted by the Board regarding experience requirements shall
13 provide credit for a portion of any experience requirement for technical training or
14 certification or for a bachelors or graduate degree in architecture, engineering,
15 construction management, or other related field. The experience requirement shall not
16 exceed a total of two years. This section shall not apply to persons to whom the Board
17 has issued a license prior to the effective date of the rules adopted by the Board pursuant
18 to this section."

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



SENATE BILL 387: Require Experience of General Contractors

BILL ANALYSIS

Committee: House Ways and Means
Date: June 19, 2001
Version: Second Edition

Introduced by: Senator Rand
Summary by: Jeff Hudson
Committee Counsel

SUMMARY: *Senate Bill 387 would require the State Licensing Board for General Contractors to develop and implement rules requiring minimum experience for general contractors. The act would become effective when it becomes law.*

CURRENT LAW: Current G.S. 87-10 sets out the procedures for the licensure of general contractors. The statute provides that the State Licensing Board for General Contractors shall conduct an examination of all applicants to determine their ability, knowledge, and qualifications.

BILL ANALYSIS: Senate Bill 387 would create a new section, G.S. 87-10.2, which directs the State Licensing Board for General Contractors to develop and implement rules requiring minimum experience for applicants. In establishing these rules the Board would consider practical and management experience and provide credit for technical training or specified college degrees. The experience requirement could not exceed a total of two years and would not apply to persons who were issued a license prior to the effective date of the rules.

NOTE: Wendy Graf, Research Division, contributed to the preparation of this summary.

S387-SMSB-001

VISITOR REGISTRATION SHEET

HOUSE WAYS AND MEANS

June 19, 2001

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Dave Simpson

CAROLINAS AGC

R. Paul Wilson

NCMBA

Mark Selph

NeLB-6C

Dong Lassiter

NC STA

AGENDA

HOUSE COMMITTEE MEETING ON WAYS AND MEANS

July 3, 2001

1:00 P.M.

Room 605 LOB

OPENING REMARKS

Representative Cary Allred, Chair

BILLS TO BE DISCUSSED IN COMMITTEE

(Listed in numerical order; not necessarily in agenda order.)

SB 471 – Minimum Housing Standards.

Senator Swindell, Bill Sponsor

ADJOURNMENT

MINUTES HOUSE COMMITTEE ON WAYS AND MEANS

July 3, 2001

The House Committee on Ways and Means met on Tuesday, July 3, 2001 in room 605 of the Legislative Office Building at 1:05 P.M. The following members were present: Representative Cary Allred, Chairman, Representatives Bowie, Cox, Eddins, Haire, McMahan, Morris, Pope and Weiss. Assisting the meeting was Donnell Leathers, House Sergeant-at-Arms and Joyce Pope, House Page, Wake County, sponsored by her father, Representative Pope. A Visitor Registration Sheet was available and made part of the minutes.

Representative Allred, Chairman, called the meeting to order, welcomed those attending and introduced Ms. Pope, House Page and Mr. Leathers, House Sergeant-at-Arms.

Chairman Allred explained that **SB 471- A BILL TO BE ENTITLED AN ACT TO APPLY A LAW CLOSING A LOOPHOLE IN THE MINIMUM HOUSING STANDARDS ACT AS IT APPLIES TO MUNICIPALITIES LOCATED IN COUNTIES WITH POPULATIONS IN EXCESS OF SEVENTY-ONE THOUSAND PEOPLE BY THE LAST CENSUS WHERE THE OWNER CAN AVOID ORDERS TO REPAIR, REMOVE, OR DEMOLISH A RENTAL UNIT BY SIMPLY CLOSING IT SO THAT IT WILL APPLY IN THE ENTIRETY OF A MUNICIPALITY LOCATED IN MORE THAN ONE COUNTY WHERE SOME OF THE MUNICIPALITY IS LOCATED IN A COUNTY THAT MEETS THE POPULATION THRESHOLD**, sponsored by Senator Swindell was on the agenda to be considered by the committee. He explained that a companion bill sponsored by Representative Arnold had been considered and passed out of committee earlier but because SB 471 made cross over first, it would be the bill to move forward. He said Senator Swindell's bill was a vehicle with which he wished to add a provision that would allow the Town of Elon to exercise planning jurisdiction in a described area subject to a referendum. This legislation was being considered at the request of Elon.

Representative Bowie moved for adoption of the proposed House Committee Substitute. The motion passed and discussion followed. Representative Bowie representing Gibsonville, an adjoining area, asked if there were any water issues involved, which would cause her district problems in the future if the provision passed. Chairman Allred assured her there were not. Representative Haire sought to amend the HCS in Section 3., by adding a sunset for Section 2(c) to expire July 1, 2003. Representative Cox commented that section 1 of the bill had no opposition and asked if any was known to section 2. Andy Romanet, NC League of Municipalities, said he knew of none when called on by Chairman Allred for comment.

MINUTES


July 3, 2001

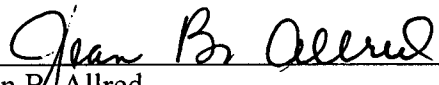
House Committee on Ways and Means

Page 2

Representative Weiss moved for a favorable report as amended, unfavorable as to the original bill, which changes the title and roll it into a House committee substitute bill.

The motion carried and the meeting adjourned at 1:25 P.M.



Representative Gary Allred
Chairman

Jean B. Allred
Committee Assistant

Attachments
Committee Report
Visitor Registration Sheet

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

☐ Committee Substitute for

S.B. 471 A BILL TO BE ENTITLED AN ACT TO APPLY A LAW CLOSING A LOOPHOLE IN THE MINIMUM HOUSING STANDARDS ACT AS IT APPLIES TO MUNICIPALITIES LOCATED IN COUNTIES WITH POPULATIONS IN EXCESS OF SEVENTY-ONE THOUSAND PEOPLE BY THE LAST CENSUS WHERE THE OWNER CAN AVOID ORDERS TO REPAIR, REMOVE, OR DEMOLISH A RENTAL UNIT BY SIMPLY CLOSING IT SO THAT IT WILL APPLY IN THE ENTIRETY OF A MUNICIPALITY LOCATED IN MORE THAN ONE COUNTY WHERE SOME OF THE MUNICIPALITY IS LOCATED IN A COUNTY THAT MEETS THE POPULATION THRESHOLD.

☐ 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 House committee substitute bill, ☒ which changes the title, unfavorable as to original bill.

☐ 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 471*

Short Title: Minimum Housing Standards.

(Public)

Sponsors: Senators Swindell; and Gulley.

Referred to: State and Local Government.

March 15, 2001

A BILL TO BE ENTITLED

AN ACT TO APPLY A LAW CLOSING A LOOPHOLE IN THE MINIMUM HOUSING STANDARDS ACT AS IT APPLIES TO MUNICIPALITIES LOCATED IN COUNTIES WITH POPULATIONS IN EXCESS OF SEVENTY-ONE THOUSAND PEOPLE BY THE LAST CENSUS WHERE THE OWNER CAN AVOID ORDERS TO REPAIR, REMOVE, OR DEMOLISH A RENTAL UNIT BY SIMPLY CLOSING IT SO THAT IT WILL APPLY IN THE ENTIRETY OF A MUNICIPALITY LOCATED IN MORE THAN ONE COUNTY WHERE SOME OF THE MUNICIPALITY IS LOCATED IN A COUNTY THAT MEETS THE POPULATION THRESHOLD.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-443(5a) reads as rewritten:

"(5a) If the governing body shall have adopted an ordinance, or the public officer shall have:

- a. In a municipality located in counties which have a population in excess of 71,000 by the last federal ~~census~~, census (including the entirety of any municipality located in more than one county at least one county of which has a population in excess of 71,000), other than municipalities with a population in excess of 190,000 by the last federal census, issued an order, ordering a dwelling to be repaired or vacated and closed, as provided in subdivision (3)a, and if the owner has vacated and closed such dwelling and kept such dwelling vacated and closed for a period of one year pursuant to the ordinance or order;
- b. In a municipality with a population in excess of 190,000 by the last federal census, commenced proceedings under the substandard housing regulations regarding a dwelling to be repaired or vacated and closed, as provided in subdivision (3)a.,

1 and if the owner has vacated and closed such dwelling and kept
2 such dwelling vacated and closed for a period of one year
3 pursuant to the ordinance or after such proceedings have
4 commenced,

5 then if the governing body shall find that the owner has abandoned the
6 intent and purpose to repair, alter or improve the dwelling in order to
7 render it fit for human habitation and that the continuation of the
8 dwelling in its vacated and closed status would be inimical to the
9 health, safety, morals and welfare of the municipality in that the
10 dwelling would continue to deteriorate, would create a fire and safety
11 hazard, would be a threat to children and vagrants, would attract
12 persons intent on criminal activities, would cause or contribute to
13 blight and the deterioration of property values in the area, and would
14 render unavailable property and a dwelling which might otherwise
15 have been made available to ease the persistent shortage of decent and
16 affordable housing in this State, then in such circumstances, the
17 governing body may, after the expiration of such one year period,
18 enact an ordinance and serve such ordinance on the owner, setting
19 forth the following:

- 20 a. If it is determined that the repair of the dwelling to render it fit
21 for human habitation can be made at a cost not exceeding fifty
22 percent (50%) of the then current value of the dwelling, the
23 ordinance shall require that the owner either repair or demolish
24 and remove the dwelling within 90 days; or
25 b. If it is determined that the repair of the dwelling to render it fit
26 for human habitation cannot be made at a cost not exceeding
27 fifty percent (50%) of the then current value of the dwelling, the
28 ordinance shall require the owner to demolish and remove the
29 dwelling within 90 days.

30 This ordinance shall be recorded in the Office of the Register of Deeds
31 in the county wherein the property or properties are located and shall
32 be indexed in the name of the property owner in the grantor index. If
33 the owner fails to comply with this ordinance, the public officer shall
34 effectuate the purpose of the ordinance.

35 This subdivision only applies to municipalities located in counties
36 which have a population in excess of 71,000 by the last federal ~~census~~.
37 census (including the entirety of any municipality located in more than
38 one county at least one county of which has a population in excess of
39 71,000)."

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

S

D

SENATE BILL 471*
PROPOSED HOUSE COMMITTEE SUBSTITUTE S471*-PCS9306-SB-45

Short Title: Minimum Housing Standards/Zoning.

(Public)

Sponsors:

Referred to:

March 15, 2001

A BILL TO BE ENTITLED

AN ACT TO APPLY A LAW CLOSING A LOOPHOLE IN THE MINIMUM HOUSING STANDARDS ACT AS IT APPLIES TO MUNICIPALITIES LOCATED IN COUNTIES WITH POPULATIONS IN EXCESS OF SEVENTY-ONE THOUSAND PEOPLE BY THE LAST CENSUS WHERE THE OWNER CAN AVOID ORDERS TO REPAIR, REMOVE, OR DEMOLISH A RENTAL UNIT BY SIMPLY CLOSING IT SO THAT IT WILL APPLY IN THE ENTIRETY OF A MUNICIPALITY LOCATED IN MORE THAN ONE COUNTY WHERE SOME OF THE MUNICIPALITY IS LOCATED IN A COUNTY THAT MEETS THE POPULATION THRESHOLD, AND TO ALLOW A CERTAIN TOWN TO EXERCISE PLANNING JURISDICTION OVER A DESCRIBED AREA SUBJECT TO A REFERENDUM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-443(5a) reads as rewritten:

"(5a) If the governing body shall have adopted an ordinance, or the public officer shall have:

- a. In a municipality located in counties which have a population in excess of 71,000 by the last federal ~~census~~, census (including the entirety of any municipality located in more than one county at least one county of which has a population in excess of 71,000), other than municipalities with a population in excess of 190,000 by the last federal census, issued an order, ordering a dwelling to be repaired or vacated and closed, as provided in subdivision (3)a, and if the owner has vacated and closed such dwelling and kept such dwelling vacated and closed for a period of one year pursuant to the ordinance or order;

b. In a municipality with a population in excess of 190,000 by the last federal census, commenced proceedings under the substandard housing regulations regarding a dwelling to be repaired or vacated and closed, as provided in subdivision (3)a., and if the owner has vacated and closed such dwelling and kept such dwelling vacated and closed for a period of one year pursuant to the ordinance or after such proceedings have commenced,

then if the governing body shall find that the owner has abandoned the intent and purpose to repair, alter or improve the dwelling in order to render it fit for human habitation and that the continuation of the dwelling in its vacated and closed status would be inimical to the health, safety, morals and welfare of the municipality in that the dwelling would continue to deteriorate, would create a fire and safety hazard, would be a threat to children and vagrants, would attract persons intent on criminal activities, would cause or contribute to blight and the deterioration of property values in the area, and would render unavailable property and a dwelling which might otherwise have been made available to ease the persistent shortage of decent and affordable housing in this State, then in such circumstances, the governing body may, after the expiration of such one year period, enact an ordinance and serve such ordinance on the owner, setting forth the following:

- a. If it is determined that the repair of the dwelling to render it fit for human habitation can be made at a cost not exceeding fifty percent (50%) of the then current value of the dwelling, the ordinance shall require that the owner either repair or demolish and remove the dwelling within 90 days; or
- b. If it is determined that the repair of the dwelling to render it fit for human habitation cannot be made at a cost not exceeding fifty percent (50%) of the then current value of the dwelling, the ordinance shall require the owner to demolish and remove the dwelling within 90 days.

This ordinance shall be recorded in the Office of the Register of Deeds in the county wherein the property or properties are located and shall be indexed in the name of the property owner in the grantor index. If the owner fails to comply with this ordinance, the public officer shall effectuate the purpose of the ordinance.

This subdivision only applies to municipalities located in counties which have a population in excess of 71,000 by the last federal census. census (including the entirety of any municipality located in more than

1 one county at least one county of which has a population in excess of
2 71,000)."

3 **SECTION 2.(a)** The Town of Elon may exercise the powers granted by
4 Article 19 of Chapter 160A of the General Statutes in the following described area:
5 BEGINNING at a point in the line between Guilford County and Alamance County, the
6 said point being 400 feet north of the center of South Church Street (U.S. 70) and
7 running thence along the agreement line between the City of Burlington and the Town
8 of Elon to a point in the northern right-of-way line of MacArthur Lane; thence in a
9 northerly direction with the eastern line of Parcel 4G as shown on Alamance County
10 Tax Map 3-5, 915.29 feet to the said Parcel 4G's northeast corner; thence in a northerly
11 direction along the rear lines of Parcels No. 4H and No. 4J as shown on Alamance
12 County Tax Map No. 3-5, 1,268.16 feet to the northwest corner of said Parcel No. 4J;
13 thence continuing in a northerly direction 200 feet to the MacArthur Lane Sanitary
14 Sewer Outfall; thence in a northwesterly direction, with the center of MacArthur Lane
15 Sanitary Sewer Outfall approximately 4,145 feet to the Dry Creek Sanitary Sewer
16 Outfall; thence in an easterly direction with the center of Dry Creek Sanitary Sewer
17 Outfall to the rear corner between Parcel No. 66 and Parcel No. 65 as shown on
18 Alamance County Tax Map No. 3-2, an approximate distance of 1,150 feet; thence in a
19 northeasterly direction along the rear lines of Parcel Numbers 65, 64, and 67 as shown
20 on Alamance County Tax Map No. 3-2, 420.3 feet to Parcel No. 17 as shown on
21 Alamance County Tax Map No. 3-1; thence in a northeasterly direction along the
22 western property lines of Parcel Numbers 17 and 18 (crossing N.C. 1529) as shown on
23 Alamance County Tax Map 3-1, approximately 2,700 feet to the Haw River; running
24 thence along the center of Haw River in a northwesterly direction as it meanders
25 approximately 14,300 feet to a point in the center of Haw River; thence crossing Haw
26 River in a westerly direction approximately 145 feet to a point on the west bank of Haw
27 River and corner between Parcel Nos. 21 and 43 of Tax Map 3-52; running thence along
28 the northern line of Parcel Nos. 19 and 21 of Tax Map 3-52 point 1,375.01 feet to a
29 point corner between Parcel Nos. 19 and 43 of Tax Map 3-52 and in the eastern line of
30 Parcel No. 34 of Tax Map 3-52A; running thence along the eastern line of Parcel No. 34
31 of Tax Map 3-52A in a northerly direction 194.16 feet to a point and being the northeast
32 corner of Parcel No. 34 of Tax Map 3-52A; running thence along the northern line of
33 Parcel Nos. 34, 33, 30, and 72 of Tax Map 3-52A in a westerly direction approximately
34 2,600 feet to a point corner with Parcel No. 18E; running thence along the eastern line
35 of Parcel No. 18E in a northwesterly direction to a point; running thence along the
36 northwestern line of Parcel No. 18E of Tax Map 3-52 in a southwesterly direction to a
37 point in the center of NC Highway No. 87; running thence along the center of NC
38 Highway No. 87 in a northwesterly direction approximately 400 feet to a point corner
39 with Ossipee Sanitary District; running thence along the Ossipee Sanitary District
40 445.25 feet to a point in the line of Parcel No. 40 of Tax Map 3-52; thence continuing
41 along the Ossipee Sanitary District line in a northerly direction approximately 140 feet
42 to a point corner between Parcel Nos. 40 and 5B of Tax Map 3-52; running thence along

1 the southern line of Parcel No. 5B in a northwesterly direction 907.7 feet to a point in
2 the center of Elon-Ossipee Road; thence along the center of Elon-Gibsonville Road
3 approximately 100 feet to a point; thence running along the northern line of Parcel No. 4
4 of Tax Map 3-52 in a westerly direction approximately 1,262 feet to a point in the
5 Guilford County line; running thence along the Guilford County line in a southerly
6 direction to a point in the center of Midway Church Road; running thence along the
7 center of Midway Church Road in an easterly direction to the centerline intersection of
8 Midway Church Road and Gibsonville-Ossipee Road; running thence along the center
9 of Gibsonville-Ossipee Road in a southerly direction where it intersects the Town of
10 Gibsonville ETJ line; running thence along the ETJ line between the Town of
11 Gibsonville and the Town of Elon to the POINT OF BEGINNING.

12 **SECTION 2.(b)** In exercising the powers granted by subsection (a) of this
13 section, the Town of Elon need not follow the procedural requirements of G.S.
14 160A-360(a1), 160A-364, or 160A-384 or any statute other than G.S. 160A-75 in the
15 initial adoption of a zoning ordinance, but if those requirements are not followed, any
16 such ordinance shall expire 90 days after its adoption and any zoning ordinance to apply
17 after the expiration of that period must be adopted in accordance with those statutes.

18 **SECTION 2.(c)** Upon the petition of thirty-five percent (35%) of the
19 registered voters in the area described in subsection (a) of this section, the Alamance
20 County Board of Elections shall call an election in the described area on the question of
21 continued exercise of planning jurisdiction by the Town of Elon in that area. The
22 Alamance County Board of Elections shall set the date of the election, which shall be
23 conducted in accordance with Chapter 163 of the General Statutes. The Town of Elon
24 shall reimburse the county for the cost of the election. At that election, unless a
25 majority of the votes cast are in favor of the question of continued exercise of planning
26 jurisdiction by the Town of Elon in that area, the jurisdiction of the city is relinquished
27 as of the date of certification of the election results, and the provisions of G.S.
28 160A-360(f1) apply.

29 **SECTION 3.** This act is effective when it becomes law. Section 2(c) of this
30 act expires July 1, 2003.

VISITOR REGISTRATION SHEET

HOUSE WAYS AND MEANS

Name of Committee

July 3
~~June 19~~, 2001

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Andy Lomcast

NCLM

R. Paul Wilson

NCHRA

Dale McKeel

Scenic NC

**MINUTES
HOUSE COMMITTEE ON WAYS AND MEANS**

October 2, 2002

The House Committee on Ways and Means met on Wednesday, October 2, 2002 in the House Chamber at the desk of Representative Cary Allred, Chairman, at 5:25 P.M. The following members were present: Representative Cary Allred, Chairman, Representatives Cox, Haire, McMahan, Michaux and Weiss.

The meeting was called to order by Representative Allred, who explained that the purpose for meeting was to clean out the Ways and Means Committee box by postponing two bills indefinitely. The bills being considered were:

HB 924, Social Security # Use – Representatives Pope, Goodwin and Walend

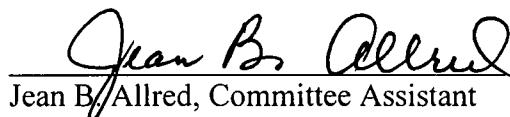
HB 1325, Products Liability/Extend Statute of Repose - Representative Blue

A motion was made by Representative Haire to postpone HB 924 indefinitely and was seconded by Representative Cox. A vote was taken and the motion passed.

Representative McMahan then made a motion to postponed HB 1325 indefinitely. The motion passed.

Being no other business for the Ways and Means Committee, Representative Allred thanked those present and adjourned the meeting at 5:30 P.M.


Representative Cary Allred, Chairman


Jean B. Allred, Committee Assistant

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

☐ Committee Substitute for

H.B. 924 A BILL TO BE ENTITLED AN ACT REQUIRING REDACTION OF SOCIAL SECURITY NUMBERS ON COPIES OF PUBLIC RECORDS PROVIDED TO THE PUBLIC.

☐ 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 924

Short Title: Social Security # Use.

(Public)

Sponsors: Representatives Pope, Goodwin, Walend; and Hilton.

Referred to: Ways and Means.

March 29, 2001

A BILL TO BE ENTITLED

AN ACT REQUIRING REDACTION OF SOCIAL SECURITY NUMBERS ON
COPIES OF PUBLIC RECORDS PROVIDED TO THE PUBLIC.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 132 of the General Statutes is amended by adding a
new section to read:

"§ 132-1.6. Redaction of social security numbers.

**Whenever a public record contains the social security identification number of an
individual, the custodian of the record shall redact such number before making the
record available to the public or making a copy of the record for the public."**

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

**2001 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report from standing committee is/are presented:

By Representative **ALLRED**, Chair, for the Committee on **WAYS AND MEANS**.

☐ Committee Substitute for

H.B. 1325 A BILL TO BE ENTITLED AN ACT TO EXTEND THE STATUTE OF
REPOSE FOR ACTIONS BASED ON DEFECTS OR FAILURES IN RELATION TO
PRODUCTS.

☐ 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 1325

Short Title: Products Liability/Extend Statute of Repose.

(Public)

Sponsors: Representatives Blue; Alexander, Barefoot, Haire, Jeffus, and
Wainwright.

Referred to: Ways and Means.

April 12, 2001

A BILL TO BE ENTITLED
AN ACT TO EXTEND THE STATUTE OF REPOSE FOR ACTIONS BASED ON
DEFECTS OR FAILURES IN RELATION TO PRODUCTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 1-50(a) reads as rewritten:

"(a) Within six years an action –

(1) Repealed by Session Laws 1997-297, s. 1.

(2) Against an executor, administrator, collector, or guardian on his official bond, within six years after the auditing of his final account by the proper officer, and the filing of the audited account as required by law.

(3) For injury to any incorporeal hereditament.

(4) Against a corporation, or the holder of a certificate or duplicate certificate of stock in the corporation, on account of any dividend, either a cash or stock dividend, paid or allotted by the corporation to the holder of the certificate or duplicate certificate of stock in the corporation.

(5) a. No action to recover damages based upon or arising out of the defective or unsafe condition of an improvement to real property shall be brought more than six years from the later of the specific last act or omission of the defendant giving rise to the cause of action or substantial completion of the improvement.

b. For purposes of this subdivision, an action based upon or arising out of the defective or unsafe condition of an improvement to real property includes:

1. Actions to recover damages for breach of a contract to construct or repair an improvement to real property;
 2. Actions to recover damages for the negligent construction or repair of an improvement to real property;
 3. Actions to recover damages for personal injury, death or damage to property;
 4. Actions to recover damages for economic or monetary loss;
 5. Actions in contract or in tort or otherwise;
 6. Actions for contribution indemnification for damages sustained on account of an action described in this subdivision;
 7. Actions against a surety or guarantor of a defendant described in this subdivision;
 8. Actions brought against any current or prior owner of the real property or improvement, or against any other person having a current or prior interest therein;
 9. Actions against any person furnishing materials, or against any person who develops real property or who performs or furnishes the design, plans, specifications, surveying, supervision, testing or observation of construction, or construction of an improvement to real property, or a repair to an improvement to real property.
- c. For purposes of this subdivision, "substantial completion" means that degree of completion of a project, improvement or specified area or portion thereof (in accordance with the contract, as modified by any change orders agreed to by the parties) upon attainment of which the owner can use the same for the purpose for which it was intended. The date of substantial completion may be established by written agreement.
- d. The limitation prescribed by this subdivision shall not be asserted as a defense by any person in actual possession or control, as owner, tenant or otherwise, of the improvement at the time the defective or unsafe condition constitutes the proximate cause of the injury or death for which it is proposed to bring an action, in the event such person in actual possession or control either knew, or ought reasonably to have known, of the defective or unsafe condition.
- e. The limitation prescribed by this subdivision shall not be asserted as a defense by any person who shall have been guilty of fraud, or willful or wanton negligence in furnishing materials, in developing real property, in performing or

furnishing the design, plans, specifications, surveying, supervision, testing or observation of construction, or construction of an improvement to real property, or a repair to an improvement to real property, or to a surety or guarantor of any of the foregoing persons, or to any person who shall wrongfully conceal any such fraud, or willful or wanton negligence.

f. This subdivision prescribes an outside limitation of six years from the later of the specific last act or omission or substantial completion, within which the limitations prescribed by G.S. 1-52 and 1-53 continue to run. For purposes of the three-year limitation prescribed by G.S. 1-52, a cause of action based upon or arising out of the defective or unsafe condition of an improvement to real property shall not accrue until the injury, loss, defect or damage becomes apparent or ought reasonably to have become apparent to the claimant. However, as provided in this subdivision, no action may be brought more than six years from the later of the specific last act or omission or substantial completion.

g. The limitation prescribed by this subdivision shall apply to the exclusion of G.S. 1-15(c), G.S. 1-52(16) and G.S. 1-47(2).

(6) ~~No action for the recovery of damages for personal injury, death or damage to property based upon or arising out of any alleged defect or any failure in relation to a product shall be brought more than six years after the date of initial purchase for use or consumption.~~

(7) Recodified as G.S. 1-47(6) by Session Laws 1995 (Regular Session, 1996), c. 742, s. 1."

SECTION 2. Article 5 of Chapter 1 of the General Statutes is amended by adding a new section to read:

"§ 1-46.1. Fifteen years.

No action for the recovery of damages for personal injury, death, or damage to property based upon or arising out of any alleged defect or any failure in relation to a product shall be brought more than 15 years after the date of initial purchase for use or consumption."

SECTION 3. This act is effective when it becomes law and applies to actions arising on or after that date.

HOUSE COMMITTEE ON WAYS AND MEANS
House Bills affected by
House Rule 36(a)

October 3, 2002

HB 0014	Municipal Incorporation Population Estimates – Representatives Jarrell, Hurley and Church
HB 0020	Contract Agent Rate – Representative Sutton
HB 0326	Amend Well Contractors Certification-AB – Representative Mitchell
HB 0982	Housing Authority Exemptions – Representative Edwards
HB 1065	Swimming Pool Safety Act – Representative Gibson and Luebke
HB 1323	Revise State Building Code/Council Procedures – Representative McMahan

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 14*

Short Title: Municipal Incorporation Population Estimates. (Public)

Sponsors: Representatives Jarrell, Hurley; and Church.

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

January 29, 2001

A BILL TO BE ENTITLED

AN ACT TO USE ANNUAL POPULATION ESTIMATES RATHER THAN THE
DECENNIAL CENSUS WHEN DETERMINING ELIGIBILITY FOR
INCORPORATION OF NEW MUNICIPALITIES WHICH ARE IN PROXIMITY
TO EXISTING MUNICIPALITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 120-166(a) reads as rewritten:

"(a) The Commission may not make a positive recommendation if the proposed municipality is located within one mile of a municipality of 5,000 to 9,999, within three miles of a municipality of 10,000 to 24,999, within four miles of a municipality of 25,000 to 49,999, or within five miles of a municipality of 50,000 or over, according to the most recent ~~decennial federal census, or according to the most recent annual~~ estimate of the Office of State Budget, Planning, and ~~Management if the municipality~~ Management."

SECTION 2. This act becomes effective with respect to all petitions for municipal incorporation submitted on or after December 1, 2001, under Article 20 of Chapter 120 of the General Statutes.

MEMORANDUM

DATE: Wednesday, September 25, 2002
TO: Representative Jarrell
FROM: Representative Allred
SUBJECT: Bills Pending in the Committee on Ways and Means

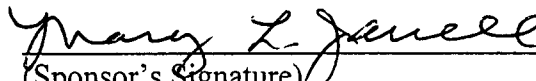
Pursuant to House Rule 36(a) all House bills and resolutions shall be reported from the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests 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 Ways and Means, for your convenience, a printed form is included at the bottom of this page. Please complete, sign and return the form to Room 611 LOB. This form may not be e-mailed because it requires the sponsor's signature.

MEMORANDUM

TO: Representative Allred
FROM: Representative Jarrell
Bill Sponsor
SUBJECT: HB 0014, Municipal Incorporation Population Estimates. (Short Title)

I request that HB 0014 not be considered by the Committee on Ways and Means.


(Sponsor's Signature)

9-30-02 Date

MEMORANDUM

DATE: Wednesday, September 25, 2002

TO: Representative Hurley

FROM: Representative Allred

SUBJECT: Bills Pending in the Committee on Ways and Means

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 Ways and Means, for your convenience, a printed form is included at the bottom of this page. Please complete, sign and return the form to Room 611 LOB. This form may not be e-mailed because it requires the sponsor's signature.

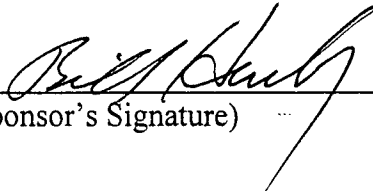
MEMORANDUM

TO: Representative Allred

FROM: Representative Hurley
Bill Sponsor

SUBJECT: HB 0014, Municipal Incorporation Population Estimates. (Short Title)

I request that HB 0014 not be considered by the Committee on Ways and Means.


(Sponsor's Signature)

10-1-02 Date

MEMORANDUM

DATE: Wednesday, September 25, 2002
TO: Representative Church
FROM: Representative Allred
SUBJECT: Bills Pending in the Committee on Ways and Means

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 Ways and Means, for your convenience, a printed form is included at the bottom of this page. Please complete, sign and return the form to Room 611 LOB. This form may not be e-mailed because it requires the sponsor's signature.

MEMORANDUM

TO: Representative Allred
FROM: Representative Church
Bill Sponsor
SUBJECT: HB 0014, Muicipal Incorporation Population Estimates. (Short Title)

I request that HB 0014 not be considered by the Committee on Ways and Means.


(Sponsor's Signature)

9-30-02 Date

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 20*

Short Title: Contract Agent Rate.

(Public)

Sponsors: Representatives Sutton; and Barbee.

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

January 31, 2001

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE COMMISSION TO
STUDY COMMISSION CONTRACTS FOR ISSUANCE OF MOTOR VEHICLE
REGISTRATION PLATES AND CERTIFICATES TO INCREASE THE RATE
PAID PER TRANSACTION TO COMMISSION CONTRACT AGENTS FOR
THE ISSUANCE OF PLATES AND CERTIFICATES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-63(h) reads as rewritten:

"(h) Commission Contracts for Issuance of Plates and Certificates. – All
registration plates, registration certificates and certificates of title issued by the
Division, outside of those issued from the Raleigh offices of the said Division and those
issued and handled through the United States mail, shall be issued insofar as practicable
and possible through commission contracts entered into by the Division for the issuance
of such plates and certificates in localities throughout North Carolina with persons,
firms, corporations or governmental subdivisions of the State of North Carolina and the
Division shall make a reasonable effort in every locality, except as hereinbefore noted,
to enter into a commission contract for the issuance of such plates and certificates and a
record of these efforts shall be maintained in the Division. In the event the Division is
unsuccessful in making commission contracts as hereinbefore set out it shall then issue
said plates and certificates through the regular employees of the Division. Whenever
registration plates, registration certificates and certificates of title are issued by the
Division through commission contract arrangements, the Division shall provide proper
supervision of such distribution. Commission contracts entered under this subsection
shall provide for the payment of compensation for all transactions as set forth below.
Nothing contained in this subsection will allow or permit the operation of fewer outlets
in any county in this State than are now being operated.

A transaction is any of the following activities:

- (1) Issuance of a registration plate, a registration card, a registration renewal sticker, or a certificate of title.
- (2) Issuance of a handicapped placard or handicapped identification card.
- (3) Acceptance of an application for a personalized registration plate.
- (4) Acceptance of a surrendered registration plate, registration card, or registration renewal sticker, or acceptance of an affidavit stating why a person cannot surrender a registration plate, registration card, or registration renewal sticker.
- (5) Cancellation of a title because the vehicle has been junked.
- (6) Acceptance of an application for, or issuance of, a refund for a fee or a tax, other than the highway use tax.
- (7) Receipt of the civil penalty imposed by G.S. 20-309 for a lapse in financial responsibility or receipt of the restoration fee imposed by that statute.
- (8) Acceptance of a notice of failure to maintain financial responsibility for a motor vehicle.
- (8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.
- (8b) Sale of one or more inspection stickers in a single transaction to a licensed inspection station.
- (9) Collection of the highway use tax.
- (10) Acceptance of a temporary lien filing.

Performance at the same time of any combination of the items that are listed within each subdivision or are listed within subdivisions (1) through (8b) of this section is a single transaction for which ~~a dollar and thirty five cent (\$1.35)~~ [NOTE: the Commission recommends \$1.42 to \$1.46] compensation shall be paid. Performance of the item listed in subdivision (9) of this subsection in combination with any other items listed in this subsection is a separate transaction for which ~~a one dollar and twenty cent (\$1.20)~~ [NOTE: the Commission recommends \$1.26 to \$1.30] compensation shall be paid."

SECTION 2. This act becomes effective July 1, 2001.

MEMORANDUM

DATE: Wednesday, September 25, 2002

TO: Representative Sutton

FROM: Representative Allred

SUBJECT: Bills Pending in the Committee on Ways and Means

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 Ways and Means, for your convenience, a printed form is included at the bottom of this page. Please complete, sign and return the form to Room 611 LOB. This form may not be e-mailed because it requires the sponsor's signature.

MEMORANDUM

TO: Representative Allred

FROM: Representative Sutton
Bill Sponsor

SUBJECT: HB 0020, Contract Agent Rate. (Short Title)

I request that HB 0020 not be considered by the Committee on Ways and Means.


(Sponsor's Signature)

9-26-02 Date

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 326*

Short Title: Amend Well Contractors Certification-AB.

(Public)

Sponsors: Representative Mitchell.

Referred to: Ways and Means.

March 1, 2001

A BILL TO BE ENTITLED
AN ACT TO AMEND THE LAW RELATING TO THE CERTIFICATION OF WELL
CONTRACTORS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 87-98.4(a) reads as rewritten:

"(a) Certification Required. – No well contractor shall perform or offer to perform any well contractor activity without being certified under this Article. The Commission may specify the types of general construction activities or geophysical activities that are not directly related to locating, testing, or withdrawing groundwater; evaluating, testing, developing, draining, or recharging any groundwater reservoir or aquifer; or controlling, diverting, or otherwise causing the movement of water from or into any aquifer and are therefore not well construction activities."

SECTION 2. G.S. 87-98.7 reads as rewritten:

**"§ 87-98.7. Issuance and renewal of certificates; temporary
~~certification.~~certification; refusal to issue a certificate.**

(a) Issuance. – An applicant, upon satisfactorily meeting the appropriate requirements, shall be certified to perform in the capacity of a well contractor and shall be issued a suitable certificate by the Commission designating the level of the person's competency. A certificate shall be valid for one year or until any of the following occurs:

(1) The certificate holder voluntarily surrenders the certificate to the Commission.

(2) The certificate is revoked or suspended by the Commission for cause.

(b) Renewal. – A certificate shall be renewed annually by payment of the annual fee. A person who fails to renew a certificate within ~~three months~~30 days of the expiration of the certificate must reapply for certification under this Article.

(c) Temporary Certification. – A person may receive temporary certification to construct a well upon submission of an application to the Commission and subsequent

1 approval in accordance with the criteria established by the Commission and upon
2 payment of a temporary certification fee. A temporary certification shall be granted to
3 the same person only once per calendar year and may not be valid for a period in excess
4 of 45 consecutive days. To perform additional well contractor activity during that same
5 calendar year, the person shall apply for certification under this Article.

6 (d) Refusal to Issue a Certificate. – The Commission shall not issue a certificate
7 under any of the following circumstances:

8 (1) The applicant has not paid civil penalties assessed against the applicant
9 under G.S. 87-94 for a violation of this Article, Article 7 of this
10 Chapter, or any rule adopted to implement either of those Articles.

11 (2) The applicant has not conducted all restoration activities ordered by
12 the Department related to a violation by the applicant of Article 7 of
13 this Chapter.

14 (3) The applicant has a history of not complying with this Article, Article
15 7 of this Chapter, or any rule adopted to implement either of those
16 Articles and, as determined by the Commission, at least some of these
17 violations are significant violations."

18 **SECTION 3.** G.S. 87-94(a) reads as rewritten:

19 "(a) Any person who violates any provision of this Article, Article 7A of this
20 Chapter, any order issued pursuant thereto, or any rule adopted thereunder, shall be
21 subject to a civil penalty of not more than ~~one hundred dollars (\$100.00)~~ five thousand
22 dollars (\$5,000) for each violation, as determined by the Secretary of Environment and
23 Natural Resources. Each day of a continuing violation shall be considered a separate
24 offense. No person shall be subject to a penalty who did not directly commit the
25 violation or cause it to be committed."

26 **SECTION 4.** G.S. 143B-301.11(b) reads as rewritten:

27 "(b) Delegation. – The Commission ~~may, by rule, may~~ delegate to the Secretary
28 any of its powers, other than the power to adopt rules."

29 **SECTION 5.** This act is effective when it becomes law.

MEMORANDUM

DATE: Wednesday, September 25, 2002
TO: Representative Mitchell
FROM: Representative Allred
SUBJECT: Bills Pending in the Committee on Ways and Means

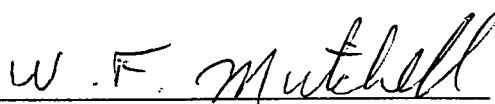
Pursuant to House Rule 36(a) all House bills and resolutions shall be reported from the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests 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 Allred
FROM: Representative Mitchell
Bill Sponsor
SUBJECT: HB 0326, Amend Well Contractors Certification-AB (Short Title)

I request that HB 0326 not be considered by the Committee on Ways and Means.


(Sponsor's Signature)

Sept. 26, 2002 Date

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 982

Short Title: Housing Authority Exemptions.

(Public)

Sponsors: Representatives Edwards; and Barefoot.

Referred to: Ways and Means.

April 5, 2001

1 A BILL TO BE ENTITLED
2 AN ACT REVISING THE HOUSING AUTHORITY EXEMPTION FROM
3 STATUTES REGULATING REAL ESTATE BROKERS AND SALESMEN AND
4 CLARIFYING THE HOUSING AUTHORITY EXEMPTION FROM STATUTES
5 REGULATING PROCUREMENT.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. G.S. 93A-2(c)(8) reads as rewritten:

8 "(8) Any housing authority organized in accordance with the provisions of
9 Chapter 157 of the General Statutes and any regular salaried
10 employees of the housing authority ~~when performing who perform any~~
11 acts authorized in this Chapter as to any ~~property owned or leased by~~
12 ~~the housing authority housing project~~ operated or managed by the
13 housing authority and the acts are performed in the regular course of or
14 as incident to the operation or management of the project. This
15 exception shall not apply to any person, partnership, corporation,
16 limited liability company, association, or other business entity that
17 contracts with a housing authority to sell or manage ~~property owned or~~
18 ~~leased by the housing authority a housing project.~~"

19 SECTION 2. G.S. 157-9 reads as rewritten:

20 "§ 157-9. Powers of authority.

21 "(a) An authority shall constitute a public body and a body corporate and politic,
22 exercising public powers, and having all the powers necessary or convenient to carry
23 out and effectuate the purposes and provisions of this Article, including the following
24 powers in addition to others herein granted:

- 25 (1) To investigate into living, dwelling and housing conditions and into
26 the means and methods of improving such ~~conditions; to conditions.~~
27 (2) To determine where unsafe, unsafe or unsanitary dwelling or housing
28 conditions exist; to exist.

- (3) To study and make recommendations concerning the plan of any city or municipality located within its boundaries in relation to the problem of clearing, replanning and reconstruction of areas in which unsafe or unsanitary dwelling or housing conditions exist, and the providing of dwelling accommodations for persons of low income, and to cooperate with any city municipal or regional planning ~~agency~~; ~~to~~ agency.
- (4) To prepare, carry out and operate housing ~~projects~~; ~~to~~ projects.
- (5) To approve, assist, and cooperate with, as its instrumentality, a nonprofit corporation in providing financing by the issuance by such nonprofit corporation's obligations (which obligations shall not be or be deemed to be indebtedness of a housing authority) for one or more housing projects, pursuant to the United States Housing Act of 1937, as amended, and applicable regulations thereunder, specifically including, but not limited to, programs to make construction and other loans to developers or owners of residential housing, and to acquire, operate or manage such a housing project, and to administer federal housing assistance subsidy payments for such ~~projects~~; ~~to~~ projects.
- (6) To provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part ~~thereof~~; ~~to~~ thereof.
- (7) To take over by purchase, lease or otherwise any housing project located within its boundaries undertaken by any government, or by any city or municipality located in whole or in part within its ~~boundaries~~; ~~to~~ boundaries.
- (8) To manage as agent of any city or municipality located in whole or in part within its boundaries any housing project constructed or owned by such ~~city~~; ~~to~~ city.
- (9) To act as agent for the federal government in connection with the acquisition, construction, operation and/or management of a housing project or any part ~~thereof~~; ~~to~~ thereof.
- (10) To arrange with any city or municipality located in whole or in part within its boundaries or with a government for the furnishing, planning, replanning, installing, opening or closing of streets, roads, roadways, alleys, sidewalks or other places or facilities or for the acquisition by such city, municipality, or government of property, options or property rights or for the furnishing of property or services in connection with a ~~project~~; ~~to~~ project.
- (11) To arrange with the State, its subdivisions and agencies, and any county, city or municipality of the State, to the extent that it is within the scope of each of their respective ~~functions~~; functions: (i) to cause the services customarily provided by each of them to be rendered for the benefit of such housing authority and/or the occupants of any housing projects and (ii) to provide and maintain parks and sewage, water and other facilities adjacent to or in connection with housing

- 1 projects and (iii) to change the city or municipality map, to plan,
2 replan, zone or rezone any part of the city or ~~municipality~~;
3 ~~to municipality~~.
- 4 (12) To lease or rent any of the dwelling or other accommodations or any of
5 the lands, buildings, structures or facilities embraced in any housing
6 project and to establish and revise the rents or charges therefor;
7 to thereof.
- 8 (13) To enter upon any building or property in order to conduct
9 investigations or to make surveys or soundings; ~~to soundings.~~
- 10 (14) To purchase, lease, obtain options upon, acquire by gift, grant,
11 bequest, devise, or otherwise any property real or personal or any
12 interest therein from any person, firm, corporation, city, municipality,
13 or government; ~~to government.~~
- 14 (15) To acquire by eminent domain any real property, including
15 improvements and fixtures thereon; ~~to thereon.~~
- 16 (16) To sell, exchange, transfer, assign, or pledge any property real or
17 personal or any interest therein to any person, firm, corporation,
18 municipality, city, or government; ~~to government.~~
- 19 (17) To own, hold, operate, alter, repair, clear and improve property;
20 to property.
- 21 (18) To insure or provide for the insurance of the property or operations of
22 the authority against such risks as the authority may deem advisable;
23 to advisable.
- 24 (19) To procure insurance or guarantees from a federal government of the
25 payment of any debts or parts thereof secured by mortgages made or
26 held by the authority on any property included in any housing project;
27 to project.
- 28 (20) To borrow money upon its bonds, notes, debentures or other evidences
29 of indebtedness and to secure the same by pledges of its revenues, and
30 by mortgages upon property held or to be held by it, or in any other
31 manner; ~~in manner.~~
- 32 (21) In connection with any loan, to agree to limitations upon its right to
33 dispose of any housing project or part thereof or to undertake
34 additional housing projects; ~~in projects.~~
- 35 (22) In connection with any loan by a government, to agree to limitations
36 upon the exercise of any powers conferred upon the authority by this
37 Article; ~~to Article.~~
- 38 (23) To invest any funds held in reserves or sinking funds, or any funds not
39 required for immediate disbursement, in property or securities in
40 which savings banks may legally invest funds subject to their
41 control; ~~to control.~~
- 42 (24) To sue and be sued; ~~to sued.~~
- 43 (25) To have a seal and to alter the same at pleasure; ~~to pleasure.~~
- 44 (26) To have perpetual succession; ~~to succession.~~

1 (27) To make and execute contracts and other instruments necessary or
2 convenient to the exercise of the powers of the ~~authority; to authority.~~

3 (28) To make and from time to time amend and repeal bylaws, rules and
4 regulations not inconsistent with this Article, to carry into effect the
5 powers and purposes of the ~~authority; to authority.~~

6 (29) To conduct examinations and investigations and to hear testimony and
7 take proof under oath at public or private hearings on any matter
8 material for its ~~information; to information.~~

9 (30) To issue subpoenas requiring the attendance of witnesses or the
10 production of books and papers and to issue commissions for the
11 examination of witnesses who are out of the State or unable to attend
12 before the authority, or excused from ~~attendance; and to attendance.~~

13 (31) To make available to such agencies, boards or commissions as are
14 charged with the duty of abating or requiring the correction of
15 nuisances or like conditions, or of demolishing unsafe or unsanitary
16 structures within its territorial limits, its findings and recommendations
17 with regard to any building or property where conditions exist which
18 are dangerous to the public health, morals, safety or welfare.

19 (a1) Any of the investigations or examinations provided for in this Article may be
20 conducted by the authority or by a committee appointed by it, consisting of one or more
21 commissioners, or by counsel, or by an officer or employee specially authorized by the
22 authority to conduct it. Any commissioner, counsel for the authority, or any person
23 designated by it to conduct an investigation or examination shall have power to
24 administer oaths, take affidavits and issue subpoenas or commissions. An authority may
25 exercise any or all of the powers herein conferred upon it, either generally or with
26 respect to any specific housing project or projects, through or by an agent or agents
27 which it may designate, including any corporation or corporations which are or shall be
28 formed under the laws of this State, and for such purposes an authority may cause one
29 or more corporations to be formed under the laws of this State or may acquire the
30 capital stock of any corporation or corporations. Any corporate agent, (i) all of the stock
31 of which shall be owned by the authority or its nominee or nominees or (ii) the board of
32 directors of which shall be elected or appointed by the authority or is composed of the
33 commissioners of the authority or (iii) which is otherwise subject to the control of the
34 authority or the governmental entity which created the authority, may to the extent
35 permitted by law exercise any of the powers conferred upon the authority herein. In
36 addition to all of the other powers herein conferred upon it, an authority may do all
37 things necessary and convenient to carry out the powers expressly given in this Article.

38 (a2) No provisions with respect to the acquisition, ~~operation-operation, purchase,~~
39 or disposition of ~~property-property, the erection, construction, reconstruction,~~
40 ~~deconstruction, demolition, alteration, or repair of buildings or other works or~~
41 ~~improvements, or the contracting for any of the foregoing or any services by other~~
42 public bodies shall be applicable to an authority unless the legislature shall specifically
43 so state.

1 (b) Notwithstanding anything to the contrary contained in this Article or in any
2 other provision of law an authority may include in any contract let in connection with a
3 project, stipulations requiring that the contractor and any subcontractors comply with
4 requirements as to minimum wages and maximum hours of labor, ~~and~~ comply with any
5 conditions which the federal government may have attached to its financial aid of the
6 ~~project.~~ project, and comply with State bonding and other public contracts requirements.

7 (c) To the extent not inconsistent with the Constitution or statutes of this State or
8 the United States, an authority may adopt and enforce rules governing the lawful entry
9 of guests and visitors to its properties, including the visitors and guests of its tenants.
10 Prior to adopting such rules, an authority shall make reasonable efforts to consult with
11 or obtain comments from its tenants or their representatives. Persons who enter or
12 remain on the property of an authority in violation of such rules shall be subject to
13 prosecution as applicable under G.S. 14-159.12 or G.S. 14-159.13."

14 **SECTION 3.** This act is effective when it becomes law.

MEMORANDUM

DATE: Thursday, September 26, 2002
TO: Representative Edwards
FROM: Representative Allred
SUBJECT: Bills Pending in the Committee on Ways and Means


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 Ways and Means, for your convenience, a printed form is included at the bottom of this page. Please complete, sign and return the form to Room 611 LOB. This form may not be e-mailed because it requires the sponsor's signature.

MEMORANDUM

TO: Representative Allred
FROM: Representative Edwards
Bill Sponsor
SUBJECT: HB 0982, Housing Authority Exemptions. (Short Title)

I request that HB 0982 not be considered by the Committee on Ways and Means.


(Sponsor's Signature)

9/26/02 Date

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 1065

Short Title: Swimming Pool Safety Act. (Public)

Sponsors: Representatives Gibson and Luebke (Primary Sponsors).

Referred to: Ways and Means.

April 10, 2001

A BILL TO BE ENTITLED

AN ACT TO REQUIRE OWNERS OF RESIDENTIAL SWIMMING POOLS TO
ERECT PROTECTIVE BARRIERS TO PREVENT ACCIDENTAL
DROWNINGS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 75A of the General Statutes is amended by adding a
new Article to read:

"Article 5.

"Swimming Pool Safety Act.

"§ 75A-50. Short title.

This Article shall be known as the Swimming Pool Safety Act.

"§ 75A-51. Definitions.

The following definitions apply in this Article:

- (1) "ASTM" means the American Society for Testing Materials.
- (2) "Barrier" means a fence, wall, building wall, or combination thereof which completely surrounds the swimming pool and obstructs access to the swimming pool.
- (3) "Indoor swimming pool" means a swimming pool which is totally contained within a structure and surrounded on all four sides by walls of the structure.
- (4) "Outdoor swimming pool" means any swimming pool which is not an indoor pool.
- (5) "Portable hot tub or spa" means a nonpermanent structure intended for recreational bathing, in which all controls, water-heating and water-circulating equipment are an integral part of the product.
- (6) "Residential" means that which is situated on the premises of a detached one- or two-family dwelling or a one-family townhouse not more than three stories in height.

(7) "Swimming pool" means any structure intended for swimming or recreational bathing that contains water over 24 inches deep. This includes in-ground, aboveground, and on-ground swimming pools, hot tubs, and spas.

"§ 75A-52. Safety requirements.

On and after the effective date of this Article, every residential swimming pool in this State shall have the following safety requirements:

(1) The pool must be entirely surrounded by a barrier that meets all of the following requirements:

- a. The top of the barrier shall be at least 48 inches above grade measured on the side of the barrier which faces away from the swimming pool. The maximum vertical clearance between grade and the bottom of the barrier shall be two inches measured on the side of the barrier which faces away from the swimming pool. Where the top of the pool structure is above grade, such as an aboveground pool, the barrier may be at ground level, such as the pool structure, or mounted on top of the pool structure. Where the barrier is mounted on top of the pool structure, the maximum vertical clearance between the top of the pool structure and the bottom of the barrier shall be four inches.
- b. Openings in the barrier shall not allow passage of a four-inch-diameter sphere.
- c. Solid barriers which do not have openings, such as masonry or stone walls, shall not contain indentations or protrusions except for normal construction tolerances and tooled masonry joints.
- d. If the barrier is composed of horizontal and vertical members and the distance between the tops of the horizontal members is less than 45 inches, the horizontal members shall be located on the swimming pool side of the fence. Spacing between vertical members shall not exceed one and three-fourths inches in width. If there are decorative cutouts within vertical members, spacing within the cutouts shall not exceed one and three-fourths inches in width.
- e. If the barrier is composed of horizontal and vertical members and the distance between the tops of the horizontal members is 45 inches or more, spacing between vertical members shall not exceed four inches. If there are decorative cutouts within vertical members, spacing within the cutouts shall not exceed one and three-fourths inches in width.
- f. If the barrier is composed of diagonal members, such as a lattice fence, the maximum opening formed by the diagonal members shall not be more than one and three-fourths inches.

- 1 g. If the barrier is a chain link fence, the maximum mesh size shall
2 be a one and one-fourth-inch square unless the fence is
3 provided with slats fastened at the top or the bottom which
4 reduce the openings to not more than one and three-fourths
5 inches.
- 6 (2) Any gate providing direct access to the pool must meet all of the
7 following requirements:
- 8 a. It shall comply with the requirements in subdivision (1) of this
9 section.
- 10 b. It shall be equipped to accommodate a locking device.
- 11 c. If it is a pedestrian-access gate, it shall open outward away from
12 the pool and shall be self-closing and self-latching.
- 13 d. If it is other than a pedestrian-access gate, it shall have a self-
14 latching device.
- 15 (3) Any release mechanism on a self-latching device must meet the
16 following requirements:
- 17 a. It must be placed no lower than 54 inches from the bottom of
18 the gate; or
- 19 b. If it is located less than 54 inches from the bottom of the gate, it
20 shall be located on the pool side of the gate at least three inches
21 below the top of the gate, and the gate and barrier shall have no
22 opening greater than one-half inch within 18 of the release
23 mechanism.
- 24 (4) If a wall of a dwelling serves as part of the barrier, one of the
25 following conditions shall be met:
- 26 a. The pool shall be equipped with a powered safety cover in
27 compliance with ASTM ES 13-89; or
- 28 b. All doors with direct access to the pool through that wall shall
29 be equipped with an alarm which produces an audible warning
30 when the door and its screen, if present, are opened. The alarm
31 shall sound continuously for a minimum of 30 seconds
32 immediately after the door is opened and be capable of being
33 heard throughout the house during normal household activities.
34 The alarm shall automatically reset under all conditions. The
35 alarm system shall be equipped with a manual means, such as
36 touchpad or switch, to temporarily deactivate the alarm for a
37 single opening. The deactivation shall last for not more than 15
38 seconds. The deactivation switch or switches shall be located at
39 least 54 inches above the threshold of the door; or
- 40 c. Other means of protection, such as self-closing doors with self-
41 latching devices, approved by the North Carolina Building
42 Code Council, shall be acceptable so long as the degree of
43 protection afforded is not less than the protection afforded by
44 sub-subdivision a. or b. of this subdivision.

- (5) Where an aboveground pool structure is used as a barrier or where the barrier is mounted on top of the pool structure, and the means of access is a ladder or steps, then the ladder or steps shall be capable of being secured, locked, or removed to prevent access, or the ladder or steps shall be surrounded by a barrier which meets the requirements of subdivisions (1) and (2) of this section. When the ladder or steps are secured, locked, or removed, any opening created shall not allow the passage of a four-inch-diameter sphere.

"§ 75A-53. Duty of contractors and owners.

Any person entering into an agreement to build a residential swimming pool, or sell, rent, or lease property on which is located a residential swimming pool shall give the buyer, lessee, or renter notice of the provisions of this Article.

"§ 75A-54. Penalties.

Any person who owns or leases property on which is located a residential swimming pool that fails to comply with this Article shall be guilty of a Class 3 misdemeanor, except that no penalty shall be imposed if the person corrects the nonconformity within 45 days after the date on which the citation was issued.

"§ 75A-55. Exceptions.

This Article does not apply to:

- (1) Any system of pumps, irrigation canals, or irrigation flood control or drainage works constructed or operated for the purpose of storing, delivering, distributing, or conveying water.
- (2) Any political subdivision that has adopted or adopts a residential pool safety ordinance, provided the ordinance is equal to or more stringent to the provisions of this act.
- (3) Stock ponds, storage tanks, livestock operations, livestock watering troughs, or other structures used in normal agricultural practices.
- (4) Any portable hot tub or spa with a safety cover that complies with the ASTM ES 13.
- (5) Small, temporary pools not more than 24 inches deep designed for use by children which are commonly referred to as "wading pools" or "kiddy pools."

SECTION 2. The Department of Insurance and the Building Code Council shall amend the State Building Code to comply with this act. Specifically, the requirements of this act for the construction of swimming pools shall apply statewide and shall apply to residential swimming pools as defined in this act. On or before April 1, 2002, the Department of Insurance shall report to the General Assembly on any legislative amendments to the North Carolina Building Code required by this act.

SECTION 3. This act applies to agreements to construct residential swimming pools that are entered into on or after December 1, 2001, and applies to offenses committed on or after that date. Owners and lessors of property on which a completed residential swimming pool is located prior to the effective date of this act have one year from the effective date of this act to comply with the requirements of this

- 1 Article and shall be subject to the penalties in this Article for offenses that occur on or
- 2 after December 1, 2002.

MEMORANDUM

DATE: Thursday, September 26, 2002

TO: Representative Gibson

FROM: Representative Allred

SUBJECT: Bills Pending in the Committee on Ways and Means

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 Ways and Means, for your convenience, a printed form is included at the bottom of this page. Please complete, sign and return the form to Room 611 LOB. This form may not be e-mailed because it requires the sponsor's signature.

MEMORANDUM

TO: Representative Allred

FROM: Representative Gibson
Bill Sponsor

SUBJECT: HB 1065, Swimming Pool Safety Act. (Short Title)

I request that HB 1065 not be considered by the Committee on Ways and Means.



(Sponsor's Signature)

9/26/02 Date

Joyce Harris (Rep. Luebke)

From: Jean Allred (Rep. Allred)
Sent: Thursday, September 26, 2002 11:00 AM
To: Joyce Harris (Rep. Luebke)
Subject: RULE 36(a) Be looking for this in inter-office mail.

MEMORANDUM

DATE: Thursday, September 26, 2002
TO: Representative Luebke
FROM: Representative Allred
SUBJECT: Bills Pending in the Committee on Ways and Means

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 Ways and Means, for your convenience, a printed form is included at the bottom of this page. Please complete, sign and return the form to Room 611 LOB. This form may not be e-mailed because it requires the sponsor's signature.

MEMORANDUM

TO: Representative Allred
FROM: Representative Lubeke
Bill Sponsor
SUBJECT: HB 1065, Swimming Pool Safety Act (Short Title)

I request that HB 1065 not be considered by the Committee on Ways and Means.


(Sponsor's Signature)

9/26/02 Date

9/26/2002

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

H

1

HOUSE BILL 1323

Short Title: Revise State Building Code/Council Procedures.

(Public)

Sponsors: Representative McMahan.

Referred to: Ways and Means.

April 12, 2001

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR THE ADOPTION OF A NORTH CAROLINA STATE BUILDING CODE THAT IS MODELED ON THE INTERNATIONAL BUILDING CODE FAMILY OF CODES AND TO CLARIFY THAT THE STATE BUILDING CODE COUNCIL IS SUBJECT TO THE ADMINISTRATIVE PROCEDURE ACT.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding Chapter 143 of the General Statutes or any other law to the contrary, no amendments or modifications to the North Carolina State Building Code shall be effective until January 1, 2003. The North Carolina Building Code Council shall review and implement a State Building Code that is modeled on the International Building Code Family of Codes, to become effective January 1, 2003. In order to maintain consistency with other state building codes, the North Carolina Building Code Council shall submit any recommended amendments or revisions to the International Building Code Family of Codes to the International Code Council for consideration to be added to the International Building Code Family of Codes.

SECTION 2. 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-2(8a), and shall be adopted in

1 accordance with the procedural requirements of Article 2A of Chapter 150B of the
2 General Statutes.

3 The Council shall request the Office of State Budget, Planning, and Management to
4 prepare a fiscal note for a proposed Code change that has a substantial economic
5 impact, as defined in G.S. 150B-21.4(b1), or that increases the cost of residential
6 housing by eighty dollars (\$80.00) or more per housing unit. ~~The Council shall not take~~
7 ~~final action on a proposed Code change that has a substantial economic impact or that~~
8 ~~increases the cost of residential housing by eighty dollars (\$80.00) or more per housing~~
9 ~~unit until at least 60 days after the fiscal note has been prepared.~~ The change can
10 become effective only in accordance with G.S. 143-138(d)."

11 **SECTION 3.** G.S. 143-138(d) reads as rewritten:

12 "(d) Amendments of the Code. – The Building Code Council may revise and
13 amend the North Carolina State Building Code, either on its own motion or upon
14 application from any citizen, State agency, or political subdivision of the State. In
15 adopting any amendment, the Council shall comply with the same procedural
16 requirements and the same standards set forth above for adoption of the Code. Code
17 revisions and amendments adopted by the Building Code Council on or after September
18 1, 1997, but prior to July 1, 1998, shall become effective January 1, 1999. Code
19 revisions and amendments adopted by the Building Code Council on or after July 1,
20 1998, but prior to July 1, 2001, shall become effective January 1, 2002. All future
21 revisions and amendments shall be adopted prior to July 1 every three years after July 1,
22 2001, to become effective the first day of January of the following ~~year.~~ year, subject to
23 G.S. 150B-21.3. A revision or amendment may be made effective on an earlier date if
24 determined by the Building Code Council to be necessary to address an imminent threat
25 to the public's health, safety, or welfare.

26 Handbooks providing explanatory material on Code provisions shall be provided no
27 later than January 1, 2000, and shall be updated with each triennial revision of the Code
28 or, in the discretion of the Council, more frequently. The Department may charge a
29 reasonable fee for the handbooks."

30 **SECTION 4.** G.S. 143-138(e) reads as rewritten:

31 "(e) Effect upon Local Codes. – The North Carolina State Building Code shall
32 apply throughout the State, from the time of its adoption. Amendments to the Code shall
33 become effective in accordance with subsection (d) of this section. However, any
34 political subdivision of the State may adopt a fire prevention code and floodplain
35 management regulations within its jurisdiction. The territorial jurisdiction of any
36 municipality or county for this purpose, unless otherwise specified by the General
37 Assembly, shall be as follows: Municipal jurisdiction shall include all areas within the
38 corporate limits of the municipality and extraterritorial jurisdiction areas established as
39 provided in G.S. 160A-360 or a local act; county jurisdiction shall include all other
40 areas of the county. No such code or regulations, other than floodplain management
41 regulations and those permitted by G.S. 160A-436, shall be effective until they have
42 been officially approved by the Building Code Council as providing adequate minimum
43 standards to preserve and protect health and safety, in accordance with the provisions of
44 subsection (c) above. Local floodplain regulations may regulate all types and uses of

buildings or structures located in flood hazard areas identified by local, State, and federal agencies, and include provisions governing substantial improvements, substantial damage, cumulative substantial improvements, lowest floor elevation, protection of mechanical and electrical systems, foundation construction, anchorage, acceptable flood resistant materials, and other measures the political subdivision deems necessary considering the characteristics of its flood hazards and vulnerability. In the absence of approval by the Building Code Council, or in the event that approval is withdrawn, local fire prevention codes and regulations shall have no force and effect. Provided any local regulations approved by the local governing body which are found by the Council to be more stringent than the adopted statewide fire prevention code and which are found to 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 5. 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

1	Board of Transportation	1
2	Utilities Commission.....	1
3	Department of Administration	1
4	Clerk of the Supreme Court	1
5	Clerk of the Court of Appeals	1
6	Clerk of the Superior Court.....	1 each
7	Department of Cultural Resources [State	
8	Library]	5
9	Supreme Court Library.....	2
10	Legislative Library	1
11	<u>Office of Administrative Hearings.....</u>	<u>1</u>

12 Schools

13	All state-supported colleges and universities	
14	in the State of North Carolina	1 each

15 Local Officials

16	Clerks of the Superior Courts.....	1 each
17	Chief Building Inspector of each incorporated	
18	municipality or county	1

19 In addition, the Building Code Council shall make additional copies available at
20 such price as it shall deem reasonable to members of the general public."

21 **SECTION 6.** G.S. 150B-21.21 reads as rewritten:

22 **"§ 150B-21.21. Publication of rules of North Carolina State Bar-Bar, Building**
23 **Code Council, and exempt agencies.**

24 (a) State Bar. – The North Carolina State Bar must submit a rule adopted or
25 approved by it and entered in the minutes of the North Carolina Supreme Court to the
26 Codifier of Rules for inclusion in the North Carolina Administrative Code. The State
27 Bar must submit a rule within 30 days after it is entered in the minutes of the Supreme
28 Court. The Codifier of Rules must compile, make available for public inspection, and
29 publish a rule included in the North Carolina Administrative Code under this subsection
30 in the same manner as other rules in the Code.

31 (a1) Building Code Council. – The Building Code Council shall publish the North
32 Carolina State Building Code as provided in G.S. 143-138(g).

33 (b) Exempt Agencies. – Notwithstanding G.S. 150B-1, the North Carolina
34 Utilities Commission must submit to the Codifier of Rules those rules of the Utilities
35 Commission that are published from time to time in the publication titled "North
36 Carolina Utilities Laws and Regulations." The Utilities Commission must submit a rule
37 required to be included in the Code within 30 days after it is adopted.

38 Notwithstanding G.S. 150B-1, an agency other than the Utilities Commission that is
39 exempted from this Article by that statute must submit a temporary or permanent rule
40 adopted by it to the Codifier of Rules for inclusion in the North Carolina Administrative
41 Code. These exempt agencies must submit a rule to the Codifier of Rules within 30 days
42 after adopting the rule.

43 (c) Publication. – A rule submitted to the Codifier of Rules under this section
44 must be in the physical form specified by the Codifier of Rules. The Codifier of Rules

1 must compile, make available for public inspection, and publish a rule submitted under
2 this section in the same manner as other rules in the North Carolina Administrative
3 Code. This subsection does not apply to the North Carolina State Building Code."

4 **SECTION 7.** G.S. 150B-38(a) reads as rewritten:

5 "(a) The provisions of this Article shall apply to the following agencies:

6 (1) Occupational licensing ~~agencies;~~ agencies.

7 (2) The State Banking Commission, the Commissioner of Banks, the
8 Savings Institutions Division of the Department of Commerce, and the
9 Credit Union Division of the Department of ~~Commerce;~~ and
10 Commerce.

11 (3) The Department of Insurance and the Commissioner of Insurance.

12 (4) The Department of Commerce in the administration of the provisions
13 of Part 16 of Article 10 of Chapter 143B of the General Statutes.

14 (5) The North Carolina State Building Code Council."

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

Sharon Cram (Rep. McMahan)

From: Jean Allred (Rep. Allred)
Sent: Thursday, September 26, 2002 11:42 AM
To: Sharon Cram (Rep. McMahan)
Subject: RULE 36(a) Be looking for this in inter-office mail. Thanks!

MEMORANDUM

DATE: Wednesday, September 25, 2002
TO: Representative McMahan
FROM: Representative Allred
SUBJECT: Bills Pending in the Committee on Ways and Means

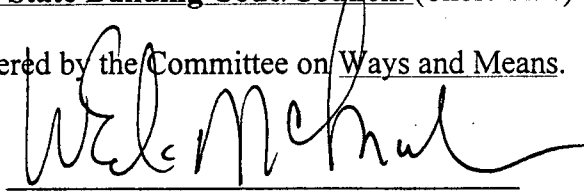
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MEMORANDUM

TO: Representative Allred
FROM: Representative McMahan
Bill Sponsor
SUBJECT: HB 1323, Revise State Building Code/Council. (Short Title)

I request that HB 1323 not be considered by the Committee on Ways and Means.


(Sponsor's Signature)

9/26/02 Date