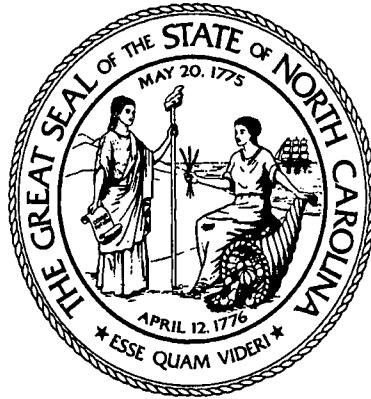


2005-2006

**HOUSE
STATE GOVERNMENT**

**COMMITTEE
MINUTES**



HOUSE COMMITTEE ON STATE GOVERNMENT

2005 SESSION

REPRESENTATIVE LINDA JOHNSON, CHAIR
REPRESENTATIVE LARRY WOMBLE, CHAIR

COMMITTEE ASSISTANTS:

RACHAEL FAISON
DOROTHY McLEAN

HOUSE COMMITTEE ON STATE/GOVERNMENT
2005-06 SESSION
Membership List

<u>MEMBER</u>	<u>ASSISTANT</u>	<u>PHONE</u>	<u>OFFICE</u>	<u>SEAT</u>
WOMBLE, Larry, W., Chair	Dorothy McLean	733-5777	537 LOB	57
JOHNSON, Linda P., Chair	Rachel Faison	733-5861	1006 LB	28
ALEXANDER, Martha B., Vice-Chair	Ann Faust	733-5807	2208 LB	32
CURRENT, William A., Vice-Chair	Wendy Miller	733-5809	539 LOB	108
UNDERHILL, Alice G., Vice-Chair	Judy Veorse	733-5853	1206 LB	17
ALLEN, Bernard	Latisha Dumas	733-5772	1325 LB	79
SETZER, Mitchell, S.	Joanna Mills	733-4948	1204 LB	49
YONGUE, Douglas, Y.	Katie Stanley	733-5821	1303 LB	107

EX-OFFICIO MEMBERS

CULPEPPER, Bill	Dot Crocker	715-3028	404 LOB	36
CUNNINGHAM, Pete	Valerie Rustin	733-5778	541 LOB	7
EDDINS, Rick	Dorie Monroe	733-5800	1319 LB	26
HACKNEY, Joe	Emily Reynolds	733-5752	2207 LB	69

STAFF

Kory Goldsmith	Research	733-2578	545 LOB
Tim Hovis	Research	733-2578	545 LOB
Theresa Matula	Research	733-2578	545 LOB

COMMITTEE ASSISTANT

Dorothy McLean	733-5777	537 LOB
Rachel Faison	733-5861	1006 LB

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE STATE GOVERNMENT COMMITTEE
2005 – 2006 SESSION



Rep. Johnson
Chair



Rep. Womble
Chair



Rep. Alexander
Vice chair



Rep Current
Vice chair



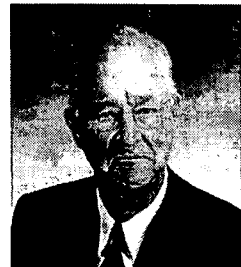
Rep. Underhill
Vice chair



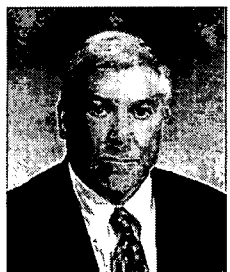
Rep. Allen



Rep. Setzer



Rep. Yongue



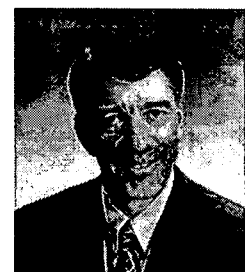
Rep. Culpepper
Ex-officio



Rep. Cunningham
Ex-officio



Rep. Eddins
Ex-officio



Rep. Hackney
Ex-officio

ATTENDANCE

HOUSE/STATE GOVERNMENT

2005 - 06 SESSION

DATES	2-23	3-2	3-9	4-4	4-13	4-20	5-4	5-18	6-1	6-29	7-27				
Representative Womble, Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Representative Johnson, Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Representative Alexander, (Vice-Chair)	✓		✓		✓				✓	✓	✓				
Representative Current, (Vice-Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Representative Underhill, (Vice-Chair)	✓		✓		✓	✓	✓	✓		✓	✓				
Representative Allen B.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					
Representative Setzer							✓			✓					
Representative Yongue	✓	✓			✓	✓	✓		✓	✓					
Ex-officio Members:															
Representative Eddins			✓		✓										
Representative Culpepper															
Representative Cunningham															
Representative Hackney															
Legal Staff Members:															
Tim Hovis	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓				
Kory Goldsmith	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Theresa Matula	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Committee Assistants:															
Dorothy McLean	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Rachel Faison	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				

North Carolina General Assembly
Through House Committee on
State Government

Date: 09/26/2005
Time: 15:43
Page: 001 of 002
Leg. Day: H-125/S-126

2005-2006 Biennium

Bill	Introducer	Short Title	Latest Action	In Date	Out Date
H0021=	Holliman	ADOPT STATE FOOD FESTIVAL.	*H Re-ref Com On Rules, Calendar, and Operations of the House	02-01-05	04-13-05
H0033	Hill	WATER AND SEWER DISTRICT BOUNDARIES.	H Re-ref Com On Rules, Calendar, and Operations of the House	02-02-05	03-23-05
H0231	Tolson	ST. CONTROLLER/ COMPLIANCE REVIEW/ PUB. RECORDS.	*HR Ch. SL 2005-65	02-15-05	03-10-05
H0237	Coates	REVISE MORTGAGE LENDING ACT.	*HR Ch. SL 2005-316	02-16-05	06-01-05
\$ H0320	B. Allen	MODIFY 2005 APPROPRIATIONS ACT	*HR Ch. SL 2005-345	02-21-05	03-02-05
H0454=	Tolson	WATER/UTILITIES SAVINGS IN GOVT. FACILITIES.	H Re-ref Com On Appropriations	03-03-05	04-13-05
H0502=	Eddins	PROTECTION OF HISTORIC MONUMENTS.	H Ref To Com On State Government	03-07-05	
H0528=	Church	WESTERN PIEDMONT COMM. COLL./UMSTEAD ACT.	H Re-ref Com On Rules, Calendar, and Operations of the House	03-09-05	05-04-05
H0566=	Gibson	MODERN ESCHEAT INVESTMENT PROGRAM.	H Re-ref Com On Finance	03-10-05	04-20-05
H0577	Yongue	REPEAL ERRONEOUSLY ENACTED LAW	*H Re-ref Com On Rules, Calendar, and Operations of the House	03-10-05	04-27-05
H0676	Tolson	GOV'T E-COMMERCE/ APPROVAL OF FEES.	HR Ch. SL 2005-92	03-17-05	04-20-05
H0699	Owens	STATE PROP./GOV OPS NOTICE.-AB	*HR Ch. SL 2005-39	03-17-05	04-06-05
\$ H0791	Nye	COUNTY VETERANS SERVICE OFFICES FUNDS.	H Re-ref Com On Appropriations	03-17-05	05-04-05
H0864	Cole	MAYO STATE PARK CONDEMNATION.	*H Ref To Com On Finance	03-23-05	04-13-05
H0874	Goodwin	TITLE CHANGE/SAFETY AND HEALTH REVIEW BOARD.	*HR Ch. SL 2005-133	03-24-05	05-11-05
H0944	Goodwin	ADOPT THE SALUTE TO THE NC FLAG.	*H Ref To Com On State and Local Government	03-29-05	05-11-05
H1006	Womble	STATE CONTRACTS/ SLAVERY PROFITS.	H Re-ref Com On Rules, Calendar, and Operations of the House	03-31-05	04-13-05
H1226	Culpepper	INSPECTION OF CORRECTIONAL FACILITIES.	HR Ch. SL 2005-98	04-14-05	05-18-05
H1316	Frye	STATE CHRISTMAS TREE/ STATE FRESHWATER TROUT.	*HR Ch. SL 2005-387	04-20-05	05-18-05
H1776	Haire	JACKSON COUNTY AIRPORT AUTHORITY	*HR Ch. SL 2005-203	05-12-05	06-01-05

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

A bold line indicates the bill is an appropriation bill.

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

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

North Carolina General Assembly
Through House Committee on
State Government

Date: 09/26/2005
Time: 15:43
Page: 002 of 002
Leg. Day: H-125/S-126

2005-2006 Biennium

Bill	Introducer	Short Title	Latest Action	In Date	Out Date
		CONTRACTS.			
S0116	William R. Purce	VENUS FLYTRAP OFFICIAL CARNIVOROUS PLANT.	*HR Ch. SL 2005-74	05-02-05	05-19-05
S0128	Walter H. Dalton	ADOPT OFFICIAL STATE DANCES.	*HR Ch. SL 2005-218	05-02-05	06-30-05
S0278	Jim Jacumin	FOOTHILLS AIRPORT AUTHORITY LAND ACQUISITION.	*HR Ch. SL 2005-171	06-02-05	06-30-05
S0402=	Eleanor Kinnaird	WATER/UTILITIES SAVINGS IN GOVT. FACILITIES.	H Ref To Com On State Government	08-18-05	
S0510=	Jim Jacumin	WESTERN PIEDMONT COMM. COLL./UMSTEAD ACT.	HR Ch. SL 2005-63	05-10-05	05-18-05
S0669=	Fletcher L. Hart	STATE LAND NOT SUBJECT TO MUNICIPAL CONTROL.	*HR Ch. SL 2005-280	06-02-05	07-27-05
S0879	Linda Garrou	ECONOMIC DEVELOPMENT - NC PRODUCT PREFERENCE.	*HR Ch. SL 2005-213	05-16-05	06-30-05
S0884	Jerry W. Tillman	STATE TRADITIONAL POTTERY BIRTHPLACE.	*HR Ch. SL 2005-78	05-05-05	05-19-05
S0907	Katie G. Dorsett	MINORITY BUSINESS CERTIFICATION.	*HR Ch. SL 2005-270	05-09-05	07-27-05
S1018	Andrew C. Brock	ADOPT COUGAR AS STATE CAT.	*H Ref To Com On State Government	06-02-05	

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

A bold line indicates the bill is an appropriation bill.

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

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

HOUSE STATE GOVERNMENT COMMITTEE
MEETING MINUTES
February 23, 2005

Co-Chair Larry Womble, Presiding

The House State Government Committee met on Wednesday February 23, 2005 at 11 a.m. in Room 1425 of the Legislative Building.

MEMBERS PRESENT: Co-Chair Larry Womble, Chair Linda Johnson; Vice Chairs, Alexander, Underhill and Current; Representatives Bernard Allen and Yongue. Staff Members present: Tory Goldsmith and Teresa Matula.

Co-Chair Womble called the meeting to order. The visitors were welcomed and Co-Chair Womble recognized Co-Chair Linda Johnson for comments. Co-Chair Johnson stated she was excited to work with Co-Chair Womble and the other members on the committee.

Co-Chair Womble stated there were no bills for the meeting because it was an organizational meeting and the committee meetings would start on time so they could end on time. The members introduced themselves and the House Sergeants-At-Arms staff and the House Pages were also recognized. A Visitors' Registration and Meeting Agenda are attached as part of these minutes.

The Co-Chair also recognized the Legislative Assistants (LAs): Rachel Faison, Legislative Assistant to Co-Chair Linda Johnson and Dorothy McLean, Legislative Assistant to Representative Womble. The LAs introduced themselves to the committee.

Co-Chair Womble recognized and introduced Anne Cole, House Legislative Assistants Director. Ms. Cole commended the Legislative Assistants on their hard work and acknowledged the staff in her office and stated they are available to assist anyone when needed.

The Co-Chair referred to the members' committee folders, which contains the Members' List, Members' Picture Page, Ex-Officios and the Staff.

PAGE 2

HOUSE STATE GOVERNMENT COMMITTEE

Representative Womble's Legislative Assistant, Mrs. McLean stated that this information should remain in the folders for each committee meeting.

Co-Chair Womble added that the committee folders are to remain in the room for each committee meeting.

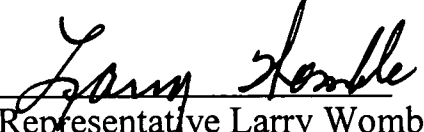
The Staff Members introduced themselves with their area of expertise and gave an overview of how they handle bills being heard in the committee such as committee substitutes.

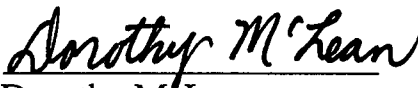
Co-Chair Womble opened the floor for questions. Since there were no questions, a member of the Staff read the bills to be heard at the next meeting: HB 21, HB 33, HB 231, HB 237, and HB 320.

Co-Chair Womble stated the committee would meet as needed.

The meeting adjourned at 11:29 a.m.

Respectfully submitted,


Representative Larry Womble
Committee Co-Chair


Dorothy McLean
Committee Assistant

Attachments:

Agenda

Visitor Registration Sheet

House State Government Handout

Committee Notice

AGENDA

HOUSE OF STATE GOVERNMENT COMMITTEE MEETING

February 23, 2005

Room 1425 LB

Presiding- Representative Larry Womble

Representative- Linda Johnson, Chair

- 1. CALL TO ORDER**
- 2. WELCOME**
- 3. INTRODUCTION OF COMMITTEE MEMBERS**
- 4. INTRODUCTION OF PAGES and SERGEANT at ARMS**
- 5. INTRODUCTION OF LEGISLATIVE ASSISTANT**
- 6. INTRODUCTION OF NANCY GOODMAN
ADMINISTRATIVE CLERK**
- 7. INTRODUCTION OF LEGAL STAFF**
- 8. PRESENTATION/INFORMATION**
- COMMENTS**
- ADJOURNMENT**

VISITOR REGISTRATION SHEET

House/STATE GOVERNMENT

Name of Committee

2-23-05

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Bill Faison

Rep. Dist. 50

House State Government Committee

North Carolina General Assembly

Revised 3/22/06

Types of Bills Referred to House State Government

- Official State Adoptions/Declarations (i.e. flower, shell, bird, reptile)
- State Property
- Operation and Staffing of State Functions (i.e. agencies, processes)



A Few of Our Official State Adoptions/Declarations

(North Carolina General Statutes, Chapter 145)



- Flower: Dogwood
- Bird: Cardinal
- Tree: Pine
- Shell: Scotch Bonnet
- Mammal: Gray Squirrel
- Saltwater Fish: Channel Bass
- Insect: Honeybee
- Fruit: Scuppernon Grape
- Red Berry: Strawberry
- Blue Berry: Blueberry



3 Branches of Government

- Executive Branch/Council of State and the Cabinet
- Judicial Branch
- Legislative Branch

State Government

8 Departments with
Elected Department Heads

- | | |
|---------------|-------------------------------|
| ❖ Agriculture | ❖ Public Instruction |
| ❖ Insurance | ❖ Secretary of State |
| ❖ Justice | ❖ State Treasurer |
| ❖ Labor | ❖ Office of the State Auditor |

State Government

11 Departments with Appointed
Department Heads

- | | |
|---------------------------------|---|
| ❖ Administration | ❖ Health & Human Resources |
| ❖ Commerce | ❖ Revenue |
| ❖ Correction | ❖ Transportation |
| ❖ Crime Control & Public Safety | ❖ Environment & Natural Resources |
| ❖ Cultural Resources | ❖ Juvenile Justice and Delinquency Prevention |
| ❖ Community Colleges | |



JUDICIAL BRANCH

- **3 Divisions**
 - Appellate Division
 - Superior Court Division
 - District Court Division
- **Administrative Office of the Courts** – oversees all North Carolina Courts



LEGISLATIVE BRANCH

- **Senate**
- **House of Representatives**

House State Government Chairs and Vice Chairs

Chairs:

- Representative Johnson
- Representative Womble

Vice Chairs:

- Representative Alexander
- Representative Current
- Representative Underhill

Committee Staff Functions

At the request of the chairs, the staff may meet with the chairs to discuss the work of the committee; plan the order of bills; or discuss bills, committee substitutes, and amendments. ¹

The staff person's duties to the chairs include providing analysis in the form of a bill summary, providing background material on bills as needed or requested, and facilitating negotiations and rewriting bills as instructed. ¹

¹ *Staffing Substantive Standing, Study and Oversight Committees: A Guide for Professional Staff*, April 1999.

Your Committee Staff

Staff:

- Kory Goldsmith
- Tim Hovis
- Theresa Matula

Contact Information:

- Research Division 733-2578

House State Government Committee

North Carolina General Assembly

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2005-2006 SESSION**

You are hereby notified that the Committee on **State Government** will meet as follows:

DAY & DATE: **February 23, 2005**

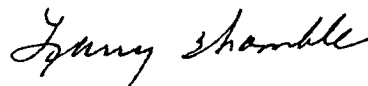
TIME: **11:00 a.m.**

LOCATION: **Room 1425 LB**

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

No Bills heard will be considered next meeting
Welcome to House State Government and Introductions

Respectfully,



Representatives Womble/ Johnson
Chairman*

I hereby certify this notice was filed by the committee assistant at the following offices at
1:00 PM on Thursday, July 21, 2005.

☒ Principal Clerk

☒ Reading Clerk - House Chamber

Dorothy McLean (Committee Assistant) *
Rachel Faison (Committee Assistant)

**MINUTES
HOUSE COMMITTEE ON
STATE GOVERNMENT**

Wednesday, March 2, 2005

The House Committee on State Government met on Wednesday, March 2, 2005 in Room 1228 of the Legislative Building at 11:00 AM. The following members were present: Co-Chairman Linda Johnson, Co-Chairman Larry Womble, Representative Ross, Allen and Yongue. Staff Counselors Theresa Matala, Tim Hovis, and Kory Goldsmith were in attendance. A Visitor Registration list is attached and made part of these minutes.

The Chairman called the meeting to order and recognized Pages, Sergeant-at-Arms, Staff and visitors.

Representative Allen was called upon to explain House Bill 320, **A BILL TO BE ENTITLED AN ACT TO PROHIBIT THE SALE OF DOROTHEA DIX PROPERTY.**

The Chair recognized Representative Ross, Co-Chair of a committee to determine the fait of the Dorothea Dix property.

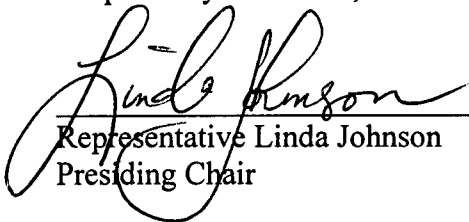
Representative Ross reported to the committee possible plans for the property.

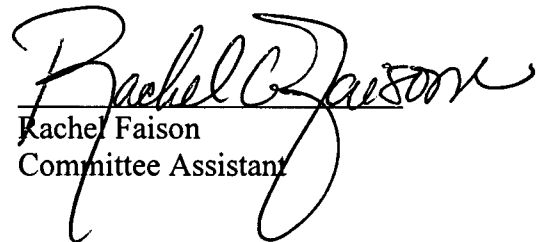
Discussion followed.

Upon motion made by Representative Womble, and seconded by Representative Allen, the bill unanimously received a favorable report.

There being no further business, the Chair adjourned the meeting at 11:45 AM.

Respectfully submitted,


Representative Linda Johnson
Presiding Chair


Rachel Faison
Committee Assistant

Representative Larry Womble
Co-Chair

AGENDA

HOUSE COMMITTEE ON STATE GOVERNMENT

**March 2, 2005
Room 1425 LB
11:00 AM**

Presiding Chair – Representative Linda Johnson

Representative Larry Womble, Co-Chair

1. CALL TO ORDER

2. WELCOME

3. INTRODUCTION OF PAGES AND SERGEANT at ARMS

**Frank Privo, Sergeant at Arm
Jim Womack, Sergeant at Arm**

**Lynnsey Trotter – Page, Guilford County
Allison Gilliam – Page, Alamance County**

4. AGENDA ITEMS

**House Bill 320 – Prohibit Sale of Dorothea Dix Property
Sponsored by Representatives B. Allen, Dollar, Capps, and Coleman**

COMMENTS

ADJOURNMENT

VISITOR REGISTRATION SHEET

STATE GOVERNMENT

Wednesday, March 2, 2005

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

George Milbray	DBA
Erin Kinney	NC Conservation Network
Patrick Buffkin	NCGA
John Mathegl	GOV OFFICE
John Lyness	NC State Grange
Kim Updegraff	UNC Law School (observing)
Wayne Williams	State Budget Office
Dan Holman	CumtR
Roz Sawitt	NCCO
Stella McKenney	NC DHHS

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 320

Short Title: Prohibit Sale of Dorothea Dix Property. (Public)

Sponsors: Representatives B. Allen, Dollar, Capps, Coleman (Primary Sponsors); Cleveland, Coates, Eddins, Goforth, Goodwin, Harrison, Hunter, Jones, Lucas, Martin, McAllister, Ross, Stam, Underhill, Weiss, Wilkins, and Womble.

Referred to: State Government.

February 21, 2005

A BILL TO BE ENTITLED
AN ACT TO PROHIBIT THE SALE OF STATE-OWNED REAL PROPERTY
ENCOMPASSING THE DOROTHEA DIX HOSPITAL CAMPUS WITHOUT
THE APPROVAL OF THE GENERAL ASSEMBLY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 146-27 reads as rewritten:

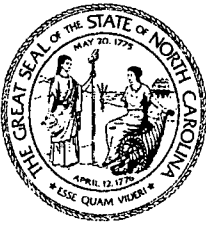
**"§ 146-27. The role of the Department of Administration in sales, leases, and
~~rentals, rentals; sale of Dix Campus.~~**

(a) General. – Every sale, lease, rental, or gift of land owned by the State or by any State agency shall be made by the Department of Administration and approved by the Governor and Council of State. A lease or rental of land owned by the State may not exceed a period of 99 years. The Department of Administration may initiate proceedings for sales, leases, rentals, and gifts of land owned by the State or by any State agency.

(b) Large Disposition. – If a proposed disposition is a sale or gift of land with an appraised value of at least twenty-five thousand dollars (\$25,000), the sale or gift shall not be made until after consultation with the Joint Legislative Commission on Governmental Operations.

(c) Notwithstanding any other provision of law, the State-owned real property encompassing the Dorothea Dix Hospital campus shall not be sold without the prior approval of the General Assembly."

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



HOUSE BILL 320: Prohibit Sale of Dorothea Dix Property

BILL ANALYSIS

Committee: House State Government
Date: March 1, 2003
Version: 1st Edition

Introduced by: Reps. Allen, Dollar, Capps,
Coleman
Summary by: Kory J. Goldsmith, Committee
Staff

676

SUMMARY: *HB 320 would prohibit the sale of the real property encompassing the Dorothea Dix hospital campus without the prior approval of the General Assembly.*

The act is effective when it becomes law.

CURRENT LAW: Article 7 of Chapter 146 governs the disposition of State lands. Generally, an agency must obtain the approval of the Governor and the Council of State prior to any sale, lease, rental or gift of land owned by the State. If the proposed transaction involving real property appraises at \$25,000 or more, the disposition cannot be made until after consultation with the Joint Legislative Commission on Governmental Operations (Gov Ops).

The following procedure applies for obtaining approval for a disposition of property:

- The agency files an application with the Department of Administration (DOA). The application must include facts relating to the disposition and the agency must provide additional information to the DOA if requested.
- DOA investigates all aspects of the proposed disposition including the present and future State needs for the property.
- If DOA determines the disposition is in the best interest of the State, it proceeds with the transaction according to rules adopted by the Governor and Council of State.
- When DOA reaches an agreement for the disposition, the proposed transaction is submitted to the Governor and Council of State for approval or disapproval.

G.S. 146-29.1 prohibits the sale of State real property for less than fair market value to any private, for-profit entity. A conveyance for less than fair market value to a "public entity" is allowed, but the sale must be reported to Gov Ops and the Fiscal Research Division at least 30 days prior to the transaction. A public entity includes a county, a municipality, a local board of education, a community college, a special district or other political subdivision of the State.

BACKGROUND: In 1849, the General Assembly appropriated funds for the purchase of property and the construction of the State Hospital for the Insane in North Carolina to be located near Raleigh. Construction of the hospital began in 1850. In 1985, a large portion of the property was dedicated to North Carolina State University for the Centennial Campus and to the Department of Agriculture for the State Farmers Market. The Dix campus currently comprises approximately 400 acres. In addition to the Dorothea Dix Hospital, approximately 1150 State employees are housed in buildings located on the Dix campus.

During the mid to late-1990's, the North Carolina General Assembly commissioned several studies (State Auditor/PCG Studies) of the State psychiatric hospitals and the local public mental health programs. The

State Auditor/PCG Studies found, among other things, that North Carolina's utilization rate of State psychiatric hospital inpatient beds was significantly higher than in peer group states. Contemporaneous with these studies and findings, the United States Supreme Court issued the Olmstead decision clarifying the States' responsibilities towards certain institutionalized individuals. In Olmstead, the Court held that States have an obligation to provide community-based treatment for persons with mental disabilities when treatment officials determine that community placement is appropriate, the affected person does not oppose community-based treatment, and the placement can be reasonably accommodated taking into account available resources. Finally, pursuant to Executive Order #13217 (2001) - Community-Based Alternatives, the U.S. Department of Justice began CRIPA (Civil Rights for Institutionalized Persons Act) investigations of North Carolina's State Psychiatric hospitals.

In response to these events, the General Assembly passed HB 1519 (S.L. 2000-83). One of the findings in that legislation was that the studies and federal court decisions compelled the State to consider significant changes in the operation and utilization of the State psychiatric services. The 2001 Appropriations Act (SB 1005, S.L. 2001-242) directed the Department of Health and Human Services (DHHS) to develop plans to construct a replacement for the Dorothea Dix Hospital and provide for the transition of patients to the new facility, to the community, or to other long-term care facilities. DHHS responded with a plan to downsize the State's psychiatric hospitals from 1788 beds statewide to 934 beds by fiscal year 2006-07, to reduce the number of State-operated psychiatric hospitals from four to three. In 2003, HB 684 (S.L. 2003-314) authorized the financing of the construction of a new psychiatric hospital in Granville County to replace both the Dorothea Dix and Umstead psychiatric hospitals. Construction on the hospital has not begun, but original plans anticipated it would open in late 2007.

The same legislation that authorized financing for the replacement hospital also created the Dorothea Dix Property Study Commission. The Commission was charged with making recommendations to Gov Ops on the options for sale of the Dix property in the event it were transferred to a nongovernmental entity. In response to the Commission's recommendations, the 2004 General Assembly appropriated \$100,000 to the Office of State Property and directed it to develop, in conjunction with the City of Raleigh, a new Master Plan for the Dorothea Dix Campus. The Master Plan is supposed to be submitted to the Commission by April 1, 2005, and the Commission is supposed to report to the 2005 General Assembly.

H320e1-SMRC

House Bill 796**2003-2004 Session****Prohibit Sale of Dorothea Dix Property.**

Text	Fiscal Note	Status:
Filed [PDF]	-	[S] Ref To Com On Rules and Operations of the Senate on 04/30/2003
Edition 1 [PDF]	-	
Edition 2 [PDF]	-	
Edition 3 [PDF]	-	
		Sponsors
		Primary: B. Allen; Ross; Miner; Hackney;
		Co: Bell; Capps; Eddins; Ellis; Jones; Luebke; McHenry; Munford; Parmon; Rapp; Stam; Weiss; Womble;
		Attributes:
		Public; Text has changed;

Vote History									
Date	Subject	RCS #	Aye	No	N/V	Exc.	Abs.	Exc. Vote	Total Result
04/24/2003 4:10PM	Second Reading	[H] - 286	72	31	4		13	0	103 <u>PASSED</u>
04/28/2003 6:51PM	Third Reading	[H] - 298	73	39	7		1	0	112 <u>PASSED</u>
Viewing Last 2 Vote(s)					View All Votes				

History	
Date	Action
03/27/2003	[H] Filed
03/31/2003	[H] Ref To Com On State Government
04/16/2003	[HA] Reptd Fav Com Substitute
04/16/2003	[H] Cal Pursuant Rule 36(b)
04/22/2003	[H] Placed On Cal For 4/23/2003
04/23/2003	[H] Postponed To 4/24/2003
04/24/2003	[HA] Amend Adopted #1
04/24/2003	[H] Passed 2nd Reading
04/28/2003	[H] Passed 3rd Reading
04/30/2003	[S] Rec From House
04/30/2003	[S] Ref To Com On Rules and Operations of the Senate

Note: a bill listed on this website is not law until passed by the House and the Senate, ratified, and, if required, signed by the Governor.

ABBREVIATIONS KEY

- H = House Action
- S = Senate Action
- R = Ratified
- HF = Failed in the House
- SF = Failed in the Senate
- HA = Adopted in the House
- SA = Adopted in the Senate

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representatives **Johnson and Womble** (Chairs) for the Committee on **STATE GOVERNMENT**.

☐ Committee Substitute for

H.B. 320 A BILL TO BE ENTITLED AN ACT PROHIBIT THE SALE OF STATE-OWNED REAL PROPERTY ENCOMPASSING THE DOROTHEA DIX HOSPITAL CAMPUS WITHOUT THE APPROVAL OF THE GENERAL ASSEMBLY.

- ☒ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ .
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ .
- ☐ With a favorable report as to the committee substitute bill (#), ☐ which changes the title, unfavorable as to (the original bill) (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

03/19/03

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2005-2006 SESSION**

You are hereby notified that the Committee on State Government will meet as follows:

DAY & DATE: **March 2nd, 2005**

TIME: **11:00 AM**

LOCATION: **LB 1425**

The following bills will be considered (Bill # & Short Title & Bill Sponsor):
House Bill 320 – Prohibit Sale of Dorothea Dix Property

Respectfully,

Co-Chairs
Representative Linda Johnson
Representative Larry Womble

I hereby certify this notice was filed by the committee assistant at the following offices at
6:30 pm on Monday, February 28, 2005.

X Principal Clerk
X Reading Clerk - House Chamber

Rachel Faison (Committee Assistant)

HOUSE STATE GOVERNMENT COMMITTEE

MEETING MINUTES

March 9, 2005

Co-Chair Larry Womble, Presiding

The House State Government Committee met on Wednesday March 9, 2005 at 11 a.m. in Room 1425 of the Legislative Building.

MEMBERS PRESENT: Co-Chair Larry Womble, Co-Chair Linda Johnson; Vice Chairs: Alexander, Underhill and Current; Representatives Bernard Allen. Staff Counsel present: Kory Goldsmith, Theresa Matula and Tim Hovis. A Visitors' Registration and Meeting Agenda are attached as part of these minutes.

Co-Chair Womble welcomed everyone and acknowledged Ex-Officio member Rick Eddins and Staff counsel Tim Hovis who were absent from the organizational meeting held on February 23, 2005. The House Pages and the House Sergeants-At-Arms were also recognized.

The Co-Chair stated that House Bill 231 was the only bill on the meeting agenda. Representative Bernard Allen was recognized by the Co-Chair to make the motion for the Committee Substitute of House Bill 231. The Committee was favorable to the Committee Substitute and was opened for discussion.

HOUSE BILL 231 - ST.CONTROLLER/COMPLIANCE REVIEW/PUB. RECORDS, AN ACT TO REVISE THE POWERS AND DUTIES OF THE STATE CONTROLLER TO CLARIFY THAT THE CONTROLLER MAY CONDUCT COMPLIANCE REVIEWS OF STATE AGENCIES AND TO EXEMPT THE WORKING PAPERS FROM THOSE REVIEWS FROM THE PUBLIC RECORDS LAWS.

Representative Joe Tolson, bill sponsor, was asked to explain the bill. The Co-Chair recognized Committee Members for any questions about the bill and then the visitors were given the opportunity to ask questions.

PAGE 2

HOUSE STATE GOVERNMENT COMMITTEE

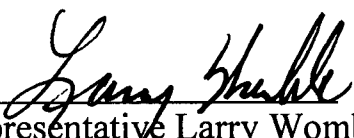
Vice Chair Underhill was recognized to address clarification of terminology in the bill. Robert Powell, State Controller addressed Vice Chair Underhill's question.


Vice Chair Current questioned the need for this bill. Robert Powell addressed Vice Chair Current's question.

The Co-Chair opened the floor for the motion of the bill. Representative Yongue made the motion and the committee voted FAVORABLE to the Committee Substitute and UNFAVORABLE to the original bill and was referred to Judiciary I Committee.

The Co-Chair adjourned the meeting.

Respectfully submitted,


Representative Larry Womble
Committee Co-Chair


Dorothy McLean
Committee Assistant

Attachments:

Agenda
Visitors Registration Sheet
HB 231
HB 231 PCS
Bill Analysis
Committee Report
Meeting Notice

AGENDA

HOUSE STATE GOVERNMENT COMMITTEE MEETING

March 9, 2005- Room 1425 LB

Representative Larry Womble

Chair

Representative Linda Johnson

Chair

CALL TO ORDER

WELCOME

INTRODUCTION OF PAGES and SERGEANT-at-ARMS

BILLS TO BE DISCUSSED

HB 231

Powers and Duties of the State Controller

Rep. Tolson

Rep. Daughtridge

Rep. Michaux

~~HB 237~~

~~DOT Minority/Women Business Program~~

~~Rep. Coates~~

~~Rep. Saunders~~

COMMENTS

ADJOURNMENT

VISITOR REGISTRATION SHEET

House/STATE GOVERNMENT

03-09-05

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

BEN McLAWHORN	OSC
Mark Newsome	OSC
JAMES L-FORTE	OSA
Leslie Merritt	OSA
David Cranford	AIA
Robert Powell	OSC
Gwen Canady	OSC
JOHN RUSSIAN	NC Press Assn
Danny Linberg	ITS
John McHugh	Gov office
BILL SGOBIN	KCLH
Andy Rountt	NCLM

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 231

Short Title: Powers and Duties of the State Controller.

(Public)

Sponsors: Representatives Tolson; Daughtridge and Michaux.

Referred to: State Government, if favorable, Judiciary I.

February 15, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO REVISE THE POWERS AND DUTIES OF THE STATE
3 CONTROLLER.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 143B-426.39(1) reads as rewritten:

6 "§ 143B-426.39. Powers and duties of the State Controller.

7 The State Controller shall:

- 8 (1) Prescribe, develop, operate, and maintain in accordance with generally
9 accepted principles of governmental accounting, a uniform state
10 accounting system for all state agencies. The system shall be designed
11 to assure compliance with all legal and constitutional requirements
12 including those associated with the receipt and expenditure of, and the
13 accountability for public funds. The State Controller may elect to
14 review a State agency's compliance with prescribed uniform State
15 accounting system standards, as well as applicable legal and
16 constitutional requirements. Work papers, and all other evidence and
17 supportive material directly pertaining to work papers, which may
18 result from these reviews shall be, unless otherwise prohibited by law,
19 made available for inspection by duly authorized representatives of the
20 State and federal governments in connection with some matter
21 officially before them. Compliance review work papers are not public
22 records, are not subject to release under Chapter 132 of the General
23 Statutes, and shall be kept confidential. Any reports resulting from
24 these compliance reviews are public records governed by Chapter 132
25 of the General Statutes."

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

D

HOUSE BILL 231
PROPOSED COMMITTEE SUBSTITUTE H231-CSRC-3 [v.2]

3/9/2005 9:07:22 AM

Short Title: St. Controller/Compliance Review/Pub. Records.

(Public)

Sponsors:

Referred to:

February 15, 2005

A BILL TO BE ENTITLED

AN ACT TO REVISE THE POWERS AND DUTIES OF THE STATE
CONTROLLER TO CLARIFY THAT THE CONTROLLER MAY CONDUCT
COMPLIANCE REVIEWS OF STATE AGENCIES AND TO EXEMPT THE
WORKING PAPERS FROM THOSE REVIEWS FROM THE PUBLIC RECORDS
LAWS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143B-426.39(1) reads as rewritten:

"§ 143B-426.39. Powers and duties of the State Controller.

The State Controller shall:

- (1) Prescribe, develop, operate, and maintain in accordance with generally accepted principles of governmental accounting, a uniform state accounting system for all state agencies. The system shall be designed to assure compliance with all legal and constitutional requirements including those associated with the receipt and expenditure of, and the accountability for public funds. The State Controller may elect to review a State agency's compliance with prescribed uniform State accounting system standards, as well as applicable legal and constitutional requirements.

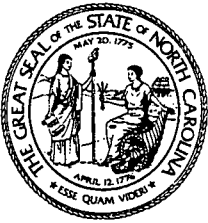
SECTION 2. Part 8 of Article 9 of Chapter 143B is amended by adding a new section to read:

"§ 143B-426.39B. Compliance review work papers not public records.

Work papers and other supportive material created as a result of a compliance review conducted under G.S. 143B-426.39(1) are not public records under Chapter 132 of the General Statutes. The State Controller may, unless otherwise prohibited by law, make work papers available for inspection by duly authorized representatives of the State and federal governments in connection with matters officially before them. Any

1 report resulting from a compliance review is a public record under Chapter 132 of the
2 General Statutes."

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



HOUSE BILL 231:

St. Controller/Compliance Review/Pub. Records

BILL ANALYSIS

Committee: House State Government
Date: March 8, 2005
Version: Proposed Committee Substitute
 H231-CSRC-3[v.2]

Introduced by: Rep. Tolson
Summary by: Kory J. Goldsmith *KJG*
 Committee Counsel

SUMMARY: *The Proposed Committee Substitute to House Bill 231 would clarify that the State Controller has the authority to conduct compliance reviews of State agencies to determine whether the State's accounting system standards are being applied. The bill also exempts all work papers and other supportive material from the public records laws, although reports resulting from the work would be public records. The exemption would be similar to one that currently applies to work papers related to an audit report generated by the State Auditor. G.S. 147-64.6.*

The Committee Substitute changes both the long and the short titles to better reflect the effect of the bill. Other changes are technical.

The act is effective when it becomes law.

CURRENT LAW: The Office of the State Controller is located administratively within the Department of Administration but exercises its powers independently of the Secretary of Administration. The Governor appoints the Controller for a seven-year term, subject to confirmation of the General Assembly.

G.S. 143B-426.39 outlines the powers and duties of the State Controller. They include:

- Developing and maintaining a uniform state accounting system for State agencies that complies with generally accepted government accounting;
- Prescribing a uniform system of accounts to be used by all State agencies;
- Operating a central payroll system;
- Keeping a record of the appropriations, allotments, expenditures, and revenues of each State agency;
- Developing a uniform statewide cash management plan for all State agencies; and
- Prepare monthly and quarterly reports that reflect the current fiscal condition of the State.

Compliance reviews conducted by the State Controller's office are assessments of internal controls within an agency. They involve the use of specific procedures developed in consultation with the State Auditor's office and performed on-site. A compliance review involves:

- direct observations of operations such as purchasing, accounts receivable, cash management, computer security, inventory and fixed asset control;
- limited tests of internal controls; and
- analysis of the level of compliance with established standards, and legal and constitutional requirements.

H231e1-SMRC-PCS

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative **Johnson and Womble** (Chairs) for the Committee on **STATE GOVERNMENT**.

- ☐ Committee Substitute for
H.B. 0231 A BILL TO BE ENTITLED AN ACT TO REVISE THE POWERS AND
DUTIES OF THE STATE CONTROLLER.
- ☐ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☐ Finance ☐ ☐.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.
- ☒ With a favorable report as to the committee substitute bill ☒ which changes the title,
unfavorable as to the original bill.
- ☐ 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)

03/19/03

**COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTICE
2005-2006 SESSION**

You are hereby notified that the Committee on State Government will meet as follows:

DAY & DATE: **Wenesday, March 9, 2005**

TIME: 11:00 a.m.

LOCATION: Room 1425 LB

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

CORRECTED COPY

HB 231

Power and Duties of the State Controller

Rep. Tolson
Rep. Daughtridge
Rep. Michaux

Respectfully,

Garry Shandling

Representative Womble/Representative Johnson
Chairman Chairman

I hereby certify this notice was filed by the committee assistant at the following offices at 2:00 PM on March 8, 2005.

☐ Principal Clerk
☒ Reading Clerk - House Chamber

Dorothy McLean (Committee Assistant)
Rachel Faison (Committee Assistant)

**MINUTES
HOUSE COMMITTEE ON
STATE GOVERNMENT**

Wednesday, April 6, 2005

The House Committee on State Government met on Wednesday, April 6, 2005 in Room 1228 of the Legislative Building at 11:00 AM. The following members were present: Co-Chairman Linda Johnson, Co-Chairman Larry Womble, Representative Underhill, Eddins and Current. Staff Counselors Theresa Matala, Tim Hovis, and Kory Goldsmith were in attendance. A Visitor Registration list is attached and made part of these minutes.

The Chairman called the meeting to order and recognized Pages, Sergeant-at-Arms, Staff and visitors.

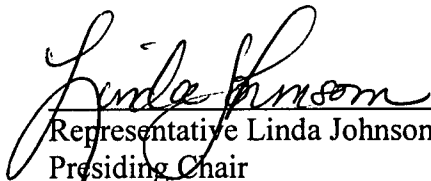
Representative Underhill was called upon to explain House Bill 699, **AN ACT TO ELIMINATE THE CONSULTATION REQUIREMENT WITH THE JOINT LEGISLATIVE COMMISSION ON GOVERNMENTAL OPERATIONS FOR STATE ACQUISITIONS OF REAL PROPERTY AND TO SUBSTITUTE A REQUIREMENT OF PRIOR WRITTEN NOTICE TO THE COMMISSION CHAIRS OF THE INTENDED REAL PROPERTY ACQUISITION.**

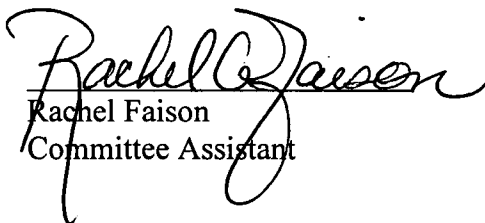
The Chair asked if there were any questions concerning House Bill 699, there were none.

Representative Eddins, seconded by Representative Current, moved that the Bill receive a favorable report. It was given a favorable report unanimously.

There being no further business, the Chair adjourned the meeting at 11:30 AM.

Respectfully submitted,


Representative Linda Johnson
Presiding Chair


Rachel Faison
Committee Assistant

Representative Larry Womble
Co-Chair

AGENDA

HOUSE COMMITTEE ON STATE GOVERNMENT

**April 6, 2005
Room 1425 LB
11:00 AM**

Presiding Chair – Representative Linda Johnson

Representative Larry Womble, Co-Chair

1. CALL TO ORDER

2. WELCOME

3. INTRODUCTION OF PAGES AND SERGEANT at ARMS

**Fred Hines, Sergeant at Arm
Bill Sullivan, Sergeant at Arm**

**Justin Gerrigan – Page, Randolph County
Terrence Valladares – Page, Mecklenburg County**

4. AGENDA ITEMS

**House Bill 699 – State Property/Gov Ops Notice. AB
Sponsored by Representatives Bill Owens**

COMMENTS

ADJOURNMENT

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 699

Short Title: State Prop./Gov Ops Notice.-AB

(Public)

Sponsors: Representative Owens.

Referred to: State Government.

March 17, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO ELIMINATE THE CONSULTATION REQUIREMENT WITH THE
3 JOINT LEGISLATIVE COMMISSION ON GOVERNMENTAL OPERATIONS
4 FOR STATE ACQUISITIONS OF REAL PROPERTY AND TO SUBSTITUTE A
5 REQUIREMENT OF PRIOR WRITTEN NOTICE TO THE COMMISSION
6 CHAIRS OF THE INTENDED REAL PROPERTY ACQUISITION.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 146-22 reads as rewritten:

9 **"§ 146-22. All acquisitions to be made by Department of Administration.**

10 Every acquisition of land on behalf of the State or any State agency, whether by
11 purchase, condemnation, lease, or rental, shall be made by the Department of
12 Administration and approved by the Governor and Council of State; provided that if the
13 proposed acquisition is a purchase of land with an appraised value of at least
14 twenty-five thousand dollars (\$25,000), and the acquisition is for other than a
15 transportation purpose, the acquisition may only be made after ~~consultation with written~~
16 notice to the Joint Legislative Commission on Governmental Operations, Operations
17 given to the Chairs of the Commission at least 30 days prior to the acquisition, and
18 provided further, that acquisitions on behalf of the University of North Carolina Health
19 Care System shall be made in accordance with G.S. 116-37(i), acquisitions on behalf of
20 the University of North Carolina Hospitals at Chapel Hill shall be made in accordance
21 with G.S. 116-37(a)(4), acquisitions on behalf of the clinical patient care programs of
22 the School of Medicine of the University of North Carolina at Chapel Hill shall be made
23 in accordance with G.S. 116-37(a)(4), and acquisitions on behalf of the Medical Faculty
24 Practice Plan of the East Carolina University School of Medicine shall be made in
25 accordance with G.S. 116-40.6(d). In determining whether the appraised value is at least
26 twenty-five thousand dollars (\$25,000), the value of the property in fee simple shall be
27 used. The State may not purchase land as a tenant-in-common without consultation with
28 the Joint Legislative Commission on Governmental Operations if the appraised value of
29 the property in fee simple is at least twenty-five thousand dollars (\$25,000)."

1

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

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representatives **Johnson and Womble** (Chairs) for the Committee on **STATE GOVERNMENT**.

☐ Committee Substitute for

H.B. 699 A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE CONSULTATION REQUIREMENT WITH THE JOINT LEGISLATIVE COMMISSION ON GOVERNMENT OPERATIONS FOR STATE ACQUISITIONS OF REAL PROPERTY AND TO SUBSTITUTE A REQUIREMENT OF PRIOR WRITTEN NOTICE TO THE COMMISSION CHAIRS OF THE INTENDED REAL PROPERTY ACQUISITION.

☒ With a favorable report.

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

☐ With a favorable report, as amended.

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

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

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

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

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

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

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

☐ Without prejudice.

☐ With an indefinite postponement report.

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

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

03/19/03

HOUSE STATE GOVERNMENT COMMITTEE
MEETING MINUTES

April 13, 2005

Co-Chair Larry Womble, Presiding

The House State Government Committee met on Wednesday April 13, 2005 at 11 a.m. in Room 1425 of the Legislative Building.

MEMBERS PRESENT: Co-Chair Larry Womble, Co-Chair Linda Johnson; Vice Chairs: Alexander, Underhill and Current; Committee Members: Representatives Bernard Allen and Yongue. Staff members present: Tory Goldsmith and Teresa Matula.

Co-Chair Womble called the meeting to order. The visitors were welcomed and Co-Chair Womble stated five bills would be heard at the meeting. Co-Chair Womble gave the order of the meeting; bill sponsors are heard first; the Committee members are recognized for questions and the visitors are also given the opportunity to ask the bill sponsors questions. A Visitors' Registration agenda are attached and made part of these minutes.

Co-Chair Womble recognized the House Pages, the House Sergeants-At-Arms, Legal Staff, Co-Chair Johnson, her Legislative Assistant, Rachel Faison and his Legislative Assistant, Dorothy McLean, Vice Chairs Underhill and Alexander.

The bills on the meeting agenda were **House Bills 864, 21, 454, 874 and 1006.**

HOUSE BILL 864 – MAYO RIVER STATE PARK CONDEMNATION, AN ACT TO RESTRICT THE AUTHORITY OF THE STATE TO CONDEMN PROPERTY FOR MAYO RIVER STATE PARK IN ROCKINGHAM COUNTY.

A Proposed Committee Substitute motion was acknowledged for HB 864. The Committee voted favorable to the proposed Committee substitute and it

was heard for discussion. Representative Cole was recognized to explain the bill. Representative Bernard Allen was recognized for a motion.

PAGE 2

HOUSE STATE GOVERNMENT COMMITTEE

The motion was made and the Committee voted for an UNFAVORABLE report to the original bill and FAVORABLE to the proposed committee substitute.

HOUSE BILL 21 - ADOPT STATE FOOD FESTIVAL, AN ACT TO ADOPT THE LEXINGTON BARBECUE FESTIVAL AS THE OFFICIAL FOOD FESTIVAL OF NORTH CAROLINA.

The Committee voted to hear the proposed Committee substitute for HB 21. Representatives Holliman and Dockham, bill sponsors, were present to explain the bill. Representative Holliman was recognized to explain the bill. Co-Chair Johnson commended the bill sponsors on their effort for their county. Vice Chair Underhill also commended the bill sponsors. Representative Bernard Allen made the motion. The bill was given a FAVORABLE to the proposed committee substitute and UNFAVORABLE report to the original bill.

HOUSE BILL 454 – WATER/UTILITIES SAVINGS IN GOVERNMENT FACILITIES, AN ACT TO CLARIFY THAT GUARANTEED ENERGY SAVINGS CONTRACTS INCLUDE CONSERVATION MEASURES FOR WATER AND OTHER UTILITIES, TO RAISE THE CAP FOR GUARANTEED ENERGY SAVINGS CONTRACTS, TO EXPAND THE STATE’S ENERGY POLICY AND LIFE-CYCLE COST ANALYSIS TO INCLUDE THE CONSERVATION OF WATER AND OTHER UTILITIES, AND TO MAKE CONFORMING CHANGES.

Representatives Tolson and Tate, bill co-sponsors, were present to explain the bill. Co-Chair Johnson commended the bill sponsors on the bill. Frank Shepherd, Manager of Energy Services said his local chapter supports this bill and said the bill improves the environment. Co-Chair Johnson made the motion for a favorable report. The Committee voted a FAVORABLE report and referred the bill to the Committee on Finance.

Co-Chair Womble recognized the staff for their good work in the Committee meeting and stated that HB 874 was postponed for this meeting and rescheduled for a later State Government Committee meeting.

PAGE 3

HOUSE STATE GOVERNMENT COMMITTEE

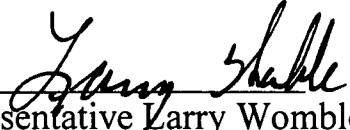
***HOUSE BILL 1006 – STATE CONTRACTS/SLAVERY PROFITS, AN
ACT REQUIRING COMPANIES ENTERING INTO CONTRACTS
WITH STATE***

***DEPARTMENT TO EXAMINE THEIR RECORDS FOR EVIDENCE
OF PARTICIPATION IN OR PROFITING FROM SLAVERY.***

Co-Chair Womble and Representative Earl Jones co-sponsored the bill. Co-Chair Womble presented the bill to the Committee and turned the meeting over to Co-Chair Johnson to preside. Co-Chair Womble recognized the Legal Staff and asked they address the bill. Representative Bernard Allen was recognized for a question. Representative Bernard Allen made the motion for the bill vote. The Committee voted a FAVORABLE report and go directly to the House floor.

The meeting was adjourned.

Respectfully submitted,


Representative Larry Womble
Committee Co-Chair


Dorothy McLean
Committee Assistant

Attachments:

Agenda

Visitor Registration Sheet

HB 864

HB 21

HB 454

HB 1006

Committee Notice

AGENDA

HOUSE STATE GOVERNMENT COMMITTEE MEETING

April 13, 2005- Room 1425 LB

*****Representative Larry Womble***

Chair

Representative Linda Johnson

Chair

CALL TO ORDER

WELCOME

INTRODUCTION OF PAGES and SERGEANT-at-ARMS

BILLS TO BE DISCUSSED

HB 21	Adopt State Barbecue Festival	Reps. Holliman, Dockman
HB 454	Water/Utilities Saving in Govt. Facilities	Reps. Tolson, Pate
HB 1006	State Contracts/Slavery Profits	Rep. Womble, Jones
HB 864	Mayo State Park Condemnation	Rep. Cole, Holloway
HB 874	Title Change/Safety and Health Review Board	Rep. Goodwin

COMMENTS

ADJOURNMENT

VISITOR REGISTRATION SHEET

HOUSE/STATE GOVERNMENT

April, 13, 2005

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

McKinley Wooten, Jr.

DoA

Tom BARTON

N.B. Board of Realtor + NCAR

TOM GREER

NEW BERN BOARD OF REALTORS

Darlene O. Spivey

New Bern Board of Realtors 2131 S Glenburnie
St. # 8
New Bern, NC 28562

Tom Mitchell

NEW BERN BOARD OF REALTORS : NCAR.

Fred Bone

Bone: ASO.

VISITOR REGISTRATION SHEET

HOUSE/STATE GOVERNMENT

April, 13, 2005

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Nike Mangum	Dept. of Admin - P&C
Erin Kinney	Nc Conservation Network
Susan Rucci	CBS News
John Hoomani	NC DOL
Art Bitt	NC DOL
Frank Shepard	Siemens, 215 South Port, Morrisville, NC
Vincent Throop	State Energy Office
Larry Shirley	State Energy Office
Amy & Don Lampe	Citizens 2046 Smith Rd Stoneville, NC 27048
Isa Piercey	Sempura Energy
Johanna Reese	DENR
Paul Meyer	NCAE
R. Rogers	NC DENR

Attachment 3

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

2

HOUSE BILL 864
Committee Substitute Favorable 4/13/05

Short Title: Mayo River State Park Condemnation.

(Public)

Sponsors:

Referred to:

March 23, 2005

A BILL TO BE ENTITLED

AN ACT TO RESTRICT THE AUTHORITY OF THE STATE TO CONDEMN
PROPERTY FOR MAYO RIVER STATE PARK IN ROCKINGHAM COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 146-24.1 reads as rewritten:

"§ 146-24.1. The power of eminent domain.

(a) In carrying out the duties and purposes set forth in Chapters 143 and 146 of the General Statutes, the Department of Administration is vested with the power of eminent domain and shall have the right and power to acquire such lands, easements, rights-of-way or estates for years by condemnation in the manner prescribed by G.S. 146-24 of the General Statutes. The power of eminent domain herein granted is supplemental to and in addition to the power of eminent domain which may be now or hereafter vested in any State agency as defined by G.S. 146-64 and the Department of Administration may exercise on behalf of such agency the power vested in said agency or the power vested in the Department of Administration herein; and the Department of Administration may follow the procedure set forth in G.S. 146-24 or the procedure of such agency, at the option of the Department of Administration. Where such acquisition is made at the request of an agency, such agency shall make a determination of the necessity therefore; where such acquisition is on behalf of the State or at the request of the Department of Administration, such findings shall be made by the Director of Administration. Provided, however, that all such acquisitions shall have the approval of the Governor and Council of State as provided in G.S. 146-24.

This section shall not apply to public projects and condemnations for which specific statutory condemnation authority and procedures are otherwise provided.

(b) Notwithstanding this section, G.S. 113-34, or any other provision of law, the State may not acquire any property by eminent domain in Rockingham County for Mayo River State Park, except if:

(1) There is a question or uncertainty of title to the property, and the proceeding is used to clear title;

- 1 (2) The property owner is willing to sell, but the State and the property
2 owner have been unable to agree on a price for the property; or
3 (3) The property owner agrees to the condemnation."

4 **SECTION 2.** This act is effective when it becomes law and applies to
5 actions commenced on or after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

D

HOUSE BILL 864
PROPOSED COMMITTEE SUBSTITUTE H864-PCS10217-LB-20

Short Title: Mayo River State Park Condemnation.

(Public)

Sponsors:

Referred to:

March 23, 2005

A BILL TO BE ENTITLED
AN ACT TO RESTRICT THE AUTHORITY OF THE STATE TO CONDEMN
PROPERTY FOR MAYO RIVER STATE PARK IN ROCKINGHAM COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 146-24.1 reads as rewritten:

"§ 146-24.1. The power of eminent domain.

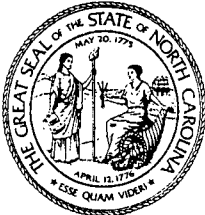
(a) In carrying out the duties and purposes set forth in Chapters 143 and 146 of the General Statutes, the Department of Administration is vested with the power of eminent domain and shall have the right and power to acquire such lands, easements, rights-of-way or estates for years by condemnation in the manner prescribed by G.S. 146-24 of the General Statutes. The power of eminent domain herein granted is supplemental to and in addition to the power of eminent domain which may be now or hereafter vested in any State agency as defined by G.S. 146-64 and the Department of Administration may exercise on behalf of such agency the power vested in said agency or the power vested in the Department of Administration herein; and the Department of Administration may follow the procedure set forth in G.S. 146-24 or the procedure of such agency, at the option of the Department of Administration. Where such acquisition is made at the request of an agency, such agency shall make a determination of the necessity therefore; where such acquisition is on behalf of the State or at the request of the Department of Administration, such findings shall be made by the Director of Administration. Provided, however, that all such acquisitions shall have the approval of the Governor and Council of State as provided in G.S. 146-24.

This section shall not apply to public projects and condemnations for which specific statutory condemnation authority and procedures are otherwise provided.

(b) Notwithstanding this section, G.S. 113-34, or any other provision of law, the State may not acquire any property by eminent domain in Rockingham County for Mayo River State Park, except if:

- (1) There is a question or uncertainty of title to the property, and the proceeding is used to clear title;
- (2) The property owner is willing to sell, but the State and the property owner have been unable to agree on a price for the property; or
- (3) The property owner agrees to the condemnation."

SECTION 2. This act is effective when it becomes law and applies to actions commenced on or after that date.



House Bill 864: Mayo River State Park Condemnation

BILL ANALYSIS

Committee: House State Government
Introduced by: Reps. Cole, Holloway
Version: First Edition
H864-PCS10217-LB-20

Date: April 12, 2005
Summary by: Kory Goldsmith
Committee Counsel

SUMMARY: *House Bill 864 would prohibit the State from acquiring property in Rockingham County for the Mayo River State Park unless one of the following circumstances apply:*

- *there is a question as to title to the property and the proceeding is used to clarify title;*
- *the property owner is willing to sell, but the State and the owner can not agree on a price; or*
- *the property owner agrees to the condemnation.*

The PCS adds the word "River" to all references to "Mayo State Park" and changes the effective date.

The act would become effective when it becomes law and would be applicable to condemnation actions commenced on or after that date.

CURRENT LAW: The power to acquire property for public purposes in exchange for just compensation, i.e., the power of eminent domain, is an inherent power of the State although it is not specifically referenced in the constitution. Provided the property is taken for a public purpose and compensation if paid, the owner of the property does not have to consent to the taking.

G.S. 146-24.1 and G.S. 146-24 authorize the Department of Administration to acquire property using the power of eminent domain using the same procedures as the Department of Transportation under Article 9 of Chapter 136. First, the agency must file a declaration of taking and a complaint in the superior court of any county where the property is located. The declaration must state the authority for commencing the action, the public purpose for which the property will be used, provide a description of the property, and a statement of the amount of money the agency estimates will be just compensation. The agency must also deposit with the court a sum of money equal to the amount estimated to be just compensation. Title to the property vests with the State upon the filing of the declaration of taking and the complaint and the deposit of the funds. The property owner may then contest only the amount of the compensation, or other issues such as whether the agency has the authority to condemn the property or whether the property will be put to a public purpose. If the only issue is the amount of compensation, the clerk of court must appoint three individuals who reside in the county to advise the court as to the value of the property. The commissioners file a report with the court that is entered into evidence at the jury trial. The measure of damages is the fair market value of the property at the time of the taking.

H0864e1-SMRC-PCS

CA 4-13

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☐ Committee Substitute for

HB 864 A BILL TO BE ENTITLED AN ACT TO RESTRICT THE AUTHORITY OF
THE STATE TO CONDEMN PROPERTY FOR MAYO STATE PARK IN ROCKINGHAM
COUNTY.

☒ With a favorable report as to the committee substitute bill, which changes the title,
unfavorable as to the original bill.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the (House) committee substitute bill/(joint) resolution
(No. _____) is placed on the Calendar of _____. (The original bill resolution No. _____) is placed
on the Unfavorable Calendar.

_____ The (House) committee substitute bill/(joint) resolution (No. _____) is re-referred to the
Committee on _____. (The original bill/resolution) (House/Senate Committee Substitute
Bill/(Joint) resolution No. _____) is placed on the Unfavorable Calendar.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

2

HOUSE BILL 21
Committee Substitute Favorable 4/13/05

Short Title: Adopt State Food Festival.

(Public)

Sponsors:

Referred to:

February 1, 2005

A BILL TO BE ENTITLED

AN ACT TO ADOPT THE LEXINGTON BARBECUE FESTIVAL AS THE
OFFICIAL FOOD FESTIVAL OF NORTH CAROLINA.

Whereas, the first barbecue restaurant opened in the Town of Lexington in
1919; and

Whereas, Lexington has become well known for its barbecue and has been
referred to as the Barbecue Capital of the World; and

Whereas, since 1984, Lexington has held an annual Barbecue Festival; and

Whereas, the Lexington Barbecue Festival has become one of the most
popular food festivals in the country; and

Whereas, at the Lexington Barbecue Festival more than 150,000 visitors
enjoy delicious food as well as a number of rides, games, and regional music; and

Whereas, during the Lexington Barbecue Festival, civic and nonprofit
organizations sponsor events and sell goods to raise funds and present educational
information to the public, and a number of local artists showcase and sell their crafts;
and

Whereas, the Lexington Barbecue Festival was named "One of the Top Ten
Food Festivals in the Country" by Travel and Leisure Magazine and a "Top 20 Event
for the Month of October 2002" by the Southeast Tourism Society; and

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

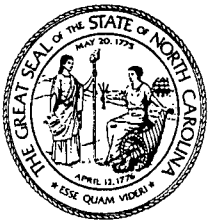
The General Assembly of North Carolina enacts:

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

"§ 145-22. State food festival.

**The Lexington Barbecue Festival is adopted as the official food festival of the State
of North Carolina."**

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



BILL ANALYSIS

PCS FOR HOUSE BILL 21: Adopt State Food Festival.

Committee: House State Government
Date: April 13, 2005
Version: PCS-H21-PCS50099-LG-2

Introduced by: Reps. Holliman & Dockham
Summary by: Theresa Matula
Committee Staff

SUMMARY: *The Proposed Committee Substitute for House Bill 21 adopts the Lexington Barbecue Festival as the official food festival of the State.*

CURRENT LAW:

Chapter 145 of the General Statutes establishes State Symbols and Other Official Adoptions. North Carolina currently has the following State symbols and official adoptions:

- | | |
|----------------------------------|---|
| § 145-2. State bird. | § 145-12. State language. |
| § 145-3. State tree. | § 145-13. The State dog. |
| § 145-4. State shell. | § 145-14. The State Military Academy. |
| § 145-5. State mammal. | § 145-15. State tartan. |
| § 145-6. State saltwater fish. | § 145-16. State Watermelon Festivals. |
| § 145-7. State insect. | § 145-17. State vegetable. |
| § 145-8. State stone. | § 145-18. State fruit and State berries. |
| § 145-9. State reptile. | § 145-19. State International Festival. |
| § 145-10. State rock. | § 145-20. State wildflower. |
| § 145-10.1. State beverage. | § 145-21. State Aviation Hall of Fame and Museum
and State Museum of Aviation. |
| § 145-11. State historical boat. | |

BILL ANALYSIS:

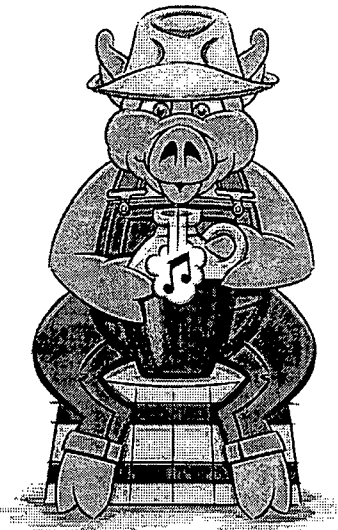
The Proposed Committee Substitute (PCS) amends Chapter 145 to adopt the Lexington Barbecue Festival as the official State food festival.

ADDITIONAL INFORMATION:

The Barbecue Festival is held on one of the last two Saturdays in October. The 22nd Annual Barbecue Festival is scheduled for Saturday, October 22, 2005.

For more information: <http://www.barbecuefestival.com/>

H21-SMSH-001



Barbecue Festival Facts

- Twenty-One years of successful annual celebrations highlighting Lexington's famous heritage.
- Twenty-One years of helping to build community among all of the citizens of Lexington and Davidson County.
- Admission to the Barbecue Festival is FREE.
- The festival generates year round positive publicity for the City of Lexington, Davidson County and the State of North Carolina. Media coverage has included print, radio, and newspaper from local, regional, and national media outlets.
- Production of the festival has become a yearlong, full-time job for the director and support staff.
- The Barbecue Festival provides more than 125,000 people with the finest arts/crafts, the most exciting entertainment, and of course, the Best barbecue in the world!
- More than 15,000 lbs. of our famous Lexington Style Barbecue is served at the festival from three tents located on the North and South entrances of the festival and at the square.
- Both the Piedmont and Carolinian Amtrak trains make special once-a-year stops in Lexington for the Barbecue Festival. All aboard the "Barbecue Express"!
- Travel and Leisure Magazine recognized the Barbecue Festival as one of America's Top Ten Food Festivals and for many years, the Southeast Tourism Society has selected the festival as a Top Twenty Event for the month of October.
- The festival has received more than fifty awards from the North Carolina Association of Festival and Events for categories including brochure design, souvenir design, poster design, sponsorship programs, etc. The festival has also received an award from the International Association of Festivals and Events.

- In 2003, The Barbecue Festival was named festival of the year for the state of North Carolina by the North Carolina Association of Festivals and Events. And, in 2002, festival director, Stephanie K. Saintsing-Gryder, was named festival director of the year.
- In 2003, The Barbecue Festival was featured on more than 20 million Pepsi can panels celebrating the festival's 20th anniversary.
- In 2000, The Barbecue Festival was nominated by Congressman Mel Watt and selected by a committee of the Library of Congress for inclusion in their Local Legacies Program to celebrate the library's 200th anniversary.
- Since it's inception, www.barbecuefestival.com, has received more than six million hits and has generated thousands of brochure requests from every state and from more than forty foreign countries. The website averages 40,000 hits a month. The website has become a tremendous resource for festival information and information about our community.
- The production of the event would not be possible with continued support from the City of Lexington and local businesses.
- The festival is extremely proud to serve as a catalyst for community fundraising by providing more than forty plus non-profit organizations the audience to have their biggest fundraising day of the year by selling concessions, parking cars, selling raffle tickets, etc.
- The Red Cross hosts their largest blood drive of the year at The Barbecue Festival.
- For many Uptown Lexington merchants, the day of the festival is their most profitable day of the year.
- The Barbecue Festival is a 501-C-4 non-profit organization and was established in 1983. The Articles of Incorporation state, "The purposes for which the corporation is organized are to promote and conduct an annual festival in the City of Lexington, North Carolina, in order to perpetuate the history of Lexington as the pork barbecue capital of the country, and to educate the public on the history of barbecue making in Lexington." The original directors were Kay K. Saintsing, Joe S. Sink of The Dispatch, and Carl Hughes, Jr. of BB&T. Mr. Wade Reece was the BB&T city executive at the time of initial discussions and planning of the inaugural festival but was transferred prior to the signing of the articles of incorporation.
- The annual budget for the event now exceeds \$200,000.
- The festival serves as a year round ambassador for Lexington and is proud to represent the community in such a positive way with this signature event!

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☐ Committee Substitute for

HB 21 A BILL TO BE ENTITLED AN ACT TO ADOPT THE LEXINGTON
BARBECUE FESTIVAL AS THE OFFICIAL BARBECUE FESTIVAL OF NORTH
CAROLINA.

☒ With a favorable report as to the committee substitute bill, which changes the title,
unfavorable as to the original bill.

(FOR JOURNAL USE ONLY)

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Bill/(Joint) resolution No. _____) is placed on the Unfavorable Calendar.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 454*

Short Title: Water/Utilities Savings in Govt. Facilities.

(Public)

Sponsors: Representatives Tolson, Pate (Primary Sponsors); Alexander, Fisher, Hackney, Insko, Luebke, and Weiss.

Referred to: State Government.

March 3, 2005

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THAT GUARANTEED ENERGY SAVINGS CONTRACTS INCLUDE CONSERVATION MEASURES FOR WATER AND OTHER UTILITIES, TO RAISE THE CAP FOR GUARANTEED ENERGY SAVINGS CONTRACTS, TO EXPAND THE STATE'S ENERGY POLICY AND LIFE-CYCLE COST ANALYSIS TO INCLUDE THE CONSERVATION OF WATER AND OTHER UTILITIES, AND TO MAKE CONFORMING CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. The title of Article 3B of Chapter 143 of the General Statutes reads as rewritten: "Energy Conservation of Energy, Water, and Other Utilities in Public Government Facilities."

SECTION 2. G.S. 143-64.17 reads as rewritten:

"§ 143-64.17. Definitions.

As used in this Part:

- (1) "Energy conservation measure" means a facility alteration, training, or services related to the operation of the facility, when the alteration, training, or services provide anticipated energy savings. Energy conservation measure includes any of the following:
 - a. Insulation of the building structure and systems within the building.
 - b. Storm windows or doors, caulking, weatherstripping, multiglazed windows or doors, heat-absorbing or heat-reflective glazed or coated window or door systems, additional glazing, reductions in glass area, or other window or door system modifications that reduce energy consumption.
 - c. Automatic energy control systems.

- 1 d. Heating, ventilating, or air-conditioning system modifications
2 or replacements.
- 3 e. Replacement or modification of lighting fixtures to increase the
4 energy efficiency of a lighting system without increasing the
5 overall illumination of a facility, unless an increase in
6 illumination is necessary to conform to the applicable State or
7 local building code or is required by the light system after the
8 proposed modifications are made.
- 9 f. Energy recovery systems.
- 10 g. Cogeneration systems that produce steam or forms of energy
11 such as heat, as well as electricity, for use primarily within a
12 building or complex of buildings.
- 13 ~~h. Other energy conservation measures.~~
- 14 i. Faucets with automatic or metered shut-off valves, leak
15 detection equipment, water recycling equipment, and
16 wastewater recovery systems.
- 17 j. Other energy conservation measures that conserve energy,
18 water, or other utilities.
- 19 (2) "Energy savings" means a measured reduction in fuel costs, energy
20 costs, water costs, stormwater fees, other utility costs, or operating
21 ~~costs~~ costs, including environmental discharge fees and water and
22 sewer maintenance fees, created from the implementation of one or
23 more energy conservation measures when compared with an
24 established baseline of previous ~~fuel costs, energy costs, or operating~~
25 ~~costs~~ such costs developed by the governmental unit.
- 26 (2a) "Governmental unit" means either a local governmental unit or a State
27 governmental unit.
- 28 (3) "Guaranteed energy savings contract" means a contract for the
29 evaluation, recommendation, or implementation of energy
30 conservation measures, including the design and installation of
31 equipment or the repair or replacement of existing equipment, in which
32 all payments, except obligations on termination of the contract before
33 its expiration, are to be made over time, and in which energy savings
34 are guaranteed to exceed costs.
- 35 (4) "Local governmental unit" means any board or governing body of a
36 political subdivision of the State, including any board of a community
37 college, any school board, or an agency, commission, or authority of a
38 political subdivision of the State.
- 39 (5) "Qualified provider" means a person or business experienced in the
40 design, implementation, and installation of energy conservation
41 measures.
- 42 (6) "Request for proposals" means a negotiated procurement initiated by a
43 governmental unit by way of a published notice that includes the
44 following:

- a. The name and address of the governmental unit.
- b. The name, address, title, and telephone number of a contact person in the governmental unit.
- c. Notice indicating that the governmental unit is requesting qualified providers to propose energy conservation measures through a guaranteed energy savings contract.
- d. The date, time, and place where proposals must be received.
- e. The evaluation criteria for assessing the proposals.
- f. A statement reserving the right of the governmental unit to reject any or all the proposals.
- g. Any other stipulations and clarifications the governmental unit may require.

(7) "State governmental unit" means the State or a department, an agency, a board, or a commission of the State, including the Board of Governors of The University of North Carolina and its constituent institutions."

SECTION 3. G.S. 143-64.17G reads as rewritten:

"§ 143-64.17G. Report on guaranteed energy savings ~~contracts~~contracts entered into by local governmental units.

A local governmental unit that enters into a guaranteed energy savings contract must report the contract and the terms of the contract to the Local Government Commission. The Commission shall compile the information and report it biennially to the Joint Commission on Governmental Operations. In compiling the information, the Local Government Commission shall include information on the energy savings expected to be realized from a contract and, with the assistance of the Office of State Construction, shall evaluate whether expected savings have in fact been realized."

SECTION 4. G.S. 143-64.17H reads as rewritten:

"§ 143-64.17H. ~~Guaranteed—Report on guaranteed~~ energy savings ~~contract reporting requirements~~contracts entered into by State governmental units.

A State governmental unit that enters into a guaranteed energy savings contract must report the contract and the terms of the contract to the State Energy Office of the Department of Administration within 30 days of the date the contract is entered into. In addition, within 60 days after each annual anniversary date of a guaranteed energy savings contract, the State governmental unit must report the status of the contract to the State Energy Office, including any details required by the State Energy Office. The State Energy Office shall compile the information for each fiscal year and report it to the Joint Legislative Commission on Governmental Operations and to the Local Government Commission annually by December 1. In compiling the information, the State Energy Office shall include information on the energy savings expected to be realized from a contract and shall evaluate whether expected savings have in fact been realized."

SECTION 5. G.S. 142-63 reads as rewritten:

"§ 142-63. Authorization of financing contract.

1 Subject to the terms and conditions set forth in this Article, a State governmental
2 unit that has solicited a guaranteed energy conservation measure pursuant to
3 G.S. 143-64.17A or G.S. 143-64.17B or the State Treasurer, as designated by the
4 Council of State, is authorized to execute and deliver, for and on behalf of the State of
5 North Carolina, a financing contract to finance the costs of the energy conservation
6 measure. The aggregate principal amount payable by the State under financing contracts
7 entered pursuant to this Article shall not exceed ~~fifty million dollars (\$50,000,000)~~
8 seventy-five million dollars (\$75,000,000) at any one time."

9 **SECTION 6.** G.S. 143-64.10 reads as rewritten:

10 **"§ 143-64.10. Findings; policy.**

11 (a) The General Assembly ~~hereby finds~~finds all of the following:

12 (1) That the State shall take a leadership role in aggressively undertaking
13 ~~energy~~the conservation of energy, water, and other utilities in North
14 ~~Carolina~~Carolina.

15 (2) That State facilities have a significant impact on the State's
16 consumption of ~~energy~~energy, water, and other utilities.

17 (3) That ~~energy conservation~~ practices to conserve energy, water, and
18 other utilities that are adopted for the design, construction, operation,
19 maintenance, and renovation of these facilities and for the purchase,
20 operation, and maintenance of equipment for these facilities will have
21 a beneficial effect on the State's overall supply of ~~energy~~energy,
22 water, and other utilities.

23 (4) That the cost of the ~~energy~~energy, water, and other utilities consumed
24 by these facilities and the equipment for these facilities over the life of
25 the facilities shall be considered, in addition to the initial ~~cost~~cost.

26 (5) That the cost of ~~energy~~energy, water, and other utilities is significant
27 and facility designs shall take into consideration the total life-cycle
28 cost, including the initial construction cost, and the cost, over the
29 economic life of the facility, of the ~~energy~~energy, water, and other
30 utilities consumed, and of operation and maintenance of the facility as
31 it affects ~~energy consumption~~and the consumption of energy, water,
32 or other utilities.

33 (6) That State government shall undertake a program to reduce ~~energy~~the
34 use of energy, water, and other utilities in State facilities and
35 equipment in those facilities in order to provide its citizens with an
36 example of ~~energy-use~~energy-use, water-use, and utility-use
37 efficiency.

38 (b) It is the policy of the State of North Carolina to ensure that ~~energy~~
39 ~~conservation~~practices to conserve energy, water, and other utilities are employed in the
40 design, construction, operation, maintenance, and renovation of State facilities and in
41 the purchase, operation, and maintenance of equipment for State facilities."

42 **SECTION 7.** G.S. 143-64.11(2) reads as rewritten:

43 "(2) "Energy-consumption analysis" means the evaluation of all energy-
44 consuming systemssystems, including systems that consume water or

1 other utilities, and components of these systems by demand and type
2 of ~~energy~~, ~~energy~~ or other utility use, including the internal energy load
3 imposed on a facility by its occupants, equipment and components,
4 and the external energy load imposed on the facility by climatic
5 conditions."

6 **SECTION 8.** G.S. 143-64.11(2b) reads as rewritten:

7 "(2b) "Energy-consuming system" includes but is not limited to any of the
8 following equipment or measures:

- 9 a. Equipment used to heat, cool, or ventilate the facility;
10 b. Equipment used to heat water in the facility;
11 c. Lighting systems;
12 d. On-site equipment used to generate electricity for the facility;
13 e. On-site equipment that uses the sun, wind, oil, natural gas,
14 liquid propane gas, coal, or electricity as a power source; and
15 f. Energy conservation ~~measures—measures~~, as defined in
16 G.S. 143-64.17, in the facility design and construction that
17 decrease the ~~energy—energy, water, or other utility~~ requirements
18 of the facility."

19 **SECTION 9.** G.S. 143-64.11(3) reads as rewritten:

20 "(3) "Facility" means a building or a group of buildings served by a central
21 ~~energy—distribution system~~ for energy, water, or other utility or
22 components of a central ~~energy—distribution system~~."

23 **SECTION 10.** G.S. 143-64.12 reads as rewritten:

24 **"§ 143-64.12. Authority and duties of State agencies.**

25 (a) The General Assembly authorizes and directs that State agencies shall carry
26 out the construction and renovation of State facilities, under their jurisdiction in such a
27 manner as to further the policy declared herein, ensuring the use of life-cycle cost
28 analyses and ~~energy—conservation practices—practices~~ to conserve energy, water, and
29 other utilities.

30 (b) The Department of Administration shall develop and implement policies,
31 procedures, and standards to ensure that State purchasing practices improve ~~energy~~
32 efficiency regarding energy, water, and other utility use and take the cost of the product
33 over the economic life of the product into consideration. The Department of
34 Administration shall adopt and implement Building Energy Design Guidelines. These
35 guidelines shall include energy-use goals and standards, economic assumptions for
36 life-cycle cost analysis, and other criteria on building systems and technologies. The
37 Department of Administration shall modify the design criteria for construction and
38 renovation of facilities to require that a life-cycle cost analysis be conducted pursuant to
39 G.S. 143-64.15. The Department of Administration, as part of the Facilities Condition
40 and Assessment Program, shall identify and recommend energy conservation
41 maintenance and operating procedures that are designed to reduce energy consumption
42 within the facility and that require no significant expenditure of funds. State
43 departments, institutions, or agencies shall implement these recommendations. Where

energy management equipment is proposed for State facilities, the maximum interchangeability and compatibility of equipment components shall be required.

The Department of Administration shall develop a comprehensive ~~energy management program to manage energy, water, and other utility use~~ for State government. Each State agency shall develop and implement ~~an energy management plan that is consistent with the State's comprehensive energy management program to manage energy, water, and other utility use.~~

(c) through (g) Repealed by Session Laws 1993, c. 334, s. 4."

SECTION 11. G.S. 143-64.15 reads as rewritten:

"§ 143-64.15. Life-cycle cost analysis.

(a) A life-cycle cost analysis shall include, but not be limited to, all of the following elements:

- (1) The coordination, orientation, and positioning of the facility on its physical ~~site; site.~~
- (2) The amount and type of fenestration employed in the ~~facility; facility.~~
- (3) Thermal characteristics of materials and the amount of insulation incorporated into the facility ~~design; design.~~
- (4) The variable occupancy and operating conditions of the facility, including illumination ~~levels; and levels.~~
- (5) Architectural features ~~which that~~ affect ~~energy consumption; the consumption of energy, water, and other utilities.~~

(b) The life-cycle cost analysis performed for any State facility shall, in addition to the requirements set forth in subsection (a) of this section, include, but not be limited to, all of the following:

- (1) An energy-consumption analysis of the facility's energy-consuming systems in accordance with the provisions of subsection (g) of this ~~section; section.~~
- (2) The initial estimated cost of each energy-consuming system being compared and ~~evaluated; evaluated.~~
- (3) The estimated annual operating cost of all utility ~~requirements; requirements.~~
- (4) The estimated annual cost of maintaining each energy-consuming ~~system; and system.~~
- (5) The average estimated replacement cost for each system expressed in annual terms for the economic life of the facility.

(c) ~~The General Assembly requires each~~ Each entity ~~to shall~~ conduct a life-cycle cost analysis pursuant to this section for the construction or the renovation of any State facility or State-assisted facility of 20,000 or more gross square feet. For the replacement of heating, ventilation, and air conditioning equipment in any State facility or State-assisted facility of 20,000 or more gross square feet, the entity shall conduct a life-cycle cost analysis of the replacement equipment pursuant to this section when the replacement is financed under a guaranteed energy savings contract or financed using repair and renovation funds.

1 (d) The life-cycle cost analysis shall be certified by a registered professional
2 engineer or bear the seal of a North Carolina registered architect, or both. The engineer
3 or architect shall be particularly qualified by training and experience for the type of
4 work involved, but shall not be employed directly or indirectly by a fuel provider, utility
5 company, or group supported by fuel providers or utility funds. Plans and specifications
6 for facilities involving public funds shall be designed in conformance with the
7 provisions of G.S. 133-1.1.

8 (e) In order to protect the integrity of historic buildings, no provision of this
9 Article shall be interpreted to require the implementation of ~~energy-cost~~ measures to
10 conserve energy, water, or other utility use that conflict with respect to any property
11 eligible for, nominated to, or entered on the National Register of Historic Places,
12 pursuant to the National Historic Preservation Act of 1966, P.L. 89-665; any historic
13 building located within an historic district as provided in Chapters 160A or 153A of the
14 General Statutes; any historic building listed, owned, or under the jurisdiction of an
15 historic properties commission as provided in Chapter 160A or 153A; nor any historic
16 property owned by the State or assisted by the State.

17 (f) Each State agency shall use the life-cycle cost analysis over the economic life
18 of the facility in selecting the optimum system or combination of systems to be
19 incorporated into the design of the facility.

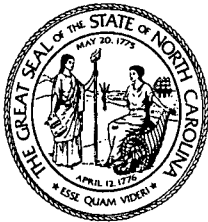
20 (g) The energy-consumption analysis of the operation of energy-consuming
21 systems utilities in a facility shall include, but not be limited to: to, all of the following:

22 (1) The comparison of two or more system ~~alternatives;~~ alternatives.

23 (2) The simulation or engineering evaluation of each system over the
24 entire range of operation of the facility for a year's operating ~~period;~~
25 and period.

26 (3) The engineering evaluation of the ~~energy-consumption of energy,~~
27 water, and other utilities of component equipment in each system
28 considering the operation of such components at other than full or
29 rated outputs."

30 **SECTION 12.** This act is effective when it becomes law.



BILL ANALYSIS

House Bill 454: Water/Utilities Savings in Govt. Facilities

Committee: House State Government
Introduced by: Reps. Tolson, Pate
Version: First Edition

Date: April 13, 2005
Summary by: Kory Goldsmith
Committee Counsel

SUMMARY: *House Bill 454 expands the types of utilities that are subject to the conservation methods authorized for State facilities. In addition to energy, the bill adds water and other utilities. It also increases, from \$50,000,000 to \$75,000,000, the aggregate principal amount payable by the State on a guaranteed energy savings contract. It also directs that when a State facility or State-assisted facility of 20,000 gross square feet or more replaces its heating, ventilation, or air conditions equipment, it must conduct a life-cycle cost analysis of the replacement equipment if the replacement is financed with a guaranteed energy savings contract or is financed using repair and renovation funds.*

The act is effective when it becomes law.

CURRENT LAW: Article 3B of Chapter 143 establishes the policy that the State should take a leadership role in conserving energy, and that State agencies must carry out construction and renovation projects in a manner that furthers this policy. The Department of Administration (DOA) must identify and recommend energy conservation procedures designed to reduce energy consumption in State facilities. State agencies are required to conduct life-cycle cost analysis on any construction or renovation of 20,000 square feet or more.

State agencies and units of local government may enter into financing contracts with qualified providers for up to \$50 million to finance the costs of an energy conservation measure. These contracts are allowed provided the term of the contract does not exceed 12 years, the energy savings will equal or exceed the total cost of the contract, and the conservation measures are for an existing building. Units of local government must report any contracts to the Local Government Commission, and State agencies must report their contracts to the DOA.

BILL ANALYSIS:

Section 1 amends the title of Article 3B of Chapter 143 of the General Statutes to reflect that water and other utilities are included among the conservation measures for governmental facilities.

Section 2 amends the definition of "Energy conservation measure" to include devices that help conserve water and other utilities. It also amends the definition of "Energy savings" to include water costs, stormwater, environmental discharge, and sewer maintenance fees.

Sections 3 and 4 amend the catch lines for G.S. 143-64.17G and G.S. 143-64.17H respectively to make it clearer which one applies to units of local government and which one applies to State agencies.

Section 5 increases, from \$50,000,000 to \$75,000,000, the aggregate principal amount payable by the State on a guaranteed energy savings contract.

Section 6 amends the findings by the State regarding its policy of adopting energy conservation measures to make them also be applicable to water and other utilities.

Section 7 amends the definition of "Energy-consumption analysis" to include evaluations of systems that consume water and other utilities.

House Bill 454

Page 2

Section 8 amends the definition of "Energy-consuming system" to include water and other utility conserving measures.

Section 9 amends the definition of "Facility" to include a building or group of buildings serviced by a central water or other utility distribution system.

Section 10 authorizes and directs State agencies to carry out construction and renovation projects in a manner to further the conservation of water and other utilities.

Section 11 directs that when a State facility or State-assisted facility of 20,000 gross square feet or more replaces its heating, ventilation, or air conditions equipment, it must conduct a life-cycle cost analysis of the replacement equipment if the replacement is financed with a guaranteed energy savings contract or is financed using repair and renovation funds.

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

H0454e1-SMRC

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☐ Committee Substitute for

HB 454 A BILL TO BE ENTITLED AN ACT TO CLARIFY THAT GUARANTEED ENERGY SAVINGS CONTRACTS INCLUDE CONSERVATION MEASURES FOR WATER AND OTHER UTILITIES, TO RAISE THE CAP FOR GUARANTEED ENERGY SAVINGS CONTRACTS, TO EXPAND THE STATE'S ENERGY POLICY AND LIFE-CYCLE COST ANALYSIS TO INCLUDE THE CONSERVATION OF WATER AND OTHER UTILITIES, AND TO MAKE CONFORMING CHANGES.

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

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on _____.

_____ The bill/resolution is re-referred to the Committee on _____.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 1006

Short Title: State Contracts/Slavery Profits.

(Public)

Sponsors: Representatives Womble; and Jones.

Referred to: State Government.

March 31, 2005

A BILL TO BE ENTITLED
AN ACT REQUIRING COMPANIES ENTERING INTO CONTRACTS WITH
STATE DEPARTMENTS TO EXAMINE THEIR RECORDS FOR EVIDENCE
OF PARTICIPATION IN OR PROFITING FROM SLAVERY.

The General Assembly of North Carolina enacts:

SECTION 1. Article 3 of Chapter 143 of the General Statutes is amended by
adding the following new section to read:

**"§ 143-59.4. Vendors search records for information on slavery participation or
profit.**

(a) The following definitions apply in this section:

- (1) Enslaved person. – Any person who was wholly subject to the will of another and whose person and services were wholly under the control of another and who was in a state of enforced compulsory service to another during the slavery era.
- (2) Investment. – To make use of an enslaved person for future benefits or advantages.
- (3) Participation. – Having been a slaveholder during the slavery era.
- (4) Predecessor vendor. – An entity whose ownership, title, and interest, including all rights, benefits, duties, and liabilities were acquired in an uninterrupted chain of succession by the Vendor.
- (5) Profits. – Any economic advantage or financial benefit derived from the use of enslaved persons.
- (6) Slavery. – The practice of owning enslaved persons.
- (7) Slavery era. – That period of time in the United States of America prior to 1865.
- (8) Slaveholder. – Holders of enslaved persons, owners of business enterprises using enslaved persons, owners of vessels carrying enslaved persons or other means of transporting enslaved persons, and

1 merchants or financiers dealing in the purchase, sale, or financing of
2 the business of enslaved persons.

3 (9) Slaveholder insurance policies. – Policies issued to or for the benefit of
4 slaveholders to insure them against the death of or injury to enslaved
5 persons.

6 (b) A vendor entering into a contract for goods or services with a department of
7 the State shall complete an affidavit, prior to or contemporaneous with entering into the
8 contract, certifying the following:

9 (1) The vendor has searched any and all records of the vendor, or any
10 predecessor vendor, for records of participation or investment in or
11 profits derived from slavery, including slaveholder insurance policies
12 issued during the slavery era.

13 (2) The vendor has disclosed any and all records of participation in or
14 profits derived from slavery by the vendor, or any predecessor vendor,
15 including issuance of slaveholder insurance policies during the slavery
16 era, and the vendor has identified the names of any enslaved persons or
17 slaveholders described in the records.

18 (c) A State department may terminate a contract entered into with a vendor if the
19 vendor fails to fully and accurately complete the affidavit required in subsection (b) of
20 this section.

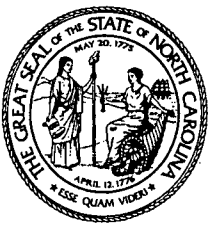
21 (d) The Secretary of Administration shall: (i) develop an affidavit to be used by
22 State departments and vendors; and (ii) monitor compliance with the provisions of this
23 section, including investigation of alleged violations.

24 (e) The provisions of this section shall not apply to the following:

25 (1) Contracts entered into by State departments with other governmental
26 entities, including the United States of America, a county, city, or
27 public agency of one of these entities.

28 (2) Contracts for the purchase of articles in certain emergencies as
29 provided in G.S. 143-57."

30 **SECTION 2.** This act is effective when it becomes law and applies to
31 contracts entered into on or after October 1, 2005.



HOUSE BILL 1006: State Contracts/Slavery Profits

BILL ANALYSIS

Committee: House State Government
Committee

Date: April 12, 2005

Version: First Edition

Introduced by: Representative Womble

Summary by: Tim Hovis
Committee Counsel

SUMMARY: House Bill 1006 amends Article 3 of Chapter 143 of the General Statutes, *Purchases and Contracts*, to require vendors entering into contracts with the State to provide an affidavit certifying the following:

- The vendor has searched any and all company records for evidence of participation or investment in or profits derived from slavery, including slavery insurance policies; and
- The vendor has disclosed any and all records of participation in or profits derived from slavery by the vendor or any predecessor vendor, including issuance of slaveholder insurance policies, and has identified the names of any enslaved persons or slaveholders identified in the records.

The State may terminate a contract if the vendor fails to fully and accurately complete the affidavit.

The Secretary of Administration is authorized to develop an affidavit to be used by State departments and vendors and is charged with monitoring compliance with the requirements of this section.

The requirements of this section do not apply to the following: (1) contracts entered into by the State with other governmental entities; and (2) contracts for the purchase of articles by the State in emergencies under G.S. 143-57. Emergencies under G.S. 143-57 include but are not limited to delay by contractors, delay in transportation, breakdown in machinery, and unanticipated volume of work.

EFFECTIVE DATE: House Bill 1006 is effective when it becomes law and applies to contracts entered into on or after October 1, 2005.

§ 143-57. Purchases of articles in certain emergencies.

In case of any emergency or pressing need arising from unforeseen causes including but not limited to delay by contractors, delay in transportation, breakdown in machinery, or unanticipated volume of work, the Secretary of Administration shall have power to obtain or authorize obtaining in the open market any necessary supplies, materials, equipment, printing or services for immediate delivery to any department, institution or agency of the State government. A report on the circumstances of such emergency or need and the transactions thereunder shall be made a matter of record promptly thereafter. If the expenditure exceeds ten thousand dollars (\$10,000), the report shall also be made promptly thereafter to the Division of Purchase and Contract. (1931, c. 261, s. 8; 1957, c. 269, s. 3; 1971, c. 587, s. 1; 1975, c. 879, s. 46; 1999-400, s. 3.)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTICE
2005-2006 SESSION**

You are hereby notified that the Committee on **State Government** will meet as follows:

DAY & DATE: **Wednesday, April 13, 2005**

TIME: **11:00 a.m.**

LOCATION: **Room 1425 LB**

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

HB 21	Adopt State Barbecue Festival	Reps. Holliman, Dockman
HB 454	Water/Utilities Saving in Govt. Facilities	Reps. Tolson, Pate
HB 1006	State Contracts/Slavery Profits	Reps. Womble, Jones
HB 864	Mayo State Park Condemnation	Reps. Cole, Holloway
HB 874	Title Change/Safety and Health Review Board	Rep. Goodwin

Respectfully,

*Representative Womble/Representative Johnson
Chairs

I hereby certify this notice was filed by the committee assistant at the following offices at 2:20 P.M. on April 8, 2005.

☒ Principal Clerk
☒ Reading Clerk - House Chamber

*Dorothy McLean (Committee Assistant)
Rachel Faison (Committee Assistant)

**MINUTES
HOUSE COMMITTEE ON
STATE GOVERNMENT**

Wednesday, April 20, 2005

The House Committee on State Government met on Wednesday, April 20, 2005 in Room 1228 of the Legislative Building at 11:00 AM. The following members were present: Co-Chairman Linda Johnson, Co-Chairman Larry Womble, Representative Underhill, Eddins, Yongue, Setzer and Current. Staff Counselors Theresa Matala, Tim Hovis, and Kory Goldsmith were in attendance. A Visitor Registration list is attached and made part of these minutes.

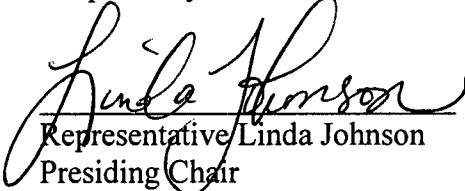
The Chairman called the meeting to order and recognized Pages, Sergeant-at-Arms, Staff and visitors.

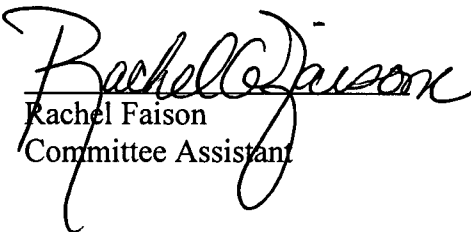
House Bill 676, **AN ACT PROVIDING THAT THE OFFICE OF STATE BUDGET AND MANAGEMENT MUST APPROVE CERTAIN FEES RELATING TO GOVERNMENT E-COMMERCE IN CONSULTATION WITH THE STATE CHIEF INFORMATION OFFICER AND THE JOINT LEGISLATIVE COMMISSION ON GOVERNMENTAL OPERATIONS**, was given a favorable report, unanimously. The motion of Favorable report was made by Rep. Yongue

Rep. Setzer makes motion to hear House Bill 566, **AN ACT TO ESTABLISH A MODERN INVESTMENT PROGRAM FOR THE PRUDENT AND APPROPRIATE MANAGEMENT OF THE ESCHEAT FUND, FOR THE BENEFIT OF "NEEDY AND WORTHY" STUDENTS AS PROVIDED FOR IN THE STATE CONSTITUTION**. Rep. Gibson explains the bill and how no opposition is known. Rep. Current asked several questions. Rep. Setzer moves the bill be given a favorable report and be referred to Finance. The motion carried by way of a unanimous vote.

There being no further business, the Chair adjourned the meeting at 11:28 AM.

Respectfully submitted,


Representative Linda Johnson
Presiding Chair


Rachel Faison
Committee Assistant

Representative Larry Womble
Co-Chair

AGENDA

HOUSE STATE GOVERNMENT COMMITTEE MEETING

April 20, 2005- Room 1425 LB

****Representative Larry Womble**

Chair

Representative Linda Johnson

Chair

CALL TO ORDER

WELCOME

INTRODUCTION OF PAGES and SERGEANT-at-ARMS

BILLS TO BE DISCUSSED

HB 566	Modern Escheat Investment Program	Reps. Gibson, Cole
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HB 676	Gov't E-Commerce/Approval Fees	Rep. Tolson
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COMMENTS

ADJOURNMENT

VISITOR REGISTRATION SHEET

HOUSE/STATE GOVERNMENT

April, 20, 2005

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Brett Joyal

DST

Rebecca Key

INTERN - PRYOR GIBSON

Eric Fletcher

DST

Stacey Phipps

DST

Sam Wootnam

DST

Michelle

DST

Tara Beck

East surry

EAST SURRY

Pilot Mountain, NC

DAVID REAVIS

OSC

Steve Eubanks

DST

Jim

NIRA

VISITOR REGISTRATION SHEET

HOUSE/STATE GOVERNMENT

April, 20, 2005

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

East Surry	Pilot Mtn. NC
Cameron Ketch	NCPOL
BA FOLTT	NCPOL
Kari Barsness	OSBM
Harry Iglea	NCEA
John Long	Martin Marietta McInnis
Fred Allen	NC Aggregates Assn.
DAVE ROSSI	ITS
Danny Lineberry	ITS

VISITOR REGISTRATION SHEET

HOUSE/STATE GOVERNMENT

Name of Committee

APRIL 20, 2005

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Joshua Fulk	East surry high
Abby Harris	East Surry high
William Hart	EAST Surry High School
Marienne Murphy	East Surry High School, Pilot Mtn., NC
Lacey Tilley	East Surry Highschool
Kayla Tug	East Surry High School
Hunter Davidson	East Surry High School
Will Imud	East Surry High School

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

H

1

HOUSE BILL 676

Short Title: Gov't E-Commerce/Approval of Fees.

(Public)

Sponsors: Representative Tolson.

Referred to: State Government.

March 17, 2005

A BILL TO BE ENTITLED

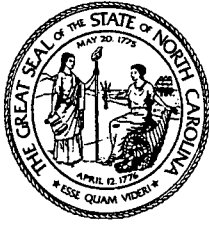
AN ACT PROVIDING THAT THE OFFICE OF STATE BUDGET AND
MANAGEMENT MUST APPROVE CERTAIN FEES RELATING TO
GOVERNMENT E-COMMERCE IN CONSULTATION WITH THE STATE
CHIEF INFORMATION OFFICER AND THE JOINT LEGISLATIVE
COMMISSION ON GOVERNMENTAL OPERATIONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 66-58.12(c) reads as rewritten:

"(c) The fee imposed under subsection (b) of this section must be approved by the
~~State Chief Information Officer, Office of State Budget and Management,~~ in
consultation with the State Chief Information Officer and the Joint Legislative
Commission on Governmental Operations. The revenue derived from the fee must be
credited to a nonreverting agency reserve account. The funds in the account may be
expended only for e-commerce initiatives and projects approved by the State Chief
Information Officer, in consultation with the Joint Legislative Oversight Committee on
Information Technology. For purposes of this subsection, the term "public agencies"
does not include a county, unit, special district, or other political subdivision of
government."

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



HOUSE BILL 676: Gov't E-Commerce/Approval of Fees

BILL ANALYSIS

Committee: House State Government
Introduced by: Rep. Tolson
Version: First Edition

Date: April 20, 2005
Summary by: Kory Goldsmith *KG*
Committee Counsel

SUMMARY: *House Bill 676 provides that any proposed fee to be charged by a public agency for access to services through electronic and digital transactions shall be approved by the Office of State Budget and Management (OSBM), in consultation with the State Chief Information Officer (CIO) and the Joint Legislative Commission on Governmental Operations (Gov Ops).*

The act would be effective when it becomes law.

CURRENT LAW: Article 11A of Chapter 66 was enacted to facilitate electronic commerce with public agencies and regulate the application of electronic signatures when used in commerce with public agencies. G.S. 66-58-12(b) authorizes a public agency to charge a fee to cover its costs of permitting a person to complete a transaction electronically. The fee may be applied on a per transaction basis and may be calculated either as a flat fee or a percentage fee.

Prior to 2004, a fee charged by a State institution, board, commission, bureau, council, department, or authority had to be approved by the Information Resource Management Commission (IRMC). Pursuant to S.L. 2004-129, the General Assembly abolished the IRMC and placed the responsibility for overseeing State information technology matters with the CIO. That legislation contained conforming changes that substituted the CIO wherever the IRMC previously had authority. Included in those changes was an amendment to G.S. 66-58.12(c) to conform to the rest of the legislation.

As a general rule, any request by a State agency to charge a fee is submitted to the OSBM for approval prior to being submitted to the Gov Ops.

BILL ANALYSIS: The bill would require any agency that proposes to charge a fee for transactions conducted electronically to submit the fee to the OSBM for approval. The OSBM would consult with the CIO and Gov Ops.

H0676e1-SMRC

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representatives **Johnson and Womble** (Chairs) for the Committee on **STATE GOVERNMENT**.

☐ Committee Substitute for

H.B. 676 A BILL TO BE ENTITLED AN ACT PROVIDING THAT THE OFFICE OF STATE BUDGET AND MANAGEMENT MUST APPROVE CERTAIN FEES RELATING TO GOVERNMENT E-COMMERCE IN CONSULTATION WITH THE STATE CHIEF INFORMATION OFFICER AND THE JOINT LEGISLATIVE COMMISSION ON GOVERNMENTAL OPERATIONS.

☒ With a favorable report.

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

☐ With a favorable report, as amended.

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

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

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

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

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

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

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

☐ Without prejudice.

☐ With an indefinite postponement report.

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

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

03/19/03

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 566*

Short Title: Modern Escheat Investment Program.

(Public)

Sponsors: Representatives Gibson and Cole (Primary Sponsors).

Referred to: State Government.

March 10, 2005

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A MODERN INVESTMENT PROGRAM FOR THE
PRUDENT AND APPROPRIATE MANAGEMENT OF THE ESCHEAT FUND,
FOR THE BENEFIT OF "NEEDY AND WORTHY" STUDENTS AS PROVIDED
FOR IN THE STATE CONSTITUTION.

Whereas, the State Constitution mandates that proceeds of the Escheat Fund shall be utilized to aid needy and worthy North Carolina students enrolled in public institutions of higher education; and

Whereas, continued tuition increases are intensifying the demand on the Escheat Fund to provide North Carolina students with loans and tuition assistance to offset tuition hikes; and

Whereas, adoption of a proactive investment policy for the Escheat Fund will enable the State to realize a greater benefit from existing capital, thereby enhancing the Escheat Fund's constitutionally provided purpose; and

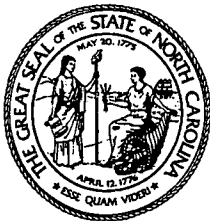
Whereas, the assets of the Escheat Fund have grown to nearly \$600,000,000, necessitating the establishment of a modern investment allocation strategy for these funds; and

Whereas, such a policy will enable the State Treasurer to invest in those types of investments considered prudent for the Escheat Fund; Now, therefore,
The General Assembly of North Carolina enacts:

SECTION 1. G.S. 147-69.2(b) is amended by adding a new subdivision to read:

"(12) With respect to assets of the Escheat Fund, in addition to those investments authorized by subdivisions (1) through (6) of this subsection, up to twenty percent (20%) in the investments authorized under subdivisions (7) through (9) of this subsection, notwithstanding the limitations imposed on the retirement funds under those subdivisions."

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



HOUSE BILL 566: Modern Escheat Investment Program.

BILL ANALYSIS

Committee: House State Government
Date: April 20, 2005
Version: First Edition

Introduced by: Representatives Gibson & Cole
Summary by: Theresa Matula
Committee Staff

SUMMARY: *House Bill 566 authorizes additional investment options for the State Treasurer enabling a modified investment strategy for the Escheat Fund in an effort to provide increased diversification and return potential with a goal of increasing the funds available to aid worthy and needy students who are residents enrolled in the State's public institutions of higher education.*

CURRENT LAW:

Escheat Fund

Property to which the State assumes ownership under Chapter 116B of the General Statutes, either because the property is determined to be abandoned or the property was owned by a person who died and had no heirs, is held by the State in the Escheat Fund.

Escheat Fund-Investment

G.S. 147-69.2(b) establishes the State Treasurer's duty to invest the cash of the Escheat Fund in excess of the amount required to meet the current needs and demands on the fund. The law also specifies the investment options available to the State Treasurer.

Escheat Fund-Use

Article IX, Section 10 of the North Carolina Constitution requires property in the Escheat Fund to be used to "aid worthy and needy students who are residents of this State and are enrolled in public institutions of higher education in this State." Each year, on or before July 15, an amount from the Escheat Fund is distributed to the State Education Assistance Authority for grants or loans to aid worthy and needy students. An amount determined in the annual budget is transferred annually from the Escheat Fund to the Department of Administration to partially fund Scholarships for Children of War Veterans.

Other Information

G.S. 147-69.2(b) 7, 8, and 9 concern the investment of assets for the following retirement systems: Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, the Firemen's and Rescue Workers' Pension Fund, The Local Governmental Employees' Retirement System, the Legislative Retirement System, and the North Carolina National Guard Pension Fund.

Each of the subdivisions in G.S. 147-69.2 (7)-(9) specify the investment option and any particular requirements and limitations of the investment.

Additionally, G.S. 147-69.2(b1) requires the State Treasurer to appoint a five member Investment Advisory Committee for the investments authorized in G.S. 147-69.2(b)(8) and (b) (9).

Currently none of the Escheat Fund assets are invested in the options provided under G.S. 147-69.2(b)(7)-(9).

HOUSE BILL 566

Page 2

BILL ANALYSIS:

House Bill 566 amends G.S. 147-69.2(b) by adding a new subdivision specifically pertaining to the investment of Escheat Fund assets. The new provision authorizes the State Treasurer to invest up to twenty percent (20%) of the assets of the Escheat Fund in the investment options authorized by G.S. 147-69.2(b)(7), (8), and (9).

Investment options by subdivision:

- *G.S. 147-69.2(b)(7)* - (i) insurance contracts, (ii) group trusts, (iii) individual, common, or collective trust funds of banks and trust companies, (iv) real estate investment trusts, and (iv) limited liability partnerships and limited liability companies;
- *G.S. 147-69.2(b)(8)* - preferred or common stocks invested directly or invested through individual, common, or collective trust funds of banks, trust companies, and group trust funds of advisory companies; and
- *G.S. 147-69.2(b)(9)* - limited partnerships interests or interests in a limited liability company if the primary purpose of the partnership or company is to invest in public or private debt, public or private equity, or corporate buyout transactions.

The investments authorized in this bill do not contain the limitations and conditions currently placed upon the investment of assets of the retirement systems. The investment of Escheat Fund assets in the above options is limited by the 20% cap.

This bill would become effective when it becomes law.

Trina Griffin contributed to this summary.

H566-SMSH-001

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representatives **Johnson and Womble** (Chairs) for the Committee on **STATE GOVERNMENT**.

☐ Committee Substitute for

H.B. 566 A BILL TO BE ENTITLED AN ACT TO ESTABLISH A MODERN INVESTMENT PORGRAM FOR THE PRUDENT AND APPROPRIATE MANAGEMENT OF THE ESCHEAT FUND, FOR THE BENEFIT OF "NEEDY AND WORTHY" STUDENTS AS PROVIDED FOR IN THE STATE CONSTITUTION.

☐ With a favorable report.

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

☐ With a favorable report, as amended.

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

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

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

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

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

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

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

☐ Without prejudice.

☐ With an indefinite postponement report.

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

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

03/19/03

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTICE
2005-2006 SESSION**

You are hereby notified that the Committee on **State Government** will meet as follows:

DAY & DATE: **Wednesday, April 20, 2005**

TIME: **11:00 a.m.**

LOCATION: **Room 1425 LB**

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

HB 566	Modern Escheat Investment Program	Reps. Gibson, Cole
---------------	--	---------------------------

HB 676	Gov't E-Commerce/Approval of Fees	Rep. Tolson
---------------	--	--------------------

Respectfully,

*Representative Womble/Representative Johnson
Chairs

I hereby certify this notice was filed by the committee assistant at the following offices at
on .

☒ Principal Clerk
☒ Reading Clerk - House Chamber

*Dorothy McLean (Committee Assistant)
Rachel Faison (Committee Assistant)

HOUSE STATE GOVERNMENT COMMITTEE
MEETING MINUTES

May 4, 2005

Co-Chair Larry Womble, Presiding

The House State Government Committee met on Wednesday May 4, 2005 at 11 a.m. in Room 1425 of the Legislative Building.

MEMBERS PRESENT: Co-Chairs: Larry Womble and Co-Chair Linda Johnson; Vice Chairs: Alexander, Underhill and Current; Representatives Bernard Allen, Yongue and Setzer. Staff Members were also present.

Co-Chair Womble called the meeting to order and indicated other members had committee meetings at the same time and would join them later. The Co-Chair acknowledged the House Pages and asked them to state their name and county. The House Sergeants-At-Arms were also recognized: Fred Hines and Bill Sullivan. A Visitors' Registration and Meeting Agenda are attached as part of these minutes.

The Co-Chair re-arranged the meeting agenda to accommodate Representative Church, one of the bill sponsors who had another committee meeting.

The bills on the meeting agenda were **House Bills: 528, 791 874 and 944.**

HOUSE BILL 791 – COUNTY VETERANS SERVICES OFFICES FUND, AN ACT TO INCREASE THE STATE MATCHING LIMIT FOR COUNTY VETERANS SERVICE OFFICES AND TO APPROPRIATE FUNDS FOR THIS PURPOSE.

Representative Nye, one of the bill sponsors, was asked to explain the bill. Representative Nye stated the Veterans Services is asking for \$5000 in the budget for all the needs that veterans may have. Representative Setzer made the motion for the vote. The committee voted FAVORABLE to the bill and was referred to the Appropriations Committee.

PAGE 2

HOUSE STATE GOVERNMENT COMMITTEE

HOUSE BILL 874 – TITLE CHANGE/SAFETY AND HEALTH PREVIEW BOARD, AN ACT T CHANGE THE TITLE OF THE SAFETY AND HEALTH REVIEW BOARD UNDER THE OCCUPATION SAFETY AND HEALTH ACT OF NORTH CAROLINA TO THE NORTH CAROLINA OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION, TO CHANGE THE TITLE OF THE OFFICE OF OCCUPATIONAL SAFETY AND HEALTH TO THE AUTHORITY OF THE BOARD TO ASSESS PENALTIES IN THE CASE OF AN APPEAL.

Representative Goodwin was recognized to present the bill. Co-Chair Womble gave the committee the opportunity for questions. The Legal Staff and visitors were also recognized for questions. Co-Chair Womble asked Representative Goodwin about any opposition to the bill. Representative Goodwin indicated she was not aware of any opposition to the bill. Vice Chair Johnson made the bill motion. The committee voted a FAVORABLE report to the bill.

HOUSE BILL 528 – WESTERN PIEDMONT COMMUNITY COLLEGE/UMSTEAD ACT, AN ACT AUTHORIZING THE USE OF PERSONNEL AND FACILITIES AT WESTERN PIEDMONT COMMUNITY COLLEGE IN SUPPORT OF ECONOMIC DEVELOPMENT.

Representative Church, bill sponsor, explained the bill. Vice Chair Alexander made the motion for a favorable report. The committee voted FAVORABLE and report directly to the House floor.

HOUSE BILL 944 – ADOPT THE SALUTE TO THE NC FLAG, AN ACT ADOPTING THE SALUTE TO THE FLAG OF NORTH CAROLINA AS THE OFFICIAL PLEDGE TO THE STATE FLAG.

PAGE 3
HOUSE STATE GOVERNMENT COMMITTEE

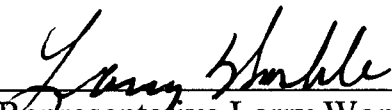
Representative Goodwin explained the bill. Co-Chair Womble asked when would it be appropriate to salute the NC Flag. Representative Goodwin stated it would be when the pledge is made to the United States Flag.

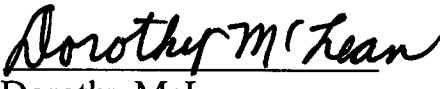
The Co-Chair also asked if Representative Goodwin had the wording of the pledge. Representative Goodwin read the wording.

The motion for the bill was made by the Vice Chair Johnson and the committee voted a FAVORABLE report as amended and rolled into a proposed committee substitute and reported directly to the House Floor.

The meeting was adjourned.

Respectfully submitted,


Representative Larry Womble
Committee Co-Chair


Dorothy McLean
Committee Assistant

Attachments:

Agenda
Visitor Registration Sheet
HB 791
HB 874
HB 528
HB 944

AGENDA

Attachment 1

HOUSE STATE GOVERNMENT COMMITTEE MEETING

May 4, 2005- Room 1425 LB

*****Representative Larry Womble***

Chair

Representative Linda Johnson

Chair

CALL TO ORDER

WELCOME

INTRODUCTION OF PAGES and SERGEANT-at-ARMS

BILLS TO BE DISCUSSED

HB 528	Modern Escheat Investment Programs	Reps. Church, Gillespie,
HB 791	County Veterans Service Funds	Rep. Nye
HB 874	Title Change/Safety/and Health Review Board	Rep. Goodwin
HB 944	Adopt the Salute to The NC Flag	Rep. Goodwin

COMMENTS

ADJOURNMENT

VISITOR REGISTRATION SHEET

STATE GOVERNMENT

May 4, 2005

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Mark Butler	News + Record
Patrick Buffkin	NCGA
Sam Morris	Courier
Pam Worth	GFWC-NK
Gilbert Jackson	Safety & Health Review Board
John Hamani	NCDAL
Art Brill	DCDOL

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 791

Short Title: County Veterans Service Offices Funds.

(Public)

Sponsors: Representatives Nye; Moore, Pate, Pierce, and Wainwright.

Referred to: State Government, if favorable, Appropriations.

March 17, 2005

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE STATE MATCHING LIMIT FOR COUNTY
VETERANS SERVICE OFFICES AND TO APPROPRIATE FUNDS FOR THIS
PURPOSE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 165-6 reads as rewritten:

"§ 165-6. Powers and duties of the Department.

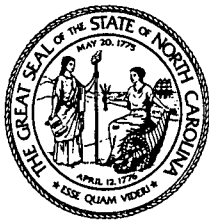
In furtherance of the stated purpose of this Article, the Department is hereby
authorized and empowered to do the following:

- (1) To assist veterans, their families, and dependents in the presentation, processing, proof, and establishment of such claims, privileges, rights, and benefits as they may be entitled to under federal, State, or local laws, rules, and regulations.
- (2) To aid persons in active military service and their dependents with problems arising out of said service which come reasonably within the purview of the Department's program of assistance.
- (3) To collect data and information as to the facilities and services available to veterans, their families, and dependents and to cooperate with agencies furnishing information or services throughout the State in order to inform such agencies regarding the availability of (i) education, training and retraining facilities, (ii) health, medical, rehabilitation, and housing services and facilities, (iii) employment and reemployment services, (iv) provisions of federal, State, and local laws, rules, and regulations affording rights, privileges, and benefits to veterans, their families, and dependents, and in respect to such other matters of similar, related, or appropriate nature not herein set out.
- (4) To establish such field offices, facilities and services throughout the State as may be necessary to carry out the purposes of this Article.

- 1 (5) To cooperate, as the Department deems appropriate, with
2 governmental, private and civic agencies and instrumentalities in
3 securing services or benefits for veterans, their families, dependents
4 and beneficiaries.
- 5 (6) To accept any property, funds, service, or facilities from any source,
6 public or private, granted in aid or furtherance of the administration of
7 the provisions of this Article.
- 8 (7) To enter into any contract or agreement with any person, firm, or
9 corporation, or governmental agency or instrumentality in furtherance
10 of the purposes of this Article, and to make all rules and regulations
11 necessary for the proper and effective administration of its duties.
- 12 (8) It shall be the duty of the Department to train, supervise and assist the
13 employees of any county, city or town who are engaged in veterans
14 service. Authority is hereby granted the governing body of any county,
15 city or town to appropriate such amounts as it may deem necessary to
16 provide a veterans service program and the expenditure of such funds
17 is hereby declared to be for a public purpose; such program shall be
18 operated in affiliation with this Department and under its supervision
19 as set forth above.
- 20 (9) The Department may, in its discretion, contribute to each county an
21 amount not to exceed ~~two thousand dollars (\$2,000)~~ five thousand
22 dollars (\$5,000) on a matching basis for any fiscal year for the
23 maintenance and operation of a county veterans service program.
24 Participating counties shall furnish the Department such reports,
25 accountings and other information at such times and in such form as
26 the Department may require.
- 27 (10) Repealed by Session Laws 1973, c. 620, s. 9."

28 **SECTION 2.** There is appropriated from the General Fund to the
29 Department of Administration the sum of three hundred thousand dollars (\$300,000) for
30 the 2005-2006 fiscal year to provide matching funds for the maintenance and operations
31 of county veterans service programs.

32 **SECTION 3.** This act becomes effective July 1, 2005.



HOUSE BILL 791: County Veterans Service Offices Funds

BILL ANALYSIS

Committee: House State Government
Introduced by: Rep. Nye
Version: First Edition

Date: May 4, 2005
Summary by: Theresa Matula
Committee Staff

SUMMARY: *House Bill 791 allows the Department of Administration to increase contributions on a matching basis for the maintenance and operation of county veterans service programs and appropriates \$300,000 for the 2005-2006 fiscal year to provide matching funds.*

BILL ANALYSIS:

G.S. 165-6 outlines the powers and duties of the Department of Administration with regard to veterans.

Section 1 of House Bill 791 amends G.S. 165-6(9) to increase the maximum amount from two thousand dollars (\$2,000) to five thousand dollars (\$5,000) that the Department may contribute for any fiscal year on a matching basis for the maintenance and operation of a county veterans service program.

Section 2 of the bill appropriates three hundred thousand dollars (\$300,000) from the General Fund to the Department of Administration for the 2005-2006 fiscal year to provide matching funds for maintenance and operation of county veterans service programs.

This act becomes effective July 1, 2005.

BACKGROUND:

Individuals in North Carolina that need information or assistance regarding veterans benefits may contact a District Veterans Service Office or County Veterans Service Office. Nearly all of North Carolina's one hundred counties have County Veterans Service Officers.

The above information was obtained from the Department of Veterans Affairs' website:
<http://www.doa.state.nc.us/vets/ncdva.htm>.

H0791e1-SMSH

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☐ Committee Substitute for

HB 791 A BILL TO BE ENTITLED AN ACT TO INCREASE THE STATE
MATCHING LIMIT FOR COUNTY VETERANS SERVICE OFFICES AND TO
APPROPRIATE FUNDS FOR THIS PURPOSE.

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

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ The bill/resolution is re-referred to the Committee on _____.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 874

Short Title: Title Change/Safety and Health Review Board.

(Public)

Sponsors: Representative Goodwin.

Referred to: State Government.

March 24, 2005

A BILL TO BE ENTITLED

AN ACT TO CHANGE THE TITLE OF THE SAFETY AND HEALTH REVIEW BOARD UNDER THE OCCUPATIONAL SAFETY AND HEALTH ACT OF NORTH CAROLINA TO THE NORTH CAROLINA OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. Under the Occupational Safety and Health Act of North Carolina, the name of the Safety and Health Review Board is changed to the North Carolina Occupational Safety and Health Review Commission. The Revisor of Statutes is authorized to substitute the term "Commission" for the term "Board" wherever that term appears in the General Statutes in relation to the Act.

SECTION 2. G.S. 95-127(2) reads as rewritten:

"(2) The term ~~"Board"~~"Commission" means the ~~Safety and Health Review Board~~North Carolina Occupational Safety and Health Review Commission established under this Article."

SECTION 3. G.S. 95-135 reads as rewritten:

"§ 95-135. ~~Safety and Health Review Board.~~North Carolina Occupational Safety and Health Review Commission.

(a) The ~~Safety and Health Review Board~~North Carolina Occupational Safety and Health Review Commission is hereby established. The ~~Board-Commission~~ shall be composed of three members from among persons who, by reason of training, education or experience, are qualified to carry out the functions of the ~~Board-Commission~~ under this Article. The Governor shall appoint the members of the ~~Board-Commission~~ and name one of the members as chairman of the ~~Board-Commission~~. The terms of the members of the ~~Board-Commission~~ shall be six years except that the members of the ~~Board-Commission~~ first taking office shall serve, as designated by the Governor at the time of appointment, one for a term of two years, one for a term of four years, and the member of the ~~Board-Commission~~ designated as chairman shall serve for a term of six years. Any vacancy caused by the death, resignation, or removal of a member prior to the

1 expiration of the term for which he was appointed shall be filled by the Governor for the
2 remainder of the unexpired term. The Governor shall fill all vacancies occurring by
3 reason of the expiration of the term of any members of the Board-Commission.

4 (b) The Board-Commission shall hear and issue decisions on appeals entered
5 from citations and abatement periods and from all types of penalties. Appeals from
6 orders of the Director dealing with conditions or practices that constitute imminent
7 danger shall not be stayed by the Board-Commission until after full and adequate
8 hearing. The Board-Commission in the discharge of its duties under this Article is
9 authorized and empowered to administer oaths and affirmations and institute motions,
10 cause the taking of depositions, interrogatories, certify to official acts, and issue
11 subpoenas to compel the attendance of witnesses and the production of books, papers,
12 correspondence, memoranda, and other records deemed necessary as evidence in
13 connection with any appeal or proceeding for review before the Board-Commission.

14 (c) The Board-Commission shall meet at least once each calendar quarter but it
15 may hold call meetings or hearings upon at least three days' notice to each member by
16 the chairman and at such time and place as the chairman may fix. The chairman shall be
17 responsible on behalf of the Board-Commission for the administrative operations of the
18 Board-Commission and shall appoint such hearing examiners and other employees as he
19 deems necessary to assist in the performance of the Board's-Commission's functions and
20 fix the compensation of such employees with the approval of the Governor. The
21 assignment and removal of hearing examiners shall be made by the Board-Commission,
22 and any hearing examiner may be removed for misfeasance, malfeasance, misconduct,
23 immoral conduct, incompetency, the commission of any crime, or for any other good
24 and adequate reason as found by the Board-Commission. The Board-Commission shall
25 give notice to such hearing examiner, along with written allegations as to the charges
26 against him, and the same shall be heard by the Board-Commission, and its decision
27 shall be final. The compensation of the members of the Board-Commission shall be on a
28 per diem basis and shall be fixed by the Governor. The chairman of the Board
29 Commission may be paid a higher rate of compensation than the other two members of
30 the Board-Commission. For the purpose of carrying out its duties and functions under
31 this Article, two members of the Board-Commission shall constitute a quorum and
32 official action can be taken only on the affirmative vote of at least two members of the
33 Board-Commission. On matters properly before the Board-Commission the chairman
34 may issue temporary orders, subpoenas, and other temporary types of orders subject to
35 the subsequent review of the Board-Commission. The issuance of subpoenas, orders to
36 take depositions, orders requiring interrogatories and other procedural matters of
37 evidence issued by the chairman shall not be subject to review. Prior to taking any
38 action under this subsection to set compensation, the Governor may consult with the
39 Advisory Budget Commission.

40 (d) Every official act of the Board-Commission shall be entered of record and its
41 hearings and records shall be open to the public. The Board-Commission is authorized
42 and empowered to make such procedural rules as are necessary for the orderly
43 transaction of its proceedings. Unless the Board-Commission adopts a different rule, the
44 proceedings, as nearly as possible, shall be in accordance with the Rules of Civil

1 Procedure, G.S. 1A-1. The ~~Board-Commission~~ may order testimony to be taken by
2 deposition in any proceeding pending before it at any stage of such proceeding. Any
3 person, firm or corporation, and its agents or officials, may be compelled to appear and
4 testify and produce like documentary evidence before the ~~Board-Commission~~.
5 Witnesses whose depositions are taken under this section, and the persons taking such
6 depositions, shall be entitled to the same fees as are paid for like services in the courts
7 of the State.

8 (e) The rules of procedure prescribed or adopted by the ~~Board-Commission~~ shall
9 provide affected employees or representatives of affected employees an opportunity to
10 participate as parties to hearings under this section.

11 (f) Any member of the ~~Board-Commission~~ may be removed by the Governor for
12 inefficiency, neglect of duty, or any misfeasance or malfeasance in office. Before such
13 removal the Governor shall give notice of hearing and state the allegations against the
14 member of the ~~Board-Commission~~, and the same shall be heard by the Governor, and
15 his decision shall be final. The principal office of the ~~Board-Commission~~ shall be in
16 Raleigh, North Carolina, but whenever it deems that the convenience of the public or of
17 the parties may be promoted, or delay or expense may be minimized, the ~~Board~~
18 ~~Commission~~ may hold hearings or conduct other proceedings at any place in the State.

19 (g) In case of a contumacy, failure or refusal of any person to testify before the
20 ~~Board-Commission~~, give any type of evidence, or to produce any books, records,
21 papers, correspondence, memoranda or other records, such person upon such failure to
22 obey the orders of the ~~Board-Commission~~ may be punished for contempt or any other
23 matter involving contempt as set forth and described by the general laws of the State.
24 The ~~Board-Commission~~ shall issue no order for contempt without first finding the facts
25 involved in the proceeding. Witnesses appearing before the ~~Board-Commission~~ shall be
26 entitled to the same fees as those paid for the services of said witnesses in the courts of
27 the State, and all such fees shall be taxed against the interested parties according to the
28 judgment and discretion of the ~~Board-Commission~~.

29 (h) The Director shall consult with the chairman of the Board with respect to the
30 preparation and presentation to the ~~Board-Commission~~ for adoption of all necessary
31 forms or citations, notices of all kinds, forms of stop orders, all forms and orders
32 imposing penalties and all forms of notices or applications for review by the
33 ~~Board-Commission~~, and any and all other procedural papers and documents necessary
34 for the administration of the Article as applied to employers and employees and for all
35 procedures and proceedings brought before the ~~Board-Commission~~ for review.

36 (i) A hearing examiner appointed by the chairman of the ~~Board-Commission~~
37 shall hear, and make a determination upon, any proceeding instituted before the ~~Board~~
38 ~~Commission~~ and may hear any motion in connection therewith, assigned to the hearing
39 examiner, and shall make a report of the determination which constitutes the hearing
40 examiner's final disposition of the proceedings. A copy of the report of the hearing
41 examiner shall be furnished to the Director and all interested parties involved in any
42 appeal or any proceeding before the hearing examiner for the hearing examiner's
43 determination. The report of the hearing examiner shall become the final order of the
44 ~~Board-Commission~~ 30 days from the date of the report as determined by the hearing

1 examiner, unless within the 30-day period any member of the ~~Board-Commission~~ had
2 directed that the report shall be reviewed by the entire ~~Board-Commission~~ as a whole.
3 Upon application for review of any report or determination of a hearing examiner,
4 before the 30-day period expires, the ~~Board-Commission~~ shall schedule the matter for
5 hearing, on the record, except the ~~Board-Commission~~ may allow the introduction of
6 newly discovered evidence, or in its discretion the taking of further evidence upon any
7 question or issue. All interested parties to the original hearing shall be notified of the
8 date, time and place of the hearing and shall be allowed to appear in person or by
9 attorney at the hearing. Upon review of the report and determination by the hearing
10 examiner the ~~Board-Commission~~ may adopt, modify or vacate the report of the hearing
11 examiner and notify the interested parties. The report of the hearing examiner, and the
12 report, decision, or determination of the ~~Board-Commission~~ upon review shall be in
13 writing and shall include findings of fact, conclusions of law, and the reasons or bases
14 for them, on all the material issues of fact, law, or discretion presented on the record.
15 The report, decision or determination of the ~~Board-Commission~~ upon review shall be
16 final unless further appeal is made to the courts under the provisions of Chapter 150B of
17 the General Statutes, as amended, entitled: "Judicial Review of Decisions of Certain
18 Administrative Agencies.

19 (j) Repealed by Session Laws 1993, c. 300, s. 1."

20 **SECTION 4.** G.S. 150B-1(e) reads as rewritten:

21 "(e) Exemptions From Contested Case Provisions. – The contested case
22 provisions of this Chapter apply to all agencies and all proceedings not expressly
23 exempted from the Chapter. The contested case provisions of this Chapter do not apply
24 to the following:

- 25 (1) The Department of Health and Human Services and the Department of
26 Environment and Natural Resources in complying with the procedural
27 safeguards mandated by Section 680 of Part H of Public Law 99-457
28 as amended (Education of the Handicapped Act Amendments of
29 1986).
- 30 (2) Repealed by Session Laws 1993, c. 501, s. 29.
- 31 (3), (4) Repealed by Session Laws 2001-474, s. 35, effective November
32 29, 2001.
- 33 (5) Hearings required pursuant to the Rehabilitation Act of 1973, (Public
34 Law 93-122), as amended and federal regulations promulgated
35 thereunder. G.S. 150B-51(a) is considered a contested case hearing
36 provision that does not apply to these hearings.
- 37 (6) The Department of Revenue.
- 38 (7) The Department of Correction.
- 39 (8) The Department of Transportation, except as provided in G.S. 136-29.
- 40 (9) ~~The Occupational Safety and Health Review Board.~~ The North
41 Carolina Occupational Safety and Health Review Commission.
- 42 (10) The North Carolina Global TransPark Authority with respect to the
43 acquisition, construction, operation, or use, including fees or charges,
44 of any portion of a cargo airport complex.

(11) Hearings that are provided by the Department of Health and Human Services regarding the eligibility and provision of services for eligible assaultive and violent children, as defined in G.S. 122C-3(13a), shall be conducted pursuant to the provisions outlined in G.S. 122C, Article 4, Part 7."

SECTION 5. G.S. 150B-21.3(e) reads as rewritten:

"(e) OSHA Standard. – A permanent rule concerning an occupational safety and health standard that is adopted by the Office of Occupational Safety and Health Division of the Department of Labor and is identical to a federal regulation promulgated by the Secretary of the United States Department of Labor becomes effective on the date the Division delivers the rule to the Codifier of Rules, unless the Division specifies a later effective date. If the Division specifies a later effective date, the rule becomes effective on that date."

SECTION 6. G.S. 150B-21.5(c) reads as rewritten:

"(c) OSHA Standard. – The Office of Occupational Safety and Health Division of the Department of Labor is not required to publish a notice of text in the North Carolina Register or hold a public hearing when it proposes to adopt a rule that concerns an occupational safety and health standard and is identical to a federal regulation promulgated by the Secretary of the United States Department of Labor. The Occupational Safety and Health Division is not required to submit to the Commission for review a rule for which notice and hearing is not required under this subsection."

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

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2005

H

D

HOUSE BILL 874

PROPOSED COMMITTEE SUBSTITUTE H874-CSRG-13 [v.1]

4/22/2005 4:53:26 PM

Short Title: Title Change/Safety and Health Review Board.

(Public)

Sponsors:

Referred to:

March 24, 2005

A BILL TO BE ENTITLED

AN ACT TO CHANGE THE TITLE OF THE SAFETY AND HEALTH REVIEW BOARD UNDER THE OCCUPATIONAL SAFETY AND HEALTH ACT OF NORTH CAROLINA TO THE NORTH CAROLINA OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION, TO CHANGE THE TITLE OF THE OFFICE OF OCCUPATIONAL SAFETY AND HEALTH TO THE OCCUPATIONAL SAFETY AND HEALTH DIVISION, AND TO RESTORE THE AUTHORITY OF THE BOARD TO ASSESS PENALTIES IN THE CASE OF AN APPEAL.

The General Assembly of North Carolina enacts:

SECTION 1. Under the Occupational Safety and Health Act of North Carolina, the name of the Safety and Health Review Board is changed to the North Carolina Occupational Safety and Health Review Commission. The Revisor of Statutes is authorized to substitute the term "Commission" for the term "Board" wherever that term appears in the General Statutes in relation to the Act.

SECTION 2. G.S. 95-126(b)(2) reads as rewritten:

(b) Legislative findings and purpose:

...

(2) The General Assembly of North Carolina declares it to be its purpose and policy through the exercise of its powers to ensure so far as possible every working man and woman in the State of North Carolina safe and healthful working conditions and to preserve our human resources:

a. By encouraging employers and employees in their effort to reduce the number of occupational safety and health hazards at the place of employment, and to stimulate employers and employees to institute new and to perfect existing programs for providing safe and healthful working conditions;

- b. By providing that employers and employees have separate but dependent responsibilities and rights with respect to achieving safe and healthful working conditions;
- c. By authorizing the Commissioner to develop occupational safety and health standards applicable to business giving consideration to the needs of employers and employees and to adopt standards promulgated from time to time by the Secretary of Labor under the Occupational Safety and Health Act of 1970, and by creating a safety and health review ~~board~~-commission for carrying out adjudicatory functions under this Article;
- d. By building upon advances already made through employer and employee initiative for providing safe and healthful working conditions;
- e. By providing occupational health criteria which will assure insofar as practicable that no employee will suffer diminished health, functional capacity, or life expectancy as a result of his work experience;
- f. By providing for training programs to increase the number and competence of personnel engaged in the field of occupational safety and health;
- g. By providing an effective enforcement program which shall include a prohibition against giving advance notice of an inspection and sanctions for any individual violating this prohibition;
- h. By providing for appropriate reporting procedures with respect to occupational safety and health which procedures will help achieve the objectives of this Article and accurately describe the nature of the occupational safety and health problem;
- i. By encouraging joint employer-employee efforts to reduce injuries and diseases arising out of employment;
- j. By providing for research in the field of occupational safety and health, by developing innovative methods, techniques, and approaches for dealing with occupational safety and health problems;
- k. By exploring ways to discover latent diseases, establishing causal connections between diseases and work in environmental conditions, and conducting other research relating to health problems, in recognition of the fact that occupational health standards present problems often different from those involved in occupational safety;
- l. By authorizing the Commissioner to enter into contracts with the Department of Health and Human Services, or any other State or local units, to the end the Commissioner and the Department of Health and Human Services and other State or

1 local units may fully cooperate and carry out the ends and
2 purposes of this Article.

- 3 m. The General Assembly of North Carolina appoints and elects
4 the North Carolina Department of Labor as the designated
5 agency to administer the Occupational Safety and Health Act of
6 North Carolina."

7 **SECTION 3.** G.S. 95-127(2) reads as rewritten:

8 "(2) The term "~~Board~~"Commission" means the ~~Safety and Health Review~~
9 ~~Board~~North Carolina Occupational Safety and Health Review
10 Commission established under this Article."

11 **SECTION 4.** G.S. 95-133 reads as rewritten:

12 **"§ 95-133. Office of Director of Occupational Safety and Health; powers and**
13 **duties of the Director.**

14 (a) There is hereby created and established in the North Carolina Department of
15 Labor a division to be known as the ~~Office of Occupational Safety and Health~~ Health
16 Division. The Commissioner shall appoint a Director to administer this division who
17 shall be subject to the direction and supervision of the Commissioner. The Director shall
18 carry out the responsibilities of the State of North Carolina as prescribed under the
19 Occupational Safety and Health Act of 1970, and any subsequent federal laws or
20 regulations relating to occupational safety and health, and this Article, as written,
21 revised or amended by legislative enactment and as delegated or authorized by the
22 Commissioner. The Commissioner shall make and promulgate such rules, amendments,
23 or revisions in rules, as he may deem advisable for the administration of the office, he
24 shall also accept and use the services, facilities, and personnel of any agency of the
25 State or of any subdivision of State government, either as a free service or by
26 reimbursement. The Director shall devote full time to his duties of office and shall not
27 hold any other office. The Director, subject to the approval of the Commissioner, shall
28 select a professional staff of qualified and competent employees to assist in the
29 statewide administration of the Article. All of the employees referred to herein shall be
30 under the classified service, as herein defined in G.S. 95-127, subdivision (3).

31 (b) Subject to the general supervision of the Commissioner and Deputy
32 Commissioner, the Director shall be responsible for the administration and enforcement
33 of all laws, rules and regulations which it is the duty of the ~~Office~~ Division to
34 administer and enforce. The Director shall have the power, jurisdiction and authority to:

- 35 (1) Uniformly superintend, enforce and administer applicable occupational
36 safety and health laws of the State of North Carolina;
37 (2) Make or cause to be made all necessary inspections, analyses and
38 research for the purpose of seeing that all laws and rules and
39 regulations which the office has the duty, power and authority to
40 enforce are promptly and effectively carried out;
41 (3) Make all necessary investigations, develop information and reports
42 upon conditions of employee safety and health, and upon all matters
43 relating to the enforcement of this Article and all lawful regulations
44 issued thereunder;

- (4) Report to the Federal Occupational Safety and Health Administration any information which it may require;
- (5) Recommend to the Commissioner such rules, regulations, standards, or changes in rules, regulations and standards which the Director deems advisable for the prevention of accidents, occupational hazards or the prevention of industrial or occupational diseases;
- (6) Recommend to the Commissioner that he institute proceedings to remove from his or her position any employee of the Office who accepts any favor, privilege, money, object of value, or property of any kind whatsoever or who shall give prior notice of a compliance inspection of a work place unless authorized under the provisions of this Article;
- (7) Employ experts, consultants or organizations for work related to the occupational safety and health program of the ~~Office~~ Division and compensate same with the approval of the Commissioner;
- (8) Institute hearings, investigations, request the issuance of citations and propose such penalties as he may in his judgment consider necessary to carry out the provisions of this Article;
- (9) The Commissioner shall have the power and authority to issue all types of notices, citations, cease and desist orders, or any other pleading, form or notice necessary to enforce compliance with this Article as hereinafter set forth. The Commissioner is also empowered and authorized to apply to the courts of the State having jurisdiction for orders or injunctions restraining unlawful acts and practices prohibited by this Article or not in compliance with this Article and to apply for mandatory injunctions to compel enforcement of the Article, and the Commissioner is authorized, and further authorized by and through his agents, to institute criminal actions or proceedings for such violations of the Article as are subject to criminal penalties. The Director shall recommend to the Commissioner the imposition and amount of civil penalties provided by this Article, and the Commissioner may institute such proceedings as necessary for the enforcement and payment of such civil penalties subject to such review of the ~~Board~~ Commission as hereinafter set forth.
- (10) The Director may recommend to the Commissioner that any person, firm, corporation or witness be cited for contempt or for punishment as of contempt, and the Commissioner is authorized to enter any order of contempt or as of contempt as he may deem proper and necessary, and any hearing examiner may recommend to the Commissioner that such order or citation for contempt be made.
- (11) The Commissioner or the Director, or their authorized agents, shall have the power and authority to issue subpoenas for witnesses and for the production of any and all papers and documents necessary for any hearing or other proceeding and to require the same to be served by the

process officers of the State. The Commissioner and the Director may administer any and all oaths that are necessary in the enforcement of this Article and may certify as to the authenticity of all records, papers, documents and transcripts under the seal of the Department of Labor.

- (12) All orders, citations, cease and desist orders, stop orders, sanctions and contempt orders, civil penalties and the proceedings thereon shall be subject to review by the Board-Commission as hereinafter provided, including all assessments for civil penalties."

SECTION 5. G.S. 95-135 reads as rewritten:

"§ 95-135. Safety and Health Review Board-North Carolina Occupational Safety and Health Review Commission.

(a) ~~The Safety and Health Review Board~~North Carolina Occupational Safety and Health Review Commission is hereby established. The ~~Board-Commission~~ shall be composed of three members from among persons who, by reason of training, education or experience, are qualified to carry out the functions of the ~~Board-Commission~~ under this Article. The Governor shall appoint the members of the ~~Board-Commission~~ and name one of the members as chairman of the ~~Board-Commission~~. The terms of the members of the ~~Board-Commission~~ shall be six years except that the members of the ~~Board-Commission~~ first taking office shall serve, as designated by the Governor at the time of appointment, one for a term of two years, one for a term of four years, and the member of the ~~Board-Commission~~ designated as chairman shall serve for a term of six years. Any vacancy caused by the death, resignation, or removal of a member prior to the expiration of the term for which he was appointed shall be filled by the Governor for the remainder of the unexpired term. The Governor shall fill all vacancies occurring by reason of the expiration of the term of any members of the ~~Board-Commission~~.

(b) The ~~Board-Commission~~ shall hear and issue decisions on appeals entered from citations and abatement periods and from all types of penalties. Appeals from orders of the Director dealing with conditions or practices that constitute imminent danger shall not be stayed by the ~~Board-Commission~~ until after full and adequate hearing. The ~~Board-Commission~~ in the discharge of its duties under this Article is authorized and empowered to administer oaths and affirmations and institute motions, cause the taking of depositions, interrogatories, certify to official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with any appeal or proceeding for review before the ~~Board-Commission~~.

(c) The ~~Board-Commission~~ shall meet at least once each calendar quarter but it may hold call meetings or hearings upon at least three days' notice to each member by the chairman and at such time and place as the chairman may fix. The chairman shall be responsible on behalf of the ~~Board-Commission~~ for the administrative operations of the ~~Board-Commission~~ and shall appoint such hearing examiners and other employees as he deems necessary to assist in the performance of the ~~Board's-Commission's~~ functions and fix the compensation of such employees with the approval of the Governor. The assignment and removal of hearing examiners shall be made by the ~~Board,Commission~~, and any hearing examiner may be removed for misfeasance, malfeasance, misconduct,

1 immoral conduct, incompetency, the commission of any crime, or for any other good
2 and adequate reason as found by the ~~Board-Commission~~. The ~~Board-Commission~~ shall
3 give notice to such hearing examiner, along with written allegations as to the charges
4 against him, and the same shall be heard by the ~~Board-Commission~~, and its decision
5 shall be final. The compensation of the members of the ~~Board-Commission~~ shall be on a
6 per diem basis and shall be fixed by the Governor. The chairman of the ~~Board~~
7 ~~Commission~~ may be paid a higher rate of compensation than the other two members of
8 the ~~Board-Commission~~. For the purpose of carrying out its duties and functions under
9 this Article, two members of the ~~Board-Commission~~ shall constitute a quorum and
10 official action can be taken only on the affirmative vote of at least two members of the
11 ~~Board-Commission~~. On matters properly before the ~~Board-Commission~~ the chairman
12 may issue temporary orders, subpoenas, and other temporary types of orders subject to
13 the subsequent review of the ~~Board-Commission~~. The issuance of subpoenas, orders to
14 take depositions, orders requiring interrogatories and other procedural matters of
15 evidence issued by the chairman shall not be subject to review. Prior to taking any
16 action under this subsection to set compensation, the Governor may consult with the
17 Advisory Budget Commission.

18 (d) Every official act of the ~~Board-Commission~~ shall be entered of record and its
19 hearings and records shall be open to the public. The ~~Board-Commission~~ is authorized
20 and empowered to make such procedural rules as are necessary for the orderly
21 transaction of its proceedings. Unless the ~~Board-Commission~~ adopts a different rule, the
22 proceedings, as nearly as possible, shall be in accordance with the Rules of Civil
23 Procedure, G.S. 1A-1. The ~~Board-Commission~~ may order testimony to be taken by
24 deposition in any proceeding pending before it at any stage of such proceeding. Any
25 person, firm or corporation, and its agents or officials, may be compelled to appear and
26 testify and produce like documentary evidence before the ~~Board-Commission~~.
27 Witnesses whose depositions are taken under this section, and the persons taking such
28 depositions, shall be entitled to the same fees as are paid for like services in the courts
29 of the State.

30 (e) The rules of procedure prescribed or adopted by the ~~Board-Commission~~ shall
31 provide affected employees or representatives of affected employees an opportunity to
32 participate as parties to hearings under this section.

33 (f) Any member of the ~~Board-Commission~~ may be removed by the Governor for
34 inefficiency, neglect of duty, or any misfeasance or malfeasance in office. Before such
35 removal the Governor shall give notice of hearing and state the allegations against the
36 member of the ~~Board-Commission~~, and the same shall be heard by the Governor, and
37 his decision shall be final. The principal office of the ~~Board-Commission~~ shall be in
38 Raleigh, North Carolina, but whenever it deems that the convenience of the public or of
39 the parties may be promoted, or delay or expense may be minimized, the ~~Board~~
40 ~~Commission~~ may hold hearings or conduct other proceedings at any place in the State.

41 (g) In case of a contumacy, failure or refusal of any person to testify before the
42 ~~Board-Commission~~, give any type of evidence, or to produce any books, records,
43 papers, correspondence, memoranda or other records, such person upon such failure to
44 obey the orders of the ~~Board-Commission~~ may be punished for contempt or any other

1 matter involving contempt as set forth and described by the general laws of the State.
2 The ~~Board-Commission~~ shall issue no order for contempt without first finding the facts
3 involved in the proceeding. Witnesses appearing before the ~~Board-Commission~~ shall be
4 entitled to the same fees as those paid for the services of said witnesses in the courts of
5 the State, and all such fees shall be taxed against the interested parties according to the
6 judgment and discretion of the ~~Board-Commission~~.

7 (h) The Director shall consult with the chairman of the Board with respect to the
8 preparation and presentation to the ~~Board-Commission~~ for adoption of all necessary
9 forms or citations, notices of all kinds, forms of stop orders, all forms and orders
10 imposing penalties and all forms of notices or applications for review by the
11 ~~Board-Commission~~, and any and all other procedural papers and documents necessary
12 for the administration of the Article as applied to employers and employees and for all
13 procedures and proceedings brought before the ~~Board-Commission~~ for review.

14 (i) A hearing examiner appointed by the chairman of the ~~Board-Commission~~
15 shall hear, and make a determination upon, any proceeding instituted before the ~~Board~~
16 ~~Commission~~ and may hear any motion in connection therewith, assigned to the hearing
17 examiner, and shall make a report of the determination which constitutes the hearing
18 examiner's final disposition of the proceedings. A copy of the report of the hearing
19 examiner shall be furnished to the Director and all interested parties involved in any
20 appeal or any proceeding before the hearing examiner for the hearing examiner's
21 determination. The report of the hearing examiner shall become the final order of the
22 ~~Board-Commission~~ 30 days from the date of the report as determined by the hearing
23 examiner, unless within the 30-day period any member of the ~~Board-Commission~~ had
24 directed that the report shall be reviewed by the entire ~~Board-Commission~~ as a whole.
25 Upon application for review of any report or determination of a hearing examiner,
26 before the 30-day period expires, the ~~Board-Commission~~ shall schedule the matter for
27 hearing, on the record, except the ~~Board-Commission~~ may allow the introduction of
28 newly discovered evidence, or in its discretion the taking of further evidence upon any
29 question or issue. All interested parties to the original hearing shall be notified of the
30 date, time and place of the hearing and shall be allowed to appear in person or by
31 attorney at the hearing. Upon review of the report and determination by the hearing
32 examiner the ~~Board-Commission~~ may adopt, modify or vacate the report of the hearing
33 examiner and notify the interested parties. The report of the hearing examiner, and the
34 report, decision, or determination of the ~~Board-Commission~~ upon review shall be in
35 writing and shall include findings of fact, conclusions of law, and the reasons or bases
36 for them, on all the material issues of fact, law, or discretion presented on the record.
37 The report, decision or determination of the ~~Board-Commission~~ upon review shall be
38 final unless further appeal is made to the courts under the provisions of Chapter 150B of
39 the General Statutes, as amended, entitled: "Judicial Review of Decisions of Certain
40 Administrative Agencies.

41 (j) Repealed by Session Laws 1993, c. 300, s. 1."

42 **SECTION 6.** G.S. 95-137(b)(2) reads as rewritten:

43 "(b) Procedure for Enforcement. -

44 ...

(2) If the Director has reason to believe that an employer has failed to correct a violation for which a citation has been issued within the period permitted for its correction (which period shall not begin to run until the entry of a final order by the ~~Board-Commission~~ in case of any review proceedings under this Article initiated by the employer in good faith and not solely for a delay or avoidance of penalties), the Director shall notify the employer by certified mail, by a designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2) with delivery receipt, or via hand delivery of such failure and of the penalty proposed to be assessed under this Article by reason of such failure and that the employer has 15 working days within which to notify the Director that the employer wishes to contest the Director's notification of the proposed assessment of penalty. If, within 15 working days from the receipt of notification issued by the Director, an employer fails to notify the Director that the employer intends to contest the notification or proposed recommendation of penalty, the notification and the proposed assessment made by the Director shall be final and not subject to review by any court."

SECTION 7. G.S. 95-137(b)(4) reads as rewritten:

"(b) Procedure for Enforcement. –

...
(4) If an employer notifies the Director that the employer intends to contest a citation issued under the provisions of this Article or notification issued under the provisions of this Article, or if, within 15 working days of the receipt of a citation under this Article, any employee or representative thereof files a notice with the Director alleging that the period of time fixed in the citation for the abatement of the violation is unreasonable, the Director shall immediately advise the ~~Board-Commission~~ of such notification, and the ~~Board Commission~~ shall afford an opportunity for a hearing. The ~~Board Commission~~ shall thereafter issue an order, based on findings of fact, affirming, modifying, or vacating the Director's citation or the proposed penalty fixed by the Commissioner, or directing other appropriate relief, and such order shall become final 30 days after its issuance. Upon showing by an employer of a good faith effort to comply with the abatement requirements of a citation, and that an abatement has not been completed because of factors beyond the employer's reasonable control, the Director, after an opportunity for a hearing as provided in this Article, shall issue an order affirming or modifying the abatement requirements in such citation. The rules of procedure prescribed by the chairman of the ~~Board-Commission~~ shall provide affected employees or representatives of affected employees an opportunity to participate as parties to hearings under this section."

SECTION 8. G.S. 95-138 reads as rewritten:

1 **"§ 95-138. Civil penalties.**

2 (a) ~~The Commissioner,~~ Commissioner upon recommendation of the Director, or
3 the North Carolina Occupational Safety and Health Review Commission in the case of
4 an appeal, may assess penalties against any employer who violates the requirements of
5 this Article, or any standard, rule, or order promulgated pursuant to this Article, as
6 follows:

- 7 (1) A minimum penalty of five thousand dollars (\$5,000) to a maximum
8 penalty of seventy thousand dollars (\$70,000) for each willful or repeat
9 violation.
10 (2) A maximum penalty of seven thousand dollars (\$7,000) for each
11 nonserious or serious violation.
12 (3) A maximum penalty of seven thousand dollars (\$7,000) for each day
13 that an employer fails to correct and abate a violation, within the
14 period allowed for its correction and abatement, which period shall not
15 begin to run until the date of the final Order of the ~~Board-Commission~~
16 in the case of any appeal proceedings in this Article initiated by the
17 employer in good faith and not solely for the delay of avoidance of
18 penalties.
19 (4) A maximum penalty of seven thousand dollars (\$7,000) for violating
20 the posting requirements, as required under the provisions of this
21 Article.

22 (b) The Commissioner shall adopt uniform standards that the Commissioner, the
23 ~~Board,~~ Commission, and the hearing examiner shall apply when determining
24 appropriateness of the penalty. The following factors shall be used in determining
25 whether a penalty is appropriate:

- 26 (1) Size of the business of the employer being charged.
27 (2) The gravity of the violation.
28 (3) The good faith of the employer.
29 (4) The record of previous violations; provided that for purposes of
30 determining repeat violations, only the record within the previous three
31 years is applicable.

32 The report of the hearing examiner and the report, decision, or determination of the
33 ~~Board-Commission~~ on appeal shall specify the standards applied in determining the
34 reduction or affirmation of the penalty assessed by the Commissioner.

35 (c) The clear proceeds of all civil penalties and interest recovered by the
36 Commissioner, together with the costs thereof, shall be remitted to the Civil Penalty and
37 Forfeiture Fund in accordance with G.S. 115C-457.2."

38 **SECTION 9.** G.S. 95-152 reads as rewritten:

39 **"§ 95-152. Confidentiality of trade secrets.**

40 All information reported to or otherwise obtained by the Commissioner or his agents
41 or representatives in connection with any inspection or proceeding under this Article
42 which contains or which might reveal a trade secret shall be considered confidential, as
43 provided by section 1905 of Title 18 of U.S.C., except as to carrying out this Article or
44 when it is relevant in any proceeding under this Article. In any such proceeding the

1 Commissioner, the ~~Board~~ Commission or the court shall issue such orders as may be
2 appropriate to protect the confidentiality of trade secrets."

3 **SECTION 10.** G.S. 150B-1(e)(9) reads as rewritten:

4 "(e) Exemptions From Contested Case Provisions. – The contested case
5 provisions of this Chapter apply to all agencies and all proceedings not expressly
6 exempted from the Chapter. The contested case provisions of this Chapter do not apply
7 to the following:

8 ...

9 (9) ~~The Occupational Safety and Health Review Board.~~ The North
10 Carolina Occupational Safety and Health Review Commission."

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

Rep. Womble

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☐ Committee Substitute for

HB 874 A BILL TO BE ENTITLED AN ACT TO CHANGE THE TITLE OF THE
SAFETY AND HEALTH REVIEW BOARD UNDER THE OCCUPATIONAL SAFETY AND
HEALTH ACT OF NORTH CAROLINA TO THE NORTH CAROLINA OCCUPATIONAL
SAFETY AND HEALTH REVIEW COMMISSION.

☒ With a favorable report as to the committee substitute bill, which changes the title,
unfavorable as to the original bill.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the (House) committee substitute bill/(joint) resolution
(No. _____) is placed on the Calendar of _____. (The original bill resolution No. _____) is placed
on the Unfavorable Calendar.

_____ The (House) committee substitute bill/(joint) resolution (No. _____) is re-referred to the
Committee on _____. (The original bill/resolution) (House/Senate Committee Substitute
Bill/(Joint) resolution No. _____) is placed on the Unfavorable Calendar.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 528

Short Title: Western Piedmont Comm. Coll./Umstead Act.

(Public)

Sponsors: Representatives Church and Gillespie (Primary Sponsors).

Referred to: State Government.

March 9, 2005

A BILL TO BE ENTITLED

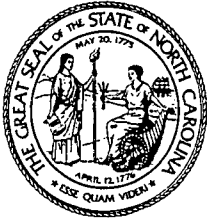
AN ACT AUTHORIZING THE USE OF PERSONNEL AND FACILITIES AT
WESTERN PIEDMONT COMMUNITY COLLEGE IN SUPPORT OF
ECONOMIC DEVELOPMENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 66-58(c) is amended by adding a new subdivision to read:

"(3c) The use of the personnel and facilities of Western Piedmont
Community College, with the consent of the trustees of the college, in
support of economic development through the operation of the East
Campus and its companion facilities as an event venue."

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



HOUSE BILL 528: Western Piedmont Comm. Coll./Umstead Act.

BILL ANALYSIS

Committee:	House State Government	Date:	May 4, 2005
Introduced by:	Reps. Church and Gillespie	Summary by:	Kory Goldsmith
Version:	First Edition		Committee Counsel

SUMMARY: *House Bill 528 would provides that the Umstead Act shall not apply to the use of personnel and facilities of Western Piedmont Community Colleges in support of economic development through the operation of the East Campus and its companion facilities as an event venue. The authorization must be pursuant to the consent of the Board of Trustees of the college.*

The act would be effective when it becomes law.

CURRENT LAW: Known as the Umstead Act, G.S. 66-58(a) prohibits units of State and local government from competing with private industry. The Act includes a number of exemptions and exceptions. Some of these include an exemption the use of community college facilities in support of economic development (G.S. 66-58(c)(3a)) and for used as a military business enter (G.S. 66-58(c)(3b)).

H0528-SMRC

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☐ Committee Substitute for

HB 528 A BILL TO BE ENTITLED AN ACT AUTHORIZING THE USE OF
PERSONNEL AND FACILITIES AT WESTERN PIEDMONT COMMUNITY COLLEGE IN
SUPPORT OF ECONOMIC DEVELOPMENT.

☒ With a favorable report.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the bill/resolution is placed on the Calendar of _____.

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ The bill/resolution is re-referred to the Committee on _____.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 944

Short Title: Adopt the Salute to the NC Flag.

(Public)

Sponsors: Representatives Goodwin; Coleman, Jones, Steen, and Wainwright.

Referred to: State Government.

March 29, 2005

1 A BILL TO BE ENTITLED
2 AN ACT ADOPTING THE SALUTE TO THE FLAG OF NORTH CAROLINA AS
3 THE OFFICIAL PLEDGE TO THE STATE FLAG.

4 Whereas, an official State flag was first recognized in 1861, with a new
5 design adopted in 1885; and

6 Whereas, in 1907 the General Assembly enacted legislation requiring the flag
7 to be displayed at all State institutions, public buildings, and courthouses; and

8 Whereas, many organizations and groups use the salute to the North Carolina
9 flag at their meetings and conventions; and

10 Whereas, there is no record of an official pledge to the State flag having been
11 adopted; and

12 Whereas, for the purpose of promoting greater loyalty and respect to the State
13 of North Carolina and inasmuch as a special act of the legislature adopted an emblem of
14 our government known as the North Carolina flag; Now, therefore,
15 The General Assembly of North Carolina enacts:

16 SECTION 1. Chapter 144 of the General Statutes is amended by adding a
17 new section to read:

18 **"§ 144-7. State salute to the North Carolina flag.**

19 **The phrase "I salute the flag of North Carolina and pledge to the Old North State**
20 **love, loyalty, and faith" is adopted as the official salute to the North Carolina flag."**

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

2

HOUSE BILL 944
Committee Substitute Favorable 5/11/05

Short Title: Adopt the Salute to the NC Flag.

(Public)

Sponsors:

Referred to:

March 29, 2005

A BILL TO BE ENTITLED

AN ACT ADOPTING THE SALUTE TO THE FLAG OF NORTH CAROLINA AS
THE OFFICIAL PLEDGE TO THE STATE FLAG.

Whereas, an official State flag was first recognized in 1861, with a new
design adopted in 1885; and

Whereas, in 1907 the General Assembly enacted legislation requiring the flag
to be displayed at all State institutions, public buildings, and courthouses; and

Whereas, many organizations and groups use the salute to the North Carolina
flag at their meetings and conventions; and

Whereas, there is no record of an official pledge to the State flag having been
adopted; and

Whereas, for the purpose of promoting greater loyalty and respect to the State
of North Carolina and inasmuch as a special act of the legislature adopted an emblem of
our government known as the North Carolina flag; Now, therefore,
The General Assembly of North Carolina enacts:

SECTION 1. Chapter 144 of the General Statutes is amended by adding a
new section to read:

"§ 144-7. State salute to the North Carolina flag.

**The phrase "I salute the flag of North Carolina and pledge to the Old North State
love, loyalty, and faith." is adopted as the official salute to the North Carolina flag."**

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

Rep. Womble

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☐ Committee Substitute for

HB 944 A BILL TO BE ENTITLED AN ACT ADOPTING THE SALUTE TO THE
FLAG OF NORTH CAROLINA AS THE OFFICIAL PLEDGE TO THE STATE FLAG.

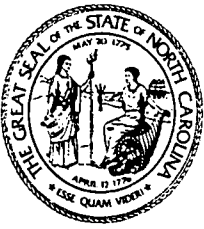
☒ With a favorable report as to the committee substitute bill, unfavorable as to the original bill.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the (House) committee substitute bill/(joint) resolution
(No. _____) is placed on the Calendar of _____. (The original bill resolution No. _____) is placed
on the Unfavorable Calendar.

_____ The (House) committee substitute bill/(joint) resolution (No. _____) is re-referred to the
Committee on _____. (The original bill/resolution) (House/Senate Committee Substitute
Bill/(Joint) resolution No. _____) is placed on the Unfavorable Calendar.



HOUSE BILL 944: Adopt the Salute to the NC Flag

BILL ANALYSIS

Committee: House State Government
Committee

Date: May 3, 2005

Version: First Edition

Introduced by: Representative Goodwin

Summary by: Tim Hovis
Committee Counsel

SUMMARY: House Bill 944 would adopt an official salute to the State flag of North Carolina. As set out in the bill, the salute would be the phrase "I salute the flag of North Carolina and pledge to the Old North State love, loyalty and faith."

The bill is supported by the General Federation of Women's Clubs of North Carolina.

EFFECTIVE DATE: House Bill 944 is effective when it becomes law.

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTICE
2005-2006 SESSION**

You are hereby notified that the Committee on **State Government** will meet as follows:

DAY & DATE: **May 4, 2005**

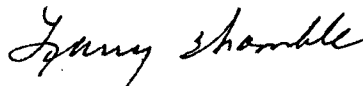
TIME: **11:00 a.m.**

LOCATION: **Room 1425 LB**

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

HB 528	Western Piedmont Comm. Coll./Umstead Act. Reps. Church Gillespie	
HB 791	County Veterans Service Offices Fund	Rep. Nye
HB.874	Title Change/Safety and Health Review Board	Rep. Goodwin
HB 944	Adopt The Salute To The Flag	Rep. Goodwin

Respectfully,



Representative Womble/Representative Johnson
Chairman Chairman

I hereby certify this notice was filed by the committee assistant at the following offices at
on .

☒ Principal Clerk
☒ Reading Clerk - House Chamber

*Dorothy McLean (Committee Assistant)
Rachel Faison (Committee Assistant)

**MINUTES
HOUSE COMMITTEE ON
STATE GOVERNMENT**

Wednesday, May 18, 2005

The House Committee on State Government met on Wednesday, May 18, 2005 in Room 1228 of the Legislative Building at 11:00 AM. The following members were present: Co-Chairman Linda Johnson, Co-Chairman Larry Womble, Representative Underhill, Eddins, Yongue, Setzer and Current. Staff Counselors Theresa Matala, Tim Hovis, and Kory Goldsmith were in attendance. A Visitor Registration list is attached and made part of these minutes.

The Chairman called the meeting to order and recognized Pages, Sergeant-at-Arms, Staff and visitors.

Senate Bill 116, **AN ACT TO ADOPT THE VENUS FLYTRAP AS THE OFFICIAL CARNIVOROUS PLANT OF THE STATE OF NORTH CAROLINA**, upon motion of Rep. Current, is moved forward on the agenda and Sen. Purcell is recognized to speak on the bill. Rep. Setzer makes a motion for favorable report, the motion passes unanimously.

Senate Bill 510, **AN ACT AUTHORIZING THE USE OF PERSONNEL AND FACILITIES AT WESTERN PIEDMONT COMMUNITY COLLEGE IN SUPPORT OF ECONOMIC DEVELOPMENT**, upon motion of Rep. Current, is moved forward on the agenda and Sen. Jacumin is recognized to speak on the bill. Rep. Allen moves the committee give the bill a favorable report. The motion is passed unanimously.

House Bill 1226, **AN ACT TO CLARIFY THE LAW REGARDING INSPECTION, REVIEW, AND EXAMINATION OF PRISON FACILITIES CONSTRUCTED THROUGH LEASE-PURCHASE AGREEMENT**, is introduced and Rep. Culpepper is recognized to speak on the bill. Rep. Setzer moves that the committee give the bill a favorable report. The motion passed unanimously.

House Bill 1316, **AN ACT ADOPTING THE FRASER FIR AS THE OFFICIAL CHRISTMAS TREE OF THE STATE OF NORTH CAROLINA AND THE SOUTHERN APPALACHIAN BROOK TROUT AS THE OFFICIAL FRESHWATER TROUT OF NORTH CAROLINA**, is introduced and Rep. Frye is recognized to speak on the bill. Rep. Setzer moves the committee give the bill a favorable report. The motion passed unanimously.

Senate Bill 884, **AN ACT RECOGNIZING THE SEAGROVE AREA AS THE BIRTHPLACE OF NORTH CAROLINA TRADITIONAL POTTERY**, is introduced. Co-Chairman Womble recognizes Rep. Johnson to speak on the bill. Rep. Yongue moves the committee give the bill a favorable report. The motion passed unanimously.

There being no further business, the Chair adjourned the meeting at 11:30 AM.

Respectfully submitted,

Representative Linda Johnson
Presiding Chair

Rachel Faison
Committee Assistant

Representative Larry Womble, Co-Chair

AGENDA

HOUSE COMMITTEE ON STATE GOVERNMENT

**May 18, 2005
Room 1425 LB
11:00 AM**

Presiding Chair – Representative Linda Johnson

Representative Larry Womble, Co-Chair

1. CALL TO ORDER

2. WELCOME

3. INTRODUCTION OF PAGES AND SERGEANT at ARMS

4. AGENDA ITEMS

House Bill 1226 – Inspection of Correctional Facilities, Rep. Culpepper

House Bill 1316 – Fraser Fir Official Christmas Tree, Rep. Frye

Senate Bill 116 – Venus Flytrap Official Carnivorous Plant, Sen. Purcell

**Senate Bill 510 – Western Piedmont Community College/Umstead Act,
Sen. Jacumin**

Senate Bill 884 – State Traditional Pottery Birthplace, Sen. Tillman

COMMENTS

ADJOURNMENT

VISITOR REGISTRATION SHEET

State Street

Name of Committee

5/18/05

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Sherry McDowell	NOGA Intern
Rich Webb	NOGA Intern
Courtney Crowder	NC DOI
Mildred R. Spearman	NC DOC
Bill Stovall	NC DOC
Tracy Little	NC DOC
Lauren McLaughlin	TNC
Cam Coker	BPMHL

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

S

1

SENATE BILL 116

Short Title: Venus Flytrap Official Carnivorous Plant.

(Public)

Sponsors: Senator Purcell.

Referred to: Rules and Operations of the Senate.

February 14, 2005

A BILL TO BE ENTITLED
AN ACT TO ADOPT THE VENUS FLYTRAP AS THE OFFICIAL CARNIVOROUS
PLANT OF THE STATE OF NORTH CAROLINA.

Whereas, the Venus flytrap is a small flowering perennial plant that grows in boggy areas of the Southeastern United States; and

Whereas, the Venus flytrap is unique in that it is a carnivorous plant characterized by leaves with hinged lobes that spring shut when stimulated by insects; and

Whereas, the Venus flytrap is native to the coastal plain of North Carolina and is legally protected by the State as a species of special concern; and

Whereas, the Venus flytrap deserves to be adopted as the official carnivorous plant of the State of North Carolina because it is a mysterious and wonderful natural resource; Now, therefore,

The General Assembly of North Carolina enacts:

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

"§ 145-22. State carnivorous plant.

The Venus flytrap (*Dionaea muscipula*) is adopted as the official carnivorous plant of the State of North Carolina."

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

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2005

S

D

SENATE BILL 116

PROPOSED HOUSE COMMITTEE SUBSTITUTE S116-CSRC-48 [v.1]

5/18/2005 6:28:39 AM

Short Title: Venus Flytrap Official Carnivorous Plant.

(Public)

Sponsors:

Referred to:

February 14, 2005

A BILL TO BE ENTITLED

AN ACT TO ADOPT THE VENUS FLYTRAP AS THE OFFICIAL CARNIVOROUS
PLANT OF THE STATE OF NORTH CAROLINA.

Whereas, the Venus flytrap is a small flowering perennial plant that grows in
boggy areas of the Southeastern United States; and

Whereas, the Venus flytrap is unique in that it is a carnivorous plant
characterized by leaves with hinged lobes that spring shut when stimulated by insects;
and

Whereas, the Venus flytrap is native to the coastal plain of North Carolina
and is legally protected by the State as a species of special concern; and

Whereas, the Venus flytrap deserves to be adopted as the official carnivorous
plant of the State of North Carolina because it is a mysterious and wonderful natural
resource; Now, therefore,

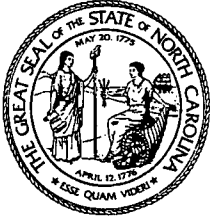
The General Assembly of North Carolina enacts:

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

"§ 145-22. State carnivorous plant.

The Venus flytrap (*Dionaea muscipula*) is adopted as the official carnivorous plant
of the State of North Carolina."

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



SENATE BILL 116: Venus Flytrap Official Carnivorous Plant

BILL ANALYSIS

Committee: House State Government
Introduced by: Sen. Purcell
Version: PCS to First Edition
S116-CSRC-48

Date: May 18, 2005
Summary by: Kory Goldsmith
Committee Counsel

SUMMARY: *SB116 would adopt the Venus Flytrap (*Dionaea muscipula*) as the official carnivorous plant of the State of North Carolina.*

The Proposed Committee Substitute makes the purely technical change of putting the Latin name for the plant in italics to conform to the standard scientific naming convention.

The act would effective when the bill becomes law.

CURRENT LAW: The pine is the official tree of North Carolina.¹ The sweet potato is the official State vegetable.² The official fruit is the Scuppernong grape.³ The official red berry is the strawberry.⁴ The official State wildflower is the Carolina Lily.⁵

S0116e1-SMRC-CSRC-48

¹ G.S. 145-3.

² G.S. 145-17.

³ G.S. 145-18(a).

⁴ G.S. 145-18(b).

⁵ G.S. 145-20.

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☐ Committee Substitute for

SB 116 A BILL TO BE ENTITLED AN ACT TO ADOPT THE VENUS FLYTRAP AS
THE OFFICIAL CARNIVOROUS PLANT OF THE STATE OF NORTH CAROLINA.

☒ With a favorable report as to House committee substitute bill, unfavorable as to the original
bill.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the (House) committee substitute bill/(joint) resolution
(No. _____) is placed on the Calendar of _____. (The original bill resolution No. _____) is placed
on the Unfavorable Calendar.

_____ The (House) committee substitute bill/(joint) resolution (No. _____) is re-referred to the
Committee on _____. (The original bill/resolution) (House/Senate Committee Substitute
Bill/(Joint) resolution No. _____) is placed on the Unfavorable Calendar.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

S

1

SENATE BILL 510*

Short Title: Western Piedmont Comm. Coll./Umstead Act. (Public)

Sponsors: Senator Jacumin.

Referred to: Education/Higher Education.

March 15, 2005

A BILL TO BE ENTITLED

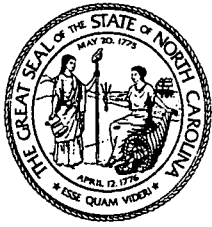
AN ACT AUTHORIZING THE USE OF PERSONNEL AND FACILITIES AT
WESTERN PIEDMONT COMMUNITY COLLEGE IN SUPPORT OF
ECONOMIC DEVELOPMENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 66-58(c) is amended by adding a new subdivision to read:

"(3c) The use of the personnel and facilities of Western Piedmont
Community College, with the consent of the trustees of the college, in
support of economic development through the operation of the East
Campus and its companion facilities as an event venue."

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



SENATE BILL 510: Western Piedmont Comm. Coll./Umstead Act

BILL ANALYSIS

Committee: House State Government
Introduced by: Sen. Jacumin
Version: First Edition

Date: May 18, 2005
Summary by: Kory Goldsmith
Committee Counsel

SUMMARY: *Senate Bill 510 would authorize the use of facilities at Western Piedmont Community College as an event venue in support of economic development.*

This bill is identical to H528, as introduced by Reps. Church, Gillespie, which this Committee gave a favorable report on May 5, 2005.

CURRENT LAW: As a general rule, G.S. 66-58 (the Umstead Act) prohibits State agencies from competing with private businesses in certain commercial activities. However, there are a number of exceptions that have been made including allowing a community college to permit the use of its personnel or facilities in support of or by a private business enterprise located on the campus of the community college campus or its service areas in support of economic development. Examples would be small business incubators, product testing services, and videoconferencing services provided to the public. There is also an exemption for the sale of products raised or produced incident to the operation of a community college viticulture/enology program.

BILL ANALYSIS: Senate Bill 510 would authorize Western Piedmont Community College, with the consent of its board of trustees, to use its personnel and facilities to support economic development of its East Campus and companion facilities as an event venue.

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

BACKGROUND: Western Piedmont Community College has plans to build a "dirty classroom" for classes related to outdoor training for law enforcement. The college would like to use the facility for classes during the weekdays and then rent out on the weekends to bring various trade shows and events to the area.

Drupti Chauhan, counsel to Senate Education/Higher Education, substantially contributed to this summary.

S0510e1-SMRC

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☐ Committee Substitute for

SB 510 A BILL TO BE ENTITLED AN ACT AUTHORIZING THE USE OF
PERSONNEL AND FACILITIES AT WESTERN PIEDMONT COMMUNITY COLLEGE IN
SUPPORT OF ECONOMIC DEVELOPMENT.

☒ With a favorable report.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the bill/resolution is placed on the Calendar of _____.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2005

H

1

HOUSE BILL 1226

Short Title: Inspection of Correctional Facilities.

(Public)

Sponsors: Representatives Culpepper; Farmer-Butterfield and Parmon.

Referred to: State Government.

April 14, 2005

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE LAW REGARDING INSPECTION, REVIEW, AND
EXAMINATION OF PRISON FACILITIES CONSTRUCTED THROUGH
LEASE-PURCHASE AGREEMENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 148-37.2 is amended by adding a new subsection to read:

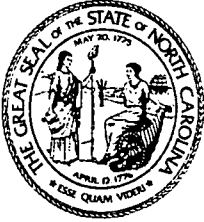
"(k) Upon completion of the construction of a facility authorized by this section and the commencement of the State's leasehold interest pursuant to the terms of a valid lease-purchase agreement:

(1) The facility shall not be subject to county or municipal building codes and requirements and shall not be subject to inspection by any county or municipal authorities under G.S. 143-135.1.

(2) The Department of Administration may exercise all powers and perform all duties set forth in G.S. 143-341 regarding the facility.

(3) The Commissioner of Insurance shall conduct the inspections, reviews, and examinations of the facility set forth in G.S. 58-31-40 and shall conduct electrical inspections of the facility pursuant to G.S. 143-143.2."

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



HOUSE BILL 1226: Inspection of Correctional Facilities

BILL ANALYSIS

Committee: House State Government
Introduced by: Rep. Culpepper
Version: First Edition

Date: May 17, 2005
Summary by: Tim Hovis
Committee Counsel

SUMMARY: *House Bill 1226 amends G.S. 148-37.2 to provide that prisons constructed through lease-purchase agreements are not subject to county or municipal building codes or to inspection by county or municipal authorities. The bill authorizes the Commissioner of Insurance to conduct inspections, reviews, and examinations of the facility, including electrical inspections. The Department of Administration is authorized to approve plans and specifications for the building.*

BACKGROUND: G.S. 148-37.2 authorizes the Secretary of Correction to enter into contracts with firms for the construction of correctional facilities to be operated by the Department pursuant to lease-purchase agreements of up to twenty years.

EFFECTIVE DATE: House Bill 1226 is effective when it becomes law.

H1226el-SMRG

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☐ Committee Substitute for

HB 1226 A BILL TO BE ENTITLED AN ACT TO CLARIFY THE LAW
REGARDING INSPECTION, REVIEW, AND EXAMINATION OF PRISON FACILITIES
CONSTRUCTED THROUGH LEASE-PURCHASE AGREEMENT.

☒ With a favorable report.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the bill/resolution is placed on the Calendar of _____.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 1316

Short Title: Fraser Fir Official Christmas Tree.

(Public)

Sponsors: Representative Frye.

Referred to: State Government.

April 20, 2005

A BILL TO BE ENTITLED

AN ACT ADOPTING THE FRASER FIR AS THE OFFICIAL CHRISTMAS TREE
OF THE STATE OF NORTH CAROLINA.

Whereas, North Carolina has 1,500 Christmas tree growers and produces more trees than any other state except Oregon; and

Whereas, North Carolina tree growers produce over 50 million Fraser firs each year; and

Whereas, the Fraser fir constitutes more than 90% of all the Christmas trees grown in North Carolina; and

Whereas, the Fraser fir is named for John Fraser, a Scottish botanist who explored the Southern Appalachian mountains of North Carolina in the late 1700s; and

Whereas, the Fraser fir is a pyramid-shaped tree that reaches a maximum height of 80 feet and a trunk diameter of 1 to 1 and 1/2 feet; and

Whereas, the Fraser fir grows naturally only in the Southern Appalachians; and

Whereas, Fraser fir trees grown in North Carolina have won the National Christmas Tree Association's annual tree competition more than any other species; and

Whereas, the Fraser fir deserves recognition as the official Christmas tree of the State of North Carolina; Now, therefore,

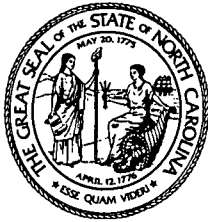
The General Assembly of North Carolina enacts:

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

"§ 145-22. Official Christmas tree.

The Fraser fir (*Abies fraseri*) is adopted as the official Christmas tree of the State of North Carolina."

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



HOUSE BILL 1316: Fraser Fir Official Christmas Tree

BILL ANALYSIS

Committee: House State Government
Introduced by: Rep. Frye
Version: First Edition

Date: May 18, 2005
Summary by: Theresa Matula
Committee Staff

SUMMARY: *House Bill 1316 establishes the Fraser Fir as the Official Christmas Tree of the State of North Carolina.*

CURRENT LAW:

Chapter 145 of the General Statutes establishes State Symbols and Other Official Adoptions. North Carolina currently has the following State symbols and official adoptions:

§ 145-2. State bird.	§ 145-12. State language.
§ 145-3. State tree.	§ 145-13. The State dog.
§ 145-4. State shell.	§ 145-14. The State Military Academy.
§ 145-5. State mammal.	§ 145-15. State tartan.
§ 145-6. State saltwater fish.	§ 145-16. State Watermelon Festivals.
§ 145-7. State insect.	§ 145-17. State vegetable.
§ 145-8. State stone.	§ 145-18. State fruit and State berries.
§ 145-9. State reptile.	§ 145-19. State International Festival.
§ 145-10. State rock.	§ 145-20. State wildflower.
§ 145-10.1. State beverage.	§ 145-21. State Aviation Hall of Fame and Museum and State Museum of Aviation.
§ 145-11. State historical boat.	

BILL ANALYSIS:

House Bill 1316 amends Chapter 145 by adding a new section establishing the Fraser fir as the official Christmas tree of North Carolina.

This bill would become effective when it becomes law.

BACKGROUND:

House Bill 1316 provides the following information:

- NC has 1,500 Christmas tree growers and produces more trees than any other state, except Oregon;
- NC tree growers produce over 50 million Fraser firs each year;
- The Fraser fir is named for John Fraser, a Scottish botanist who explored the Southern Appalachian mountains of NC in the late 1700s;
- The Fraser fir is a pyramid-shaped tree that reaches a maximum height of 80 feet and a trunk diameter of 1 to 1½ feet;
- The Fraser fir grows naturally only in the Southern Appalachians; and
- Fraser fir trees grown in NC have won the National Christmas Tree Association's annual tree competition more than any other species.

H1316e1-SMSH

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☐ Committee Substitute for

HB 1316 A BILL TO BE ENTITLED AN ACT ADOPTING THE FRASER FIR
AS THE OFFICIAL CHRISTMAS TREE OF THE STATE OF NORTH CAROLINA.

☒ With a favorable report.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the bill/resolution is placed on the Calendar of _____.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

S

1

SENATE BILL 884

Short Title: State Traditional Pottery Birthplace. (Public)

Sponsors: Senators Tillman; Allran, Atwater, Berger of Franklin, Bingham, Blake, Boseman, Brock, Brown, Clodfelter, Cowell, East, Garwood, Goodall, Holloman, Hoyle, Jacumin, Kinnaird, Presnell, Smith, and Snow.

Referred to: Commerce.

March 23, 2005

A BILL TO BE ENTITLED
AN ACT RECOGNIZING THE SEAGROVE AREA AS THE BIRTHPLACE OF
NORTH CAROLINA TRADITIONAL POTTERY.

Whereas, the art of crafting traditional pottery in North Carolina began around 1750 in the Seagrove area, which today includes portions of Randolph, Chatham, Moore, and Montgomery Counties; and

Whereas, this craft has been carried on for 200 years and, in some cases, by people who represent the eighth and ninth generation of potters in their families; and

Whereas, early families of the Seagrove area associated with North Carolina traditional pottery included the Chriscoe, Cole, Craven, Luck, McNeill, Owen, and Teague families; and

Whereas, the pottery craft is a tradition that encompasses both aesthetic and utilitarian elements in its design; and

Whereas, the annual Seagrove Pottery Festival has become the premier traditional pottery event in the State; and

Whereas, during the festival, thousands of people are drawn to pottery displays, demonstrations of pottery making, and the pottery auction; and

Whereas, plans have been made to establish the Museum of North Carolina Traditional Pottery to preserve and perpetuate the history and tradition of North Carolina traditional pottery; and

Whereas, Seagrove is considered the State's pottery capital; and

Whereas, it is fitting to recognize the Seagrove area as the birthplace of North Carolina traditional pottery; Now, therefore,

The General Assembly of North Carolina enacts:

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

"§ 145-22. State birthplace of traditional pottery.

1 The Seagrove area, including portions of Randolph, Chatham, Moore, and
2 Montgomery Counties, is designated as the official location of the birthplace of North
3 Carolina traditional pottery."

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

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

S

D

**SENATE BILL 884
PROPOSED COMMITTEE SUBSTITUTE S884-PCS75273-LG-3**

Short Title: State Traditional Pottery Birthplace.

(Public)

Sponsors:

Referred to:

March 23, 2005

1 A BILL TO BE ENTITLED
2 AN ACT RECOGNIZING THE SEAGROVE AREA AS THE BIRTHPLACE OF
3 NORTH CAROLINA TRADITIONAL POTTERY.

4 Whereas, the art of crafting traditional pottery in North Carolina began
5 around 1750 in the Seagrove area, which today includes portions of Randolph,
6 Chatham, Moore, and Montgomery Counties; and

7 Whereas, this craft has been carried on for 200 years and, in some cases, by
8 people who represent the eighth and ninth generation of potters in their families; and

9 Whereas, early families of the Seagrove area associated with North Carolina
10 traditional pottery included the Chriscoe, Cole, Craven, Luck, McNeill, Owen, and
11 Teague families; and

12 Whereas, the pottery craft is a tradition that encompasses both aesthetic and
13 utilitarian elements in its design; and

14 Whereas, the annual Seagrove Pottery Festival has become the premier
15 traditional pottery event in the State; and

16 Whereas, during the festival, thousands of people are drawn to pottery
17 displays, demonstrations of pottery making, and the pottery auction; and

18 Whereas, plans have been made to establish the Museum of North Carolina
19 Traditional Pottery to preserve and perpetuate the history and tradition of North
20 Carolina traditional pottery; and

21 Whereas the North Carolina Pottery Museum was established in 1998 to
22 promote an awareness of the history and heritage of North Carolina pottery making
23 traditions; and

24 Whereas, Seagrove is considered the State's pottery capital; and

25 Whereas, it is fitting to recognize the Seagrove area as the birthplace of North
26 Carolina traditional pottery; Now, therefore,

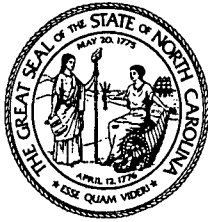
27 The General Assembly of North Carolina enacts:

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

3 **"§ 145-22. State birthplace of traditional pottery.**

4 The Seagrove area, including portions of Randolph, Chatham, Moore, and
5 Montgomery Counties, is designated as the official location of the birthplace of North
6 Carolina traditional pottery."

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



SENATE BILL 884: State Traditional Pottery Birthplace

BILL ANALYSIS

Committee: House State Government
Introduced by: Sen. Tillman
Version: PCS to First Edition
S884-PCS75273-LG-3

Date: May 18, 2005
Summary by: Theresa Matula
Committee Staff

SUMMARY: *The Proposed Committee Substitute (PCS) for Senate Bill 884 recognizes the Seagrove area as the birthplace of North Carolina traditional pottery.*

The PCS only adds a whereas clause on lines 21-23 pertaining to the establishment of the North Carolina Pottery Museum.

CURRENT LAW: Chapter 145 of the General Statutes establishes State Symbols and Other Official Adoptions. North Carolina currently has the following State symbols and official adoptions:

- | | |
|----------------------------------|---|
| § 145-2. State bird. | § 145-12. State language. |
| § 145-3. State tree. | § 145-13. The State dog. |
| § 145-4. State shell. | § 145-14. The State Military Academy. |
| § 145-5. State mammal. | § 145-15. State tartan. |
| § 145-6. State saltwater fish. | § 145-16. State Watermelon Festivals. |
| § 145-7. State insect. | § 145-17. State vegetable. |
| § 145-8. State stone. | § 145-18. State fruit and State berries. |
| § 145-9. State reptile. | § 145-19. State International Festival. |
| § 145-10. State rock. | § 145-20. State wildflower. |
| § 145-10.1. State beverage. | § 145-21. State Aviation Hall of Fame and Museum
and State Museum of Aviation. |
| § 145-11. State historical boat. | |

BILL ANALYSIS: The Proposed Committee Substitute for Senate Bill 884 amends Chapter 145 by adding a new section recognizing the Seagrove area of North Carolina, which includes portions of Randolph, Chatham, Moore, and Montgomery Counties, as the official birthplace of North Carolina traditional pottery.

The bill would be effective when it becomes law.

BACKGROUND: Senate Bill 884 provides the following information:

- The art of crafting traditional pottery in North Carolina began around 1750;
- The craft has been carried on for 200 years;
- Early families of the Seagrove area associated with traditional pottery included the Chriscoe, Cole, Craven, Luck, McNeill, Owen, and Teague families;
- The pottery craft is a tradition that encompasses both aesthetic and utilitarian elements in its design;
- The annual Seagrove Pottery Festival has become the premier traditional pottery event in the State and thousands of people are drawn to pottery displays demonstrations and the auction;
- Plans have been made to establish the Museum of North Carolina Traditional Pottery;
- The North Carolina Pottery Museum was established in 1998; and
- Seagrove is considered the State's pottery capital.

S0884e1-SMSH-PCS75273-LG-3

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☐ Committee Substitute for

SB 884 A BILL TO BE ENTITLED AN ACT RECOGNIZING THE SEAGROVE
AREA AS THE BIRTHPLACE OF NORTH CAROLINA TRADITIONAL POTTERY.

☒ With a favorable report as to House committee substitute bill, unfavorable as to the original
bill.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the (House) committee substitute bill/(joint) resolution
(No. _____) is placed on the Calendar of _____. (The original bill resolution No. _____) is placed
on the Unfavorable Calendar.

_____ The (House) committee substitute bill/(joint) resolution (No. _____) is re-referred to the
Committee on _____. (The original bill/resolution) (House/Senate Committee Substitute
Bill/(Joint) resolution No. _____) is placed on the Unfavorable Calendar.

Dorothy McLean (Rep. Womble)

From: Rachel Faison (Rep. Linda Johnson)

Sent: Tuesday, May 17, 2005 10:07 AM

Subject: CORRECTED: State Gov't Comm. Wed, May 18th 11AM

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2005-2006 SESSION**

You are hereby notified that the Committee on State Government will meet as follows:

DAY & DATE: May 18, 2005

TIME: 11:00 AM

LOCATION: LB 1425

The following bills will be considered (Bill # & Short Title & Bill Sponsor):
House Bill 1226 – Inspection of Correctional Facilities, Rep. Culpepper

House Bill 1316 – Fraser Fir Official Christmas Tree, Rep. Frye

Senate Bill 116 – Venus Flytrap Official Carnivorous Plant, Sen. Purcell

Senate Bill 510 – Western Piedmont Community College/Umstead Act, Sen. Jacumin

Senate Bill 884 – State Traditional Pottery Birthplace, Sen. Tillman

Respectfully,

Co-Chairs

Representative Linda Johnson

Representative Larry Womble

I hereby certify this notice was filed by the committee assistant at the following offices at **11:00 am** on **Tuesday, May 17, 2005.**

X Principal Clerk

X Reading Clerk - House Chamber

Rachel Faison (Committee Assistant)

HOUSE STATE GOVERNMENT COMMITTEE

MEETING MINUTES

June 1, 2005

The House State Government Committee met on Wednesday June 1, 2005 at 11 a.m. in Room 1425 of the Legislative Building.

MEMBERS PRESENT: Co-Chairs: Larry Womble and Linda Johnson; Vice Chairs: Alexander, Underhill and Current; Representatives Bernard Allen and Yongue. Staff Members were also present.

Co-Chair Womble called the meeting to order and recognized the House Pages and House Sergeants-At-Arms: Fred Hines and William Sullivan. A Visitors' Registration and Meeting Agenda are attached as part of these minutes.

The following bills were on the meeting agenda **House Bills: 1776 and 237.**

HOUSE BILL 1776 - JACKSON COUNTY AIRPORT AUTHORITY CONTRACTS. AN ACT TO PUT A MORATORIUM ON THE JACKSON COUNTY AIRPORT AUTHORITY ENTERING INTO CONTRACTS RELATING TO THE HANGAR CONSTRUCTION PROJECT.

Representative Haire presented the bill of Representative Nye, the bill sponsor. The Committee voted to hear the proposed committee substitute for discussion. Representative Bernard Allen made the motion for the vote. The Committee voted FAVORABLE report to the proposed committee substitute and UNFAVORABLE to the original bill and referred to the Committee on Finance.

Co-Chair Womble recognized visiting House Members: Representatives Parmon and Ray.

***HOUSE BILL 237- DOT MINORITY/WOMEN BUSINESSES PROGRAM.
TO REAFFIRM AND CLARIFY STATE POLICY CONCERNING
PARTICIPATION BY DISADVANTAGED MINORITY-OWNED AND***

PAGE 2

HOUSE STATE GOVERNMENT COMMITTEE

WOMEN-OWNED BUSINESSES IN HIGHWAY CONSTRUCTION, AS RECOMMENDED BY THE JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE. RECOMMENDED BY THE JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE.

Representative Coates, one of the bill co-sponsors was recognized to explain the bill. Vice Chair noted the reference to SB 1127 in the HB 237 summary. Representative Coates noted these were companion bills and came from the Joint House & Senate Oversight Committee.

Mr. Willie Reddick, Department of Transportation was recognized to address Representative Bernard Allen's question as Representative Coates directed with the Co-Chair's permission.

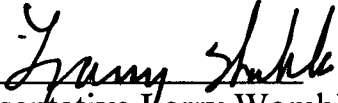
Vice Chair Underhill was recognized for a question and made the motion for a favorable report. Representative Yongue asked for clarification of the word "minority." The Legal Staff referred to the summary of the bill for the clarification.

The Committee addressed many questions to the bill co-sponsor and the Department of Transportation staff. Representative Saunders, bill co-sponsor was asked to further explain the bill.

Vice Chair Underhill stated to refer the bill to the Committee on Transportation so it would allow the bill to be heard and discussed in more detail. The motion was made to refer the bill to the Transportation Committee without prejudice. The Committee voted accordingly.

The meeting was adjourned.

Respectfully submitted,


Representative Larry Womble
Committee Co-Chair


Dorothy McLean
Committee Assistant

PAGE 3

Attachments:

Agenda

Visitor Registration Sheet

HB 1776

HB 237

Committee Notice

AGENDA

HOUSE STATE GOVERNMENT COMMITTEE MEETING

June 1, 2005- Room 1425 LB

*****Representative Larry Womble***

Chair

Representative Linda Johnson

Chair

CALL TO ORDER

WELCOME

INTRODUCTION OF PAGES and SERGEANT-at-ARMS

BILLS TO BE DISCUSSED

HB 237 DOT Minority/Businesses Program Reps. Coates, Saunders,

HB 1776 NC Trout Unlimited Specialized License Plate Rep. Nye

COMMENTS

ADJOURNMENT

VISITOR REGISTRATION SHEET

HOUSE/STATE GOVERNMENT

June 1, 2005

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

<i>[Signature]</i>	<i>CA MC</i>
Tonia Stevens	NCDOT/DMV
Portia Manley	NCDOT/DMV
Willie Fiddie	NCDOT
Q. Crutendon	NCDOT
Shelton Russell	NCDOT
Linda Lanier	Kinston Contracting, Inc
Robert Wilson	S.O.S.
Christie Barber	CAPA
BERRY JENKINS	CAROLINAS AGR
Beth Leonard McKay	NCDOT for NCDOT

VISITOR REGISTRATION SHEET

STATE GOVERNMENT

06-01-05

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

REGINALD WATKINS	NC DEPT. OF JUSTICE
Arita Alston	NC DOA/HUB office
Bridget Fraw	NC DOA/HUB office
Kenneth Johnson	Kenneth Johnson
Liane Moly	HGO
Anne Wiggins	AA
Nathan Jones	Jones Consulting & Training Inc
Paul Moore &	E. MOORE & SON Electric Inc
Lois Ann Harris	CATTA
Wm Jones	Jones & Son & Family Inc.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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1

HOUSE BILL 1776

Short Title: NC Trout Unlimited Specialized License Plate.

(Public)

Sponsors: Representative Haire.

Referred to: State Government, if favorable, Finance.

May 12, 2005

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A
NORTH CAROLINA TROUT UNLIMITED SPECIAL REGISTRATION PLATE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-63(b) reads as rewritten:

"(b) Every license plate shall have displayed upon it the registration number assigned to the vehicle for which it is issued, the name of the State of North Carolina, which may be abbreviated, and the year number for which it is issued or the date of expiration. A plate issued for a commercial vehicle, as defined in G.S. 20-4.2(1), and weighing 26,001 pounds or more, must bear the word "commercial", unless the plate is a special registration plate authorized in G.S. 20-79.4 or the commercial vehicle is a trailer or is licensed for 6,000 pounds or less. The plate issued for vehicles licensed for 7,000 pounds through 26,000 pounds must bear the word "weighted".

Except as otherwise provided in this subsection, a registration plate issued by the Division for a private passenger vehicle or for a private hauler vehicle licensed for 6,000 pounds or less shall be a "First in Flight" plate. A "First in Flight" plate shall have the words "First in Flight" printed at the top of the plate above all other letters and numerals. The background of the plate shall depict the Wright Brothers biplane flying over Kitty Hawk Beach, with the plane flying slightly upward and to the right. The following special registration plates do not have to be a "First in Flight" plate. The design of the plates that are not "First in Flight" plates must be approved by the Division and the State Highway Patrol for clarity and ease of identification.

- (1) Friends of the Great Smoky Mountains National Park.
- (2) Rocky Mountain Elk Foundation.
- (3) Blue Ridge Parkway Foundation.
- (4) Friends of the Appalachian Trail.
- (5) NC Coastal Federation.
- (6) In God We Trust.
- (7) Stock Car Racing Theme.

(8) NC Trout Unlimited."

SECTION 2. G.S. 20-79.4(b) is amended by adding a new subdivision to read:

"(b) Types. – The Division shall issue the following types of special registration plates:

...

(46a) NC Trout Unlimited. – Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall bear the phrase "Back the Brookie" used by NC Trout Unlimited and an image that depicts a North Carolina Brook Trout."

SECTION 3. G.S. 20-79.4(b) is amended by renumbering subdivision (46a) to read:

"(b) Types. – The Division shall issue the following types of special registration plates:

...

(46a)(46i) U.S. Navy Specialty. – Issuable to a veteran of the United States Navy Submariner Service. The plate shall bear the phrase "Silent Service Veteran" and shall bear a representation of the Submarine Service Qualification pin. The Division may not issue the plate authorized by this subdivision unless it receives at least 300 applications for the plate."

SECTION 4. G.S. 20-79.7(a) reads as rewritten:

"(a) Fees. – Upon request, the Division shall provide and issue free of charge one registration plate to a recipient of the Congressional Medal of Honor, a 100% disabled veteran, and an ex-prisoner of war. All other special registration plates, including additional Congressional Medal of Honor, 100% Disabled Veteran, and Ex-Prisoner of War plates, are subject to the regular motor vehicle registration fee in G.S. 20-87 or G.S. 20-88 plus an additional fee in the following amount:

<u>Special Plate</u>	<u>Additional Fee Amount</u>
Crystal Coast	\$30.00
El Pueblo	\$30.00
Historical Attraction	\$30.00
HOMES4NC	\$30.00
In God We Trust	\$30.00
North Carolina 4-H Development Fund	\$30.00
Personalized	\$30.00
State Attraction	\$30.00
Buffalo Soldiers	\$25.00
Collegiate Insignia	\$25.00
Goodness Grows	\$25.00
High School Insignia	\$25.00
Kids First	\$25.00
Olympic Games	\$25.00
NC Agribusiness	\$25.00

1	NC Coastal Federation	\$25.00
2	Nurses	\$25.00
3	(Effective until June 30, 2006) Rocky Mountain	
4	Elk Foundation	\$25.00
5	Special Olympics	\$25.00
6	Surveyor Plate	\$25.00
7	The V Foundation for Cancer Research Division	\$25.00
8	University Health Systems of Eastern Carolina	\$25.00
9	Animal Lovers	\$20.00
10	Audubon North Carolina	\$20.00
11	Be Active NC	\$20.00
12	Daughters of the American Revolution	\$20.00
13	Ducks Unlimited	\$20.00
14	(Effective until June 30, 2006) First in Forestry	\$30.00
15	Harley Owners' Group	\$20.00
16	Litter Prevention	\$20.00
17	March of Dimes	\$20.00
18	<u>NC Trout Unlimited</u>	<u>\$20.00</u>
19	Omega Psi Phi Fraternity	\$20.00
20	Save the Sea Turtles	\$20.00
21	Scenic Rivers	\$20.00
22	School Technology	\$20.00
23	Soil and Water Conservation	\$20.00
24	Special Forces Association	\$20.00
25	Support Public Schools	\$20.00
26	Wildlife Resources	\$20.00
27	Zeta Phi Beta Sorority	\$20.00
28	Active Member of the National Guard	None
29	100% Disabled Veteran	None
30	Ex-Prisoner of War	None
31	Legion of Valor	None
32	Purple Heart Recipient	None
33	Silver Star Recipient	None
34	All Other Special Plates	\$10.00."

SECTION 5. G.S. 20-79.7(b) reads as rewritten:

"(b) Distribution of Fees. – The Special Registration Plate Account and the Collegiate and Cultural Attraction Plate Account are established within the Highway Fund. The Division must credit the additional fee imposed for the special registration plates listed in subsection (a) among the Special Registration Plate Account (SRPA), the Collegiate and Cultural Attraction Plate Account (CCAPA), the Natural Heritage Trust Fund (NHTF), which is established under G.S. 113-77.7, and the Parks and Recreation Trust Fund, which is established under G.S. 113-44.15, as follows:

<u>Special Plate</u>	<u>SRPA</u>	<u>CCAPA</u>	<u>NHTF</u>	<u>PRTF</u>
Animal Lovers	\$10	\$10	0	0

1	Audubon North Carolina	\$10	\$10	0	0
2	Be Active NC	\$10	\$10	0	0
3	Buffalo Soldiers	\$10	\$15	0	0
4	Crystal Coast	\$10	\$20	0	0
5	Daughters of the American				
6	Revolution	\$10	\$10	0	0
7	Ducks Unlimited	\$10	\$10	0	0
8	El Pueblo	\$10	\$20	0	0
9	First in Forestry	\$10	\$10	\$10	0
10	Goodness Grows	\$10	\$15	0	0
11	(Effective until June 30,				
12	2006) Harley Owners' Group				
13	High School Insignia	\$10	\$15	0	0
14	Historical Attraction	\$10	\$20	0	0
15	HOMES4NC	\$10	\$20	0	0
16	In God We Trust	\$10	\$20	0	0
17	In-State Collegiate Insignia	\$10	\$15	0	0
18	Kids First	\$10	\$15	0	0
19	Litter Prevention	\$10	\$10	0	0
20	March of Dimes	\$10	\$10	0	0
21	NC Agribusiness	\$10	\$15	0	0
22	NC Coastal Federation	\$10	\$15	0	0
23	NC 4-H Development Fund	\$10	\$20	0	0
24	<u>NC Trout Unlimited</u>	<u>\$10</u>	<u>\$10</u>	<u>0</u>	<u>0</u>
25	Nurses	\$10	\$15	0	0
26	Olympic Games	\$10	\$15	0	0
27	Omega Psi Phi Fraternity	\$10	\$10	0	0
28	Out-of-state Collegiate Insignia	10	0	\$15	0
29	Personalized	\$10	0	\$15	\$5
30	(Effective until June 30,				
31	2006) Rocky Mountain Elk				
32	Foundation	\$10	\$15	0	0
33	Save the Sea Turtles	\$10	\$10	0	0
34	Scenic Rivers	\$10	\$10	0	0
35	School Technology	\$10	\$10	0	0
36	Soil and Water Conservation	\$10	\$10	0	0
37	Special Forces Association	\$10	\$10	0	0
38	Special Olympics	\$10	\$15	0	0
39	State Attraction	\$10	\$20	0	0
40	Stock Car Racing Theme	\$10	\$20	0	0
41	Support Public Schools	\$10	\$10	0	0
42	Surveyor Plate	\$10	\$15	0	0
43	The V Foundation for				
44	Cancer Research	\$10	\$15	0	0

1	University Health Systems of				
2	Eastern Carolina	\$10	\$15	0	0
3	Wildlife Resources	\$10	\$10	0	0
4	Zeta Phi Beta Sorority	\$10	\$10	0	0
5	All other Special Plates	\$10	0	0	0."

6 **SECTION 5.** G.S. 20-81.12 is amended by adding a new subsection to read:
7 "(b31) NC Trout Unlimited. – The Division must receive 300 or more applications
8 for a NC Trout Unlimited plate before the plate may be developed. The Division shall
9 transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account
10 derived from the sale of NC Trout Unlimited plates to North Carolina Trout Unlimited
11 for its programs."

12 **SECTION 6.** Chapter 145 of the General Statutes is amended by adding a
13 new section to read:

14 "**§ 145-22. State freshwater fish.**

15 The Brook Trout is adopted as the official freshwater fish of the State of North
16 Carolina."

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

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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**HOUSE BILL 1776
PROPOSED COMMITTEE SUBSTITUTE H1776-PCS70493-SH-28**

Short Title: NC Trout Unlimited Plate/Trout State Fish.

(Public)

Sponsors:

Referred to:

May 12, 2005

A BILL TO BE ENTITLED
AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A
NORTH CAROLINA TROUT UNLIMITED SPECIAL REGISTRATION PLATE
AND TO ADOPT THE BROOK TROUT AS THE OFFICIAL FRESHWATER
FISH OF THE STATE OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-63(b) reads as rewritten:

"(b) Every license plate shall have displayed upon it the registration number assigned to the vehicle for which it is issued, the name of the State of North Carolina, which may be abbreviated, and the year number for which it is issued or the date of expiration. A plate issued for a commercial vehicle, as defined in G.S. 20-4.2(1), and weighing 26,001 pounds or more, must bear the word "commercial", unless the plate is a special registration plate authorized in G.S. 20-79.4 or the commercial vehicle is a trailer or is licensed for 6,000 pounds or less. The plate issued for vehicles licensed for 7,000 pounds through 26,000 pounds must bear the word "weighted".

Except as otherwise provided in this subsection, a registration plate issued by the Division for a private passenger vehicle or for a private hauler vehicle licensed for 6,000 pounds or less shall be a "First in Flight" plate. A "First in Flight" plate shall have the words "First in Flight" printed at the top of the plate above all other letters and numerals. The background of the plate shall depict the Wright Brothers biplane flying over Kitty Hawk Beach, with the plane flying slightly upward and to the right. The following special registration plates do not have to be a "First in Flight" plate. The design of the plates that are not "First in Flight" plates must be approved by the Division and the State Highway Patrol for clarity and ease of identification.

- (1) Friends of the Great Smoky Mountains National Park.
- (2) Rocky Mountain Elk Foundation.
- (3) Blue Ridge Parkway Foundation.
- (4) Friends of the Appalachian Trail.

- (5) NC Coastal Federation.
 (6) In God We Trust.
 (7) Stock Car Racing Theme.
 (8) NC Trout Unlimited."

SECTION 2. G.S. 20-79.4(b) is amended by adding a new subdivision to read:
 "(b) Types. – The Division shall issue the following types of special registration plates:

- ...
 (28p) NC Trout Unlimited. – Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall bear the phrase 'Back the Brookie' and an image that depicts a North Carolina brook trout."

SECTION 3. G.S. 20-79.7(a) reads as rewritten:

"(a) Fees. – Upon request, the Division shall provide and issue free of charge one registration plate to a recipient of the Congressional Medal of Honor, a 100% disabled veteran, and an ex-prisoner of war. All other special registration plates, including additional Congressional Medal of Honor, 100% Disabled Veteran, and Ex-Prisoner of War plates, are subject to the regular motor vehicle registration fee in G.S. 20-87 or G.S. 20-88 plus an additional fee in the following amount:

<u>Special Plate</u>	<u>Additional Fee Amount</u>
Crystal Coast	\$30.00
El Pueblo	\$30.00
Historical Attraction	\$30.00
HOMES4NC	\$30.00
In God We Trust	\$30.00
North Carolina 4-H Development Fund	\$30.00
Personalized	\$30.00
State Attraction	\$30.00
Buffalo Soldiers	\$25.00
Collegiate Insignia	\$25.00
Goodness Grows	\$25.00
High School Insignia	\$25.00
Kids First	\$25.00
Olympic Games	\$25.00
NC Agribusiness	\$25.00
NC Coastal Federation	\$25.00
Nurses	\$25.00
(Effective until June 30, 2006) Rocky Mountain	
Elk Foundation	\$25.00
Special Olympics	\$25.00
Surveyor Plate	\$25.00
The V Foundation for Cancer Research Division	\$25.00
University Health Systems of Eastern Carolina	\$25.00

1	Animal Lovers	\$20.00
2	Audubon North Carolina	\$20.00
3	Be Active NC	\$20.00
4	Daughters of the American Revolution	\$20.00
5	Ducks Unlimited	\$20.00
6	(Effective until June 30, 2006) First in Forestry	\$30.00
7	Harley Owners' Group	\$20.00
8	Litter Prevention	\$20.00
9	March of Dimes	\$20.00
10	<u>NC Trout Unlimited</u>	<u>\$20.00</u>
11	Omega Psi Phi Fraternity	\$20.00
12	Save the Sea Turtles	\$20.00
13	Scenic Rivers	\$20.00
14	School Technology	\$20.00
15	Soil and Water Conservation	\$20.00
16	Special Forces Association	\$20.00
17	Support Public Schools	\$20.00
18	Wildlife Resources	\$20.00
19	Zeta Phi Beta Sorority	\$20.00
20	Active Member of the National Guard	None
21	100% Disabled Veteran	None
22	Ex-Prisoner of War	None
23	Legion of Valor	None
24	Purple Heart Recipient	None
25	Silver Star Recipient	None
26	All Other Special Plates	\$10.00."

SECTION 4. G.S. 20-79.7(b) reads as rewritten:

"(b) Distribution of Fees. – The Special Registration Plate Account and the Collegiate and Cultural Attraction Plate Account are established within the Highway Fund. The Division must credit the additional fee imposed for the special registration plates listed in subsection (a) among the Special Registration Plate Account (SRPA), the Collegiate and Cultural Attraction Plate Account (CCAPA), the Natural Heritage Trust Fund (NHTF), which is established under G.S. 113-77.7, and the Parks and Recreation Trust Fund, which is established under G.S. 113-44.15, as follows:

Special Plate	SRPA	CCAPA	NHTF	PRTF
Animal Lovers	\$10	\$10	0	0
Audubon North Carolina	\$10	\$10	0	0
Be Active NC	\$10	\$10	0	0
Buffalo Soldiers	\$10	\$15	0	0
Crystal Coast	\$10	\$20	0	0
Daughters of the American				
Revolution	\$10	\$10	0	0
Ducks Unlimited	\$10	\$10	0	0
El Pueblo	\$10	\$20	0	0

1	First in Forestry	\$10	\$10	\$10	0
2	Goodness Grows	\$10	\$15	0	0
3	(Effective until June 30,				
4	2006) Harley Owners' Group	\$10	\$10	0	0
5	High School Insignia	\$10	\$15	0	0
6	Historical Attraction	\$10	\$20	0	0
7	HOMES4NC	\$10	\$20	0	0
8	In God We Trust	\$10	\$20	0	0
9	In-State Collegiate Insignia	\$10	\$15	0	0
10	Kids First	\$10	\$15	0	0
11	Litter Prevention	\$10	\$10	0	0
12	March of Dimes	\$10	\$10	0	0
13	NC Agribusiness	\$10	\$15	0	0
14	NC Coastal Federation	\$10	\$15	0	0
15	NC 4-H Development Fund	\$10	\$20	0	0
16	<u>NC Trout Unlimited</u>	<u>\$10</u>	<u>\$10</u>	<u>0</u>	<u>0</u>
17	Nurses	\$10	\$15	0	0
18	Olympic Games	\$10	\$15	0	0
19	Omega Psi Phi Fraternity	\$10	\$10	0	0
20	Out-of-state Collegiate Insignia	10	0	\$15	0
21	Personalized	\$10	0	\$15	\$5
22	(Effective until June 30,				
23	2006) Rocky Mountain Elk				
24	Foundation	\$10	\$15	0	0
25	Save the Sea Turtles	\$10	\$10	0	0
26	Scenic Rivers	\$10	\$10	0	0
27	School Technology	\$10	\$10	0	0
28	Soil and Water Conservation	\$10	\$10	0	0
29	Special Forces Association	\$10	\$10	0	0
30	Special Olympics	\$10	\$15	0	0
31	State Attraction	\$10	\$20	0	0
32	Stock Car Racing Theme	\$10	\$20	0	0
33	Support Public Schools	\$10	\$10	0	0
34	Surveyor Plate	\$10	\$15	0	0
35	The V Foundation for				
36	Cancer Research	\$10	\$15	0	0
37	University Health Systems of				
38	Eastern Carolina	\$10	\$15	0	0
39	Wildlife Resources	\$10	\$10	0	0
40	Zeta Phi Beta Sorority	\$10	\$10	0	0
41	All other Special Plates	\$10	0	0	0."

SECTION 5. G.S. 20-81.12 is amended by adding a new subsection to read:
 "(b39) NC Trout Unlimited. – The Division must receive 300 or more applications
 for an NC Trout Unlimited plate before the plate may be developed. The Division shall

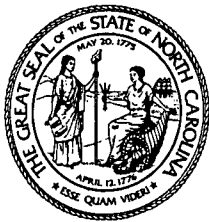
1 transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account
2 derived from the sale of NC Trout Unlimited plates to North Carolina Trout Unlimited
3 for its programs."

4 **SECTION 6.** Chapter 145 of the General Statutes is amended by adding a
5 new section to read:

6 **"§ 145-22. State freshwater fish.**

7 The brook trout (*Salvelinus fontinalis*) is adopted as the official freshwater fish of
8 the State of North Carolina."

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



HOUSE BILL 1776: NC Trout Unlimited Plate/Trout State Fish

BILL ANALYSIS

Committee: House State Government
Introduced by: Rep. Haire
Version: PCS to First Edition
H1776-PCS70493-SH-28

Date: June 1, 2005
Summary by: Theresa Matula
Committee Staff

SUMMARY: *House Bill 1776 authorizes the Division of Motor Vehicles to develop a special registration plate for NC Trout Unlimited and also adopts the brook trout as the official freshwater fish of the State of North Carolina.*

The Proposed Committee Substitute for HB 1776 amends the title of the bill to include adoption of the brook trout as the official freshwater fish, includes the scientific name of the brook trout in Section 6, and makes a number of other technical amendments to correct statutory and bill section numbers.

CURRENT LAW:

Special Registration Plates

The Division of Motor Vehicles is authorized to issue more than 100 special license plates. As a general rule, the fee for a special registration plate is the regular vehicle registration fee plus a \$10 special registration plate fee. The \$10 special registration plate fee is credited to the Special Registration Plate Account. The cost of some special plates includes a fee in addition to the \$10 special registration plate fee. In those instances, the first \$10 goes to the special registration plate fund and the remainder is transferred quarterly to designated beneficiaries of the additional fee amount.

State Symbols and Other Official Adoptions

North Carolina currently has the State symbols and official adoptions listed below:

- | | |
|----------------------------------|--|
| § 145-2. State bird. | § 145-12. State language. |
| § 145-3. State tree. | § 145-13. The State dog. |
| § 145-4. State shell. | § 145-14. The State Military Academy. |
| § 145-5. State mammal. | § 145-15. State tartan. |
| § 145-6. State saltwater fish. | § 145-16. State Watermelon Festivals. |
| § 145-7. State insect. | § 145-17. State vegetable. |
| § 145-8. State stone. | § 145-18. State fruit and State berries. |
| § 145-9. State reptile. | § 145-19. State International Festival. |
| § 145-10. State rock. | § 145-20. State wildflower. |
| § 145-10.1. State beverage. | § 145-21. State Aviation Hall of Fame and Museum |
| § 145-11. State historical boat. | and State Museum of Aviation. |

The General Assembly has also considered the following adoptions during the 2005 Session: the Lexington Barbecue Festival as the official food festival, the Venus Flytrap as the official carnivorous plant, the Cougar as the State cat, the Seagrove area as the State Traditional Pottery Birthplace, and the Fraser Fir as the official Christmas tree.

BILL ANALYSIS:

The Proposed Committee Substitute for House Bill 1776 authorizes the Division of Motor Vehicles to issue a special registration plate for NC Trout Unlimited and to adopt the brook trout as the official freshwater fish of the State.

House Bill 1776

Page 2

Special Registration Plate

Sections 1-5 of the PCS for HB 1776 pertain to the special registration plate for NC Trout Unlimited.

- Section 1 of the PCS does not require the plate to be a 'First in Flight' plate. However, current law (G.S. 20-63(b)) does require the design of plates that are not 'First in Flight' plates to be approved by the Division and the State Highway Patrol for clarity and ease of identification.
- Section 2 provides that the NC Trout Unlimited Plate would be issuable to the registered owner of a motor vehicle. The plate shall bear the phrase "Back the Brookie" and an image that depicts a North Carolina Brook Trout.
- Sections 3 and 4 of the PCS pertain to the fees and distribution of fees associated with the plate. The additional fee for the plate will be \$20.00 with \$10.00 being distributed to the Special Registration Plate Account (SRPA) and \$10.00 being distributed to the Collegiate and Cultural Attraction Plate Account (CCAPA).
- Section 5 requires 300 or more applications for the plate prior to development and specifies that the additional revenue derived from the sale of the plate shall be transferred quarterly to North Carolina Trout Unlimited for its programs.

Official Designation

Section 6 amends Chapter 145 to adopt the brook trout as the official freshwater fish of the State of North Carolina. The PCS includes the scientific name of the brook trout (*Salvelinus fontinalis*).

EFFECTIVE DATE:

This act is effective when it becomes law.

BACKGROUND:

Trout Unlimited

The mission of Trout Unlimited is to conserve, protect and restore North America's trout and salmon fisheries and their watersheds. Trout Unlimited has a conservation campaign for the brook trout. Through the Back the Brookie campaign, Trout Unlimited is working toward long-term protection and restoration of the brook trout.

Brook Trout

In North Carolina, brook trout (*Salvelinus fontinalis*) are generally small ranging in size up to eight (8) inches, seldom more than 12 inches. The color of a fish can vary depending on the surrounding habitat. The back and upper sides of the brook trout's body are typically olive-green with mottled, dark green wavy markings that extend onto the dorsal and caudal fins. The lower sides are lighter with yellow spots interspersed with fewer spots of bright red surrounded by blue. The lower fins are orange with a narrow black band next to a white band that borders the forward edge. The belly and lower fins become a bright red-orange in spawning fish. In North Carolina, brook trout spawning begins in September and continues through November. Fertilized eggs are covered with gravel and hatch in the early spring. Brook trout are most abundant in isolated, high-altitude headwater streams and brooks where the water is free of pollution and rich in oxygen.¹

H1776e1-SMSH-PCS70493-SH-28

¹Information on the brook trout is from A Guide to Fly Fishing in North Carolina Mountain Trout Streams, FlyFishingnc.com

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☐ Committee Substitute for

HB 1776 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE
DIVISION OF MOTOR VEHICLES TO ISSUE A NORTH CAROLINA TROUT UNLIMITED
SPECIAL REGISTRATION PLATE.

☒ With a favorable report as to the committee substitute bill, which changes the title,
unfavorable as to the original bill, and recommendation that the committee substitute bill be re-
referred to the Committee on FINANCE.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the (House) committee substitute bill/(joint) resolution
(No. _____) is placed on the Calendar of _____. (The original bill resolution No. _____) is placed
on the Unfavorable Calendar.

_____ The (House) committee substitute bill/(joint) resolution (No. _____) is re-referred to the
Committee on _____. (The original bill/resolution) (House/Senate Committee Substitute
Bill/(Joint) resolution No. _____) is placed on the Unfavorable Calendar.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 237*

Short Title: DOT Minority/Women Businesses Program.

(Public)

Sponsors: Representatives Coates, Saunders (Primary Sponsors); Alexander, B. Allen, Bordsen, Carney, Coleman, Culp, Faison, Farmer-Butterfield, Fisher, Hackney, Jones, Lucas, Luebke, McLawhorn, Parmon, Wainwright, Warren, Wilkins, and Wray.

Referred to: State Government, if favorable, Transportation.

February 16, 2005

A BILL TO BE ENTITLED

AN ACT TO REAFFIRM AND CLARIFY STATE POLICY CONCERNING PARTICIPATION BY DISADVANTAGED MINORITY-OWNED AND WOMEN-OWNED BUSINESSES IN HIGHWAY CONSTRUCTION, AS RECOMMENDED BY THE JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 136-28.4 reads as rewritten:

"§ 136-28.4. State policy concerning participation by ~~disadvantaged-disadvantaged~~ minority-owned and women-owned businesses in highway contracts.

(a) It is the policy of this ~~State~~ State, based on a compelling governmental ~~interest~~, to encourage and promote participation by ~~disadvantaged-disadvantaged~~ minority-owned and women-owned businesses in contracts let by the Department pursuant to this Chapter for the planning, design, preconstruction, construction, alteration, or maintenance of State highways, roads, streets, or bridges and in the procurement of materials for these projects. All State agencies, institutions, and political subdivisions shall cooperate with the Department of Transportation and ~~all other State agencies, institutions, and political subdivisions among themselves~~ in all efforts to conduct outreach and to encourage and promote the use of ~~disadvantaged-disadvantaged~~ minority-owned and women-owned businesses in these contracts.

(b) ~~A ten percent (10%) goal is established for participation by minority businesses and a five percent (5%) goal for participation by women businesses is established in contracts let by the Department of Transportation for the design, construction, alteration, or maintenance of State highways, roads, streets, or bridges and for the procurement of materials for these projects. The Department of Transportation shall endeavor to award to minority businesses at least ten percent (10%), by value, of~~

1 the contracts it lets for these purposes, and shall endeavor to award to women
2 businesses at least five percent (5%), by value, of the contracts it lets for these purposes.
3 The Department shall adopt written procedures specifying the steps it will take to
4 achieve these goals. The Department shall give equal opportunity for contracts it lets
5 without regard to race, religion, color, creed, national origin, sex, age, or handicapping
6 condition, as defined in G.S. 168A-3, to all contractors and businesses otherwise
7 qualified. At least every five years, the Department shall conduct a study on the
8 availability and utilization of disadvantaged minority-owned and women-owned
9 business enterprises and examine relevant evidence of the effects of race-based or
10 gender-based discrimination upon the utilization of such business enterprises in
11 contracts for planning, design, preconstruction, construction, alteration, or maintenance
12 of State highways, roads, streets, or bridges and in the procurement of materials for
13 these projects. Should the study show a strong basis in evidence of ongoing effects of
14 past or present discrimination that prevents or limits disadvantaged minority-owned and
15 women-owned businesses from participating in the above contracts at a level which
16 would have existed absent such discrimination, such evidence shall constitute a basis for
17 the State's continued compelling governmental interest in remedying such race and
18 gender discrimination in highway contracting. Under such circumstances, the
19 Department shall, in conformity with State and federal law, adopt by rule and contract
20 provisions a specific program to remedy such discrimination. This specific program
21 shall, to the extent reasonably practicable, address each barrier identified in such study
22 that adversely affects contract participation by disadvantaged minority-owned and
23 women-owned businesses.

24 (b1) Based upon the findings of the Department's Second Generation Disparity
25 Study completed in 2004, hereinafter referred to as 'Study', the program design shall, to
26 the extent reasonably practicable, incorporate narrowly tailored remedies identified in
27 the Study, and the Department shall implement a comprehensive antidiscrimination
28 enforcement policy. As appropriate, the program design shall be modified by rules
29 adopted by the Department that are consistent with findings made in the Study and in
30 subsequent studies conducted in accordance with subsection (b) of this section. As part
31 of this program, the Department shall review its budget and establish annual aspirational
32 goals, not mandatory goals, in percentages, for the overall participation in contracts by
33 disadvantaged minority-owned and women-owned businesses. These annual
34 aspirational goals for disadvantaged minority-owned and women-owned businesses
35 shall be established consistent with methodology specified in the Study, and they shall
36 not be applied rigidly on specific contracts or projects. Instead, the Department shall
37 establish contract-specific goals or project-specific goals for the participation of such
38 firms in a manner consistent with availability of disadvantaged minority-owned and
39 women-owned businesses, as appropriately defined by its most recent Study, for each
40 disadvantaged minority-owned and women-owned business category that has
41 demonstrated significant disparity in contract utilization. Nothing in this section shall
42 authorize the use of quotas. Any program implemented as a result of the Study
43 conducted in accordance with this section shall be narrowly tailored to eliminate the
44 effects of historical and continuing discrimination and its impacts on such

1 disadvantaged minority-owned and women-owned businesses without any undue
2 burden on other contractors. The Department shall give equal opportunity for contracts
3 it lets without regard to race, religion, color, creed, national origin, sex, age, or
4 handicapping condition, as defined in G.S. 168A-3, to all contractors and businesses
5 otherwise qualified.

6 (c) The following definitions apply in this section:

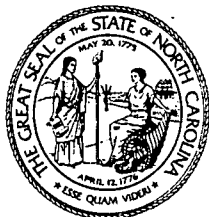
7 (1) "Disadvantaged business" has the same meaning as "disadvantaged
8 business enterprise" in 49 C.F.R. § 23.62-26.5 or any subsequently
9 promulgated replacement regulation.

10 (2) ~~"Minority" has the same meaning as in 49 C.F.R. § 23.5.~~ includes only
11 those racial or ethnicity classifications identified by a study conducted
12 in accordance with this section that have been subjected to
13 discrimination in the relevant marketplace, and that have been
14 adversely affected in their ability to obtain contracts with the
15 Department.

16 (d) The Department shall report semiannually to the Joint Legislative
17 Transportation Oversight Committee on the utilization of disadvantaged
18 minority-owned businesses and women-owned businesses and any program adopted to
19 promote contracting opportunities for those businesses. Following each study of
20 availability and utilization, the Department shall report to the Joint Legislative
21 Transportation Oversight Committee on the results of the study for the purpose of
22 determining whether the provisions of this section should continue in force and effect.

23 (e) This section expires August 31, 2009."

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



HOUSE BILL 237: DOT Minority/Women Businesses Program

BILL ANALYSIS

Committee:	House State Government	Date:	June 1, 2005
Introduced by:	Reps. Coates, Saunders	Summary by:	Kory Goldsmith
Version:	First Edition		Committee Counsel

SUMMARY: *Senate Bill 1127 amends current State law setting out State policy concerning participation by disadvantaged minority-owned and women-owned businesses in DOT contracts.*

The act would be effective when it becomes law, but would sunset August 31, 2009.

BILL ANALYSIS: The bill makes the following changes to State law concerning participation by disadvantaged minority-owned and women-owned businesses in highway contracts:

- States that the policy of the State is based on a "compelling governmental interest."
- Replaces the use of the term "disadvantaged" businesses with the terms "disadvantaged minority and women" businesses.
- Replaces the percentage minority and women contract participation goals in current law with a requirement for a utilization study to be conducted at least every 5 years. If there is strong evidence of ongoing effects of discrimination, this shall form the basis for the State's continued compelling interest in remedying such race and gender discrimination in highway contracting and the DOT is to adopt through rule and contract provisions a specific program remedy such discrimination.
- Requires DOT to adopt a program of narrowly tailored remedies to address evidence of discrimination shown by the DOT's Second Generation Disparity Study completed in 2004.
- Requires DOT to establish "aspirational" goals for participation in contracts by disadvantaged minority-owned and women-owned businesses
- Provides that "nothing in this section shall authorize the use of quotas."
- Requires a semi-annual report by DOT to the Joint Legislative Transportation Oversight Committee on its utilization of minority and women businesses.

EFFECTIVE DATE: The act is effective when it becomes law, and sunset August 31, 2009.

BACKGROUND: Programs designed to increase the use of minority-owned businesses on public projects have been subject to challenges in state and federal courts since the United States Supreme Court's decision in 1989 invalidating the City of Richmond's program. (*City of Richmond v. J.A. Croson Co.*, 488 U.S. 469 (1989)). The Court held in that case that programs that create preferences or otherwise use race as a factor in the award of public contracts are subject to strict scrutiny and must be supported by a compelling justification by the government in order to satisfy the constitution's equal protection requirement. To meet that requirement, the State of North Carolina conducted a disparity study to document the history of discrimination in the construction industry as well as the underutilization of minority businesses by the public agencies themselves.

Barbara Riley, counsel to Senate State and Local Government, substantially contributed to this summary.

H0237e1-SMRC

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☐ Committee Substitute for

HB 237 A BILL TO BE ENTITLED AN ACT TO REAFFIRM AND CLARIFY STATE
POLICY CONCERNING PARTICIPATION BY DISADVANTAGED MINORITY-OWNED
AND WOMEN-OWNED BUSINESSES IN HIGHWAY CONSTRUCTION, AS
RECOMMENDED BY THE JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT
COMMITTEE.

☒ Without prejudice and recommendation that the bill be re-referred to the Committee on
TRANSPORTATION.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ The bill/resolution is re-referred to the Committee on _____.

Dorothy McLean (Rep. Womble)

From: Dorothy McLean (Rep. Womble)
Sent: Friday, May 27, 2005 10:31 AM
To: Rep. Larry Womble; Sen. Katie Dorsett; Sen. Linda Garrou; Sen. Walter Dalton
Cc: Dorothy McLean (Rep. Womble)
Subject: State Government Committee Notice for DATE June 1, 2005 and TIME 11:00 am

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

**AND
BILL SPONSOR NOTICE
2005-2006 SESSION**

**2nd CORRECTIONS BILLS REMOVED SB 128, SB 879, SB 907
CORRECTIONS STATE GOVERNMENT MEETING ~~5-25-05~~**

You are hereby notified that the Committee on **State Government** will meet as follows:

DAY & DATE: JUNE 1, 2005

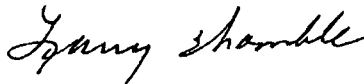
TIME: 11:00 a.m.

LOCATION: Room 1425 LB

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

HB 237	DOT Minority/Women Businesses Program	Rep. Coates
HB 1776	NC Trout Unlimited Specialized License Plate	Rep. Haire
SB 128 ———	46th Senatorial District Local Act-2	Sen. Dalton
	Adopt Official State Dances (New)	
SB 876 ———	Economic Development-NC Product Preference	Sen. Garrou
SB 907 ———	Minority Business Certification	Sen. Dorsett

Respectfully,



**Representative Womble/Representative Johnson
Chairman Chairman**

I hereby certify this notice was filed by the committee assistant at the following offices at 1:00 PM on Wednesday, May 25, 2005.

☒ Principal Clerk
☒ Reading Clerk - House Chamber

*Dorothy McLean (Committee Assistant)
Rachel Faison (Committee Assistant)

**MINUTES
HOUSE COMMITTEE ON
STATE GOVERNMENT**

Wednesday, June 29, 2005

The House Committee on State Government met on Wednesday, June 29, 2005 in Room 1228 of the Legislative Building at 11:00 AM. The following members were present: Co-Chairman Linda Johnson, Co-Chairman Larry Womble, Representative Current, Setzer, Allen, Alexander and Yongue. Staff Counselors Theresa Matala, Tim Hovis, and Kory Goldsmith were in attendance. A Visitor Registration list is attached and made part of these minutes.

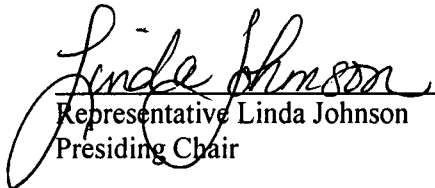
Senate Bill 278, **AN ACT TO AUTHORIZE THE FOOTHILLS REGIONAL AIRPORT AUTHORITY TO ACQUIRE AND CONVEY PROPERTY TO THE STATE OF NORTH CAROLINA FOR USE AS A CORRECTIONAL FACILITY AS PART OF THE STATE PRISON SYSTEM**, was explained and Rep. Current moved to give the bill a favorable report. The motion passed unanimously.

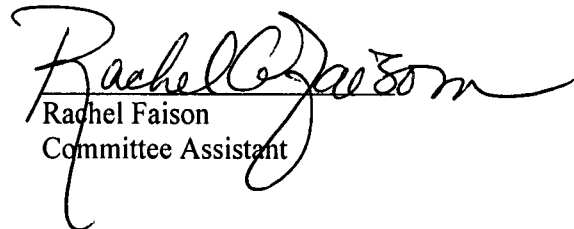
Sen. Guru was called upon to explain Senate Bill 879, **AN ACT TO AUTHORIZE THE FOOTHILLS REGIONAL AIRPORT AUTHORITY TO ACQUIRE AND CONVEY PROPERTY TO THE STATE OF NORTH CAROLINA FOR USE AS A CORRECTIONAL FACILITY AS PART OF THE STATE PRISON SYSTEM**. Co Chair Womble makes a motion to give bill Favorable Report. The bill passes with out objection

Sen. Dalton was called upon to explain Senate Bill 128, **AN ACT ADOPTING OFFICIAL STATE DANCES**. Senate Bill 128 names shag and clog as pop, and folk dances. Chairman Womble makes remarks in support of the bill. Rep. Womble moves to give Senate Bill 128 a favorable report to the committee substitute, unfavorable to the original. The motion carries w/o objection, unanimously.

Being no further business, Rep. Johnson Adjourns meeting @ 11:20am.

Respectfully submitted,


Representative Linda Johnson
Presiding Chair


Rachel Faison
Committee Assistant

Representative Larry Womble
Co-Chair

AGENDA

HOUSE COMMITTEE ON STATE GOVERNMENT

**June 29, 2005
Room 1425 LB
11:00 AM**

Presiding Chair – Representative Linda Johnson

Representative Larry Womble, Co-Chair

- 1. CALL TO ORDER**
- 2. WELCOME**
- 3. INTRODUCTION OF PAGES AND SERGEANT at ARMS**
- 4. AGENDA ITEMS**

Senate Bill 128 – Adopt Official State Dances, Senator Dalton

**Senate Bill 278 – Foothills Airport Authority Land Acquisition, Senator
Jacumin**

**Senate Bill 879 – Economic Development-NC Product Preference, Senator
Garrou**

Senate Bill 1018 – Adopt Cougar as State Cat, Senator Brock

COMMENTS

ADJOURNMENT

VISITOR REGISTRATION SHEET

STATE GOVERNMENT

06-29-05

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Abbey Reynolds

NCGA Intern (Rep. Jeffus)

Kathleen Edwards

UNC-CH Legis Reporting Serv.

Lee Hodge

KCLH

Matthew Season

Capital Group

R. Paul Wilms

NCHBA

Jan Helena

Honey Tech / Textile Centers

RICH WEBB

NEA Intern

Trini Fitzgerald

NCFPC

VISITOR REGISTRATION SHEET

MIL / VETS / INDIAN AFFAIRS

Name of Committee

6-29-05

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Larry E. Teterton

American Legion

Charlie Smith

NC DVA

El. Pance

NCDVA

CURTIS WOODS

INTERN FOR REP. SUTTON

Michael Weyner

Fayetteville Observer

Prof Buzzano

NCCB1

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

S

2

**SENATE BILL 278
Finance Committee Substitute Adopted 5/26/05**

Short Title: Foothills Airport Authority Land Acquisition.

(Local)

Sponsors:

Referred to:

March 2, 2005

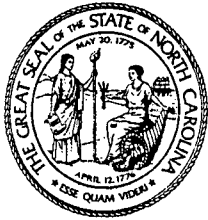
A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE FOOTHILLS REGIONAL AIRPORT AUTHORITY
TO ACQUIRE AND CONVEY PROPERTY TO THE STATE OF NORTH
CAROLINA FOR USE AS A CORRECTIONAL FACILITY AS PART OF THE
STATE PRISON SYSTEM.

The General Assembly of North Carolina enacts:

SECTION 1. The Foothills Regional Airport Authority, a body politic and corporate, may acquire real and personal property and convey that property to the State of North Carolina for use as a correctional facility as part of the State Prison System. Any property now held by the Foothills Regional Airport Authority, regardless of the purpose for which the property was acquired, may be conveyed to the State for use as a correctional facility. Conveyances made under the authority granted by this act may be made with or without consideration and on any terms that the Authority deems appropriate.

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



SENATE BILL 278: Foothills Airport Authority Land Acquisition

BILL ANALYSIS

Committee: House State Government
Introduced by: Sen. Jacumin
Version: Second Edition

Date: June 15, 2005
Summary by: Kory Goldsmith
Committee Counsel

SUMMARY: *The 2nd Edition of Senate Bill 278 authorizes the Foothills Regional Airport Authority to acquire and convey property to the State of North Carolina, with or without consideration, for use as a correctional facility.*

CURRENT LAW: In 2000, the General Assembly authorized the governing bodies of Caldwell County, Burke County, Morganton and Lenoir, jointly, to establish the Foothills Regional Airport Authority as the successor in interest to the Morganton-Lenoir Airport Authority. Among its several powers, the Airport Authority currently has the authority to sell, lease, and otherwise dispose of any property, real or personal, belonging to the Airport Authority, according to the procedures described in Article 12 of Chapter 160A of the General Statutes. Generally, Article 12 provides for the disposition of real and personal property by any of the following methods:

- Private negotiation and sale
- Advertisement for sealed bids
- Negotiated offer, advertisement, and upset bid
- Public auction
- Exchange

BILL ANALYSIS: Senate Bill 278 authorizes the Foothills Airport Authority to acquire real and personal property and to convey that property to the State of North Carolina for use as a correctional facility as part of the State Prison System. Conveyances may be made with or without consideration and on any terms that the Authority deems appropriate.

EFFECTIVE DATE: This act is effective when it becomes law.

BACKGROUND: The Airport Authority currently owns more property than they need, and the area local governments are interested in having the Airport Authority convey some of this land to the State in order to build a correctional facility as a means to generate jobs for the area. At present, there are no specific plans to locate a correctional facility in this location, but the county commissioners of Burke and Caldwell counties have endorsed this bill and would like for the Airport Authority to have this authority.

Trina Griffin, counsel to Senate Finance, substantially contributed to this summary.

S0278e2-SMRC

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☒ Committee Substitute for

SB 278 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE FOOTHILLS
REGIONAL AIRPORT AUTHORITY TO ACQUIRE AND CONVEY PROPERTY TO THE
STATE OF NORTH CAROLINA FOR USE AS A CORRECTIONAL FACILITY AS PART OF
THE STATE PRISON SYSTEM.

☒ With a favorable report.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the bill/resolution is placed on the Calendar of _____.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

S

2

SENATE BILL 879
Commerce Committee Substitute Adopted 5/2/05

Short Title: Economic Development - NC Product Preference.

(Public)

Sponsors:

Referred to:

March 23, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW FOR A BIDDING PREFERENCE ON STATE CONTRACTS
3 FOR RESIDENT BIDDERS IN CERTAIN CIRCUMSTANCES AND TO
4 PROVIDE FOR THE MAINTENANCE OF A RESIDENT BIDDER LIST.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Section 3 of S.L. 2001-240 reads as rewritten:

7 "**SECTION 3.** This act becomes effective January 1, 2002, ~~and expires December~~
8 ~~31, 2007.~~2002."

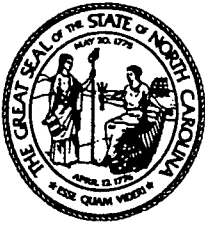
9 **SECTION 2.** G.S. 143-49 is amended by adding a new subdivision to read:

10 "(9) To establish and maintain a list of resident bidders, as defined in
11 G.S. 143-59(c), who have expressed an interest in bidding on contracts
12 for specific goods or services enumerated by the bidder."

13 **SECTION 3.** G.S. 143-59 is amended by adding a subsection to read:

14 "(f) Resident Bidder Notification. – When the Secretary puts a contract up for
15 competitive bidding, the Secretary shall endeavor to provide notice to all resident
16 bidders who have expressed an interest in bidding on contracts of that nature. The
17 Secretary may opt to provide notice under this section by electronic means only."

18 **SECTION 4.** This act becomes effective January 1, 2006.



SENATE BILL 879: Economic Development - NC Product Preference

BILL ANALYSIS

Committee: House State Government
Introduced by: Sen. Garrou
Version: Second Edition

Date: June 14, 2005
Summary by: Tim Hovis*
Committee Counsel

SUMMARY: *Senate Bill 879 would repeal the sunset on a statute giving preference to North Carolina products for State purchases, and establishes a process to give North Carolina bidders notice of opportunities to bid on State contracts for purchase and contracts for which they might be interested.*

CURRENT LAW: G.S. 143-59 currently gives a preference for the purchase of North Carolina products purchased by State agencies and provides for a percentage increase in the bid of a non-North Carolina bidder if the home state of the non-North Carolina bidder adds a percentage increase on North Carolina bidders in that state. This statute is scheduled to sunset on January 1, 2007.

BILL ANALYSIS: Section 1 of the bill removes the sunset on G.S. 143-59. (Attached)

Section 2 requires the Secretary of Administration to establish and maintain a list of resident bidders that pay unemployment or income taxes in the State and whose principal place of business is in the State who have expressed an interest in bidding on contracts for specific goods and services to be purchased by the State.

Section 3 adds a subsection to G.S. 143-59 to require the Secretary of Administration to notify all resident bidders who have expressed an interest in bidding on contracts of the nature the Secretary is putting to bid. This section allows the notice to be sent electronically.

EFFECTIVE DATE: The bill becomes effective January 1, 2006.

§ 143-59. (Effective until December 31, 2007) Preference given to North Carolina products and citizens, and articles manufactured by State agencies; reciprocal preferences.

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

(b) Reciprocal Preference. – For the purpose only of determining the low bidder on all contracts for equipment, materials, supplies, and services valued over twenty-five thousand dollars (\$25,000), a percent of increase shall be added to a bid of a nonresident bidder that is equal to the percent of increase, if any, that the state in which the bidder is a resident adds to bids from bidders who do not reside in that state. Any amount due under a contract awarded to a nonresident bidder shall not be increased by the amount of the increase added by this subsection. On or before January 1 of each year, the Secretary of Administration shall electronically publish

Senate Bill 879

Page 2

a list of states that give preference to in-State bidders and the amount of the percent increase added to out-of-state bids. All departments, institutions, and agencies of the State shall use this list when evaluating bids. If the reciprocal preference causes the nonresident bidder to no longer be the lowest bidder, the Secretary of Administration may, after consultation with the Board of Awards, waive the reciprocal preference. In determining whether to waive the reciprocal preference, the Secretary of Administration and the Board of Awards shall consider factors that include competition, price, product origination, and available resources.

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

- (1) Resident bidder. – A bidder that has paid unemployment taxes or income taxes in this State and whose principal place of business is located in this State.
- (2) Nonresident bidder. – A bidder that is not a resident bidder as defined in subdivision (1) of this subsection.
- (3) Principal place of business. – The principal place from which the trade or business of the bidder is directed or managed.

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

(e) When a contract is awarded by the Secretary using the provisions of subsection (b) of this section, a report of the nature of the contract, the bids received, and the award to the successful bidder shall be posted on the Internet as soon as practicable. (1931, c. 261, s. 10; 1933, c. 441, s. 2; 1957, c. 269, s. 3; 1971, c. 587, s. 1; 1975, c. 879, s. 46; 2001-240, s. 1.)

*This summary was substantially contributed to by O. Walker Reagan, Staff Attorney, Research Division

S0879e2-SMRG

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☒ Committee Substitute for

SB 879 A BILL TO BE ENTITLED AN ACT TO ALLOW FOR A BIDDING
PREFERENCE ON STATE CONTRACTS FOR RESIDENT BIDDERS IN CERTAIN
CIRCUMSTANCES AND TO PROVIDE FOR THE MAINTENANCE OF A RESIDENT
BIDDER LIST.

☒ With a favorable report.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the bill/resolution is placed on the Calendar of _____.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

S

2

**SENATE BILL 128
Rules and Operations of the Senate Committee Substitute Adopted 4/26/05**

Short Title: Adopt Official State Dances.

(Public)

Sponsors:

Referred to:

February 15, 2005

A BILL TO BE ENTITLED
AN ACT ADOPTING OFFICIAL STATE DANCES.

Whereas, clogging and shagging are popular dances that have entertained both participants and spectators in this State for decades; and

Whereas, clogging is a traditional American folk dance that developed during the Colonial period in the Southern Appalachian mountains of the United States; and

Whereas, clogging has been influenced by European, African-American, and Native American folk dance traditions; and

Whereas, clogging is characterized by distinct, dignified, and beautiful footwork performed by individuals, couples, and groups; and

Whereas, a number of clogging events and competitions are held across the State each year; and

Whereas, the shag is a form of swing dancing that evolved from the jitterbug and jump blues of the big band jazz era and originated at Carolina Beach during the 1940s; and

Whereas, the shag is most often associated with beach music, which refers to songs that are rhythm and blues based and, according to Bo Bryan, a noted shag historian and resident of Beaufort County, is a term that was coined at Carolina Beach; and

Whereas, rhythm and blues groups, such as Jimmy Cavallo and the Houserockers, bolstered the popularity of the shag during the 1940s when they performed in Fayetteville, White Lake, and other areas around the State; and

Whereas, today, the shag is a recognized dance in national and international dance competitions held across the United States; and

Whereas, North Carolina is home to some of the most successful national shag champions, including multiple championship title winners, including Charlie Womble, Jackie McGee, Michael Norris, LeAnn Best, and Sam and Sarah West; and

Whereas, North Carolina natives, Clarice Reavis of Fayetteville and Harry Driver of Dunn are recognized as Queen of Shag and Father of Shag respectively; and

Whereas, numerous North Carolinians have been inducted into the Shaggers Hall of Fame; and

Whereas, North Carolina has the most beach music clubs in the nation and has a number of radio stations that depend solely upon the listenership of shag enthusiasts; and

Whereas, it is fitting to adopt clogging and shagging as official State dances; Now, therefore,

The General Assembly of North Carolina enacts:

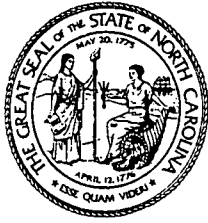
SECTION 1. Chapter 145 of the General Statutes is amended by adding a new section to read:

"§ 145-22. Official State dances.

(a) Clogging is adopted as the official folk dance of North Carolina.

(b) Shagging is adopted as the official popular dance of North Carolina."

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



BILL ANALYSIS

SENATE BILL 128: Adopt Official State Dances

Committee: House State Government
Introduced by: Sen. Dalton
Version: PCS to Second Edition
S128-CSSH-32

Date: June 29, 2005
Summary by: Theresa Matula
Committee Staff

SUMMARY: *Senate Bill 128 establishes clogging as the official folk dance of North Carolina and shagging as the official popular dance of North Carolina.*

The Proposed Committee Substitute makes a technical change to the section number.

CURRENT LAW:

Chapter 145 of the General Statutes establishes State Symbols and Other Official Adoptions. North Carolina currently has the following State symbols and official adoptions:

- | | |
|----------------------------------|--|
| § 145-2. State bird. | § 145-13. The State dog. |
| § 145-3. State tree. | § 145-14. The State Military Academy. |
| § 145-4. State shell. | § 145-15. State tartan. |
| § 145-5. State mammal. | § 145-16. State Watermelon Festivals. |
| § 145-6. State saltwater fish. | § 145-17. State vegetable. |
| § 145-7. State insect. | § 145-18. State fruit and State berries. |
| § 145-8. State stone. | § 145-19. State International Festival. |
| § 145-9. State reptile. | § 145-20. State wildflower. |
| § 145-10. State rock. | § 145-21. State Aviation Hall of Fame and Museum and State Museum of Aviation. |
| § 145-10.1. State beverage. | § 145-22. State carnivorous plant. (S.L. 2005-74) |
| § 145-11. State historical boat. | § 145-23. State birthplace of traditional pottery. (S.L. 2005-78) |
| § 145-12. State language. | |

On June 7, 2005, laws were enacted making the Venus flytrap the official carnivorous plant, and the Seagrove area the State birthplace of traditional pottery. The General Assembly has also considered the following adoptions during the 2005 Session: the Lexington Barbecue Festival as the official food festival, the Fraser Fir as the official Christmas tree, and the Brook Trout as the official freshwater fish.

BILL ANALYSIS:

Senate Bill 128 amends Chapter 145 by adding a new section adopting two official State dances of North Carolina. G.S. 145-24(a) adopts clogging as the official folk dance of North Carolina and G.S. 145-24(b) adopts shagging as the official popular dance of North Carolina. This bill would become effective when it becomes law.

The Proposed Committee Substitute makes a technical change to the section number.

BACKGROUND:

Below is some of the background information contained in the bill regarding clogging and shagging.

Clogging:

- Is a traditional American folk dance that developed during the Colonial period in the Southern Appalachian mountains of the United States.
- Has been influenced by European, African-American, and Native American folk dance traditions.

Senate Bill 128

Page 2

- Is characterized by distinct, dignified, and beautiful footwork performed by individuals, couples, and groups; and a number of clogging events and competitions are held across the State each year.

The Shag:

- Is a form of swing dancing that evolved from the jitterbug and jump blues of the big band jazz era and originated at Carolina Beach during the 1940s.
- Is most often associated with beach music, which refers to songs that are rhythm and blues based and, according to Bo Bryan, a noted shag historian and resident of Beaufort County, is a term that was coined at Carolina Beach. Rhythm and blues groups, such as Jimmy Cavallo and the Houserockers, bolstered the popularity of the shag during the 1940s when they performed in Fayetteville, White Lake, and other areas around the State.
- Is a recognized dance in national and international dance competitions held across the United States. North Carolina is home to some of the most successful national shag champions, including multiple championship title winners, including Charlie Womble, Jackie McGee, Michael Norris, LeAnn Best, and Sam and Sarah West. North Carolina natives, Clarice Reavis of Fayetteville and Harry Driver of Dunn are recognized as Queen of Shag and Father of Shag respectively; and numerous North Carolinians have been inducted into the Shaggers Hall of Fame.

S0128e2-SMSH-CSSH-32

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☒ House Committee Substitute for

SB 128 A BILL TO BE ENTITLED AN ACT ADOPTING OFFICIAL STATE
DANCES.

☒ With a favorable report as to House committee substitute bill, unfavorable as to the original bill.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the (House/Senate) committee substitute bill/(joint) resolution
(No. _____) is placed on the Calendar of _____. (The original bill resolution No. _____)
is placed on the Unfavorable Calendar.

_____ The (House) committee substitute bill/(joint) resolution (No. _____) is re-referred to the
Committee on _____. (The original bill/resolution) (House/Senate Committee Substitute
Bill/(Joint) resolution No. _____) is placed on the Unfavorable Calendar.

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2005-2006 SESSION**

You are hereby notified that the Committee on State Government will meet as follows:

DAY & DATE: **June 29, 2005**

TIME: **11:00 AM**

LOCATION: **LB 1425**

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

Senate Bill 128 – Adopt Official State Dances, Senator Dalton

Senate Bill 278 – Foothills Airport Authority Land Acquisition, Senator Jacumin

Senate Bill 879 – Economic Development – NC Product Preference, Senator Garrou

Senate Bill 1018 – Adopt Cougar As State Cat, Senator Brock

Respectfully,

Co-Chairs

Representative Linda Johnson

Representative Larry Womble

I hereby certify this notice was filed by the committee assistant at the following offices at
9:30 am on Thursday, June 23, 2005.

X Principal Clerk

X Reading Clerk - House Chamber

Rachel Faison (Committee Assistant)

HOUSE STATE GOVERNMENT COMMITTEE

MEETING MINUTES

July 27, 2005

Co-Chair Larry Womble, Presiding

The House State Government Committee met on Wednesday July 27, 2005 at 11 a.m. in Room 1425 of the Legislative Building.

MEMBERS PRESENT: Co-Chairs: Larry Womble and Linda Johnson; Vice Chairs: Alexander, Underhill and Current; Representatives Allen and Yongue. Staff members present: Tory Goldsmith, Tim Hovis and Teresa Matula.

Co-Chair Womble called the meeting to order and welcomed everyone. The House Pages were recognized and asked to state their name and county. The House Sergeants-At-Arms: Martha Parrish, Bill Sullivan and James Worth were also recognized. Co-Chair Womble acknowledged his office intern and his Legislative Assistant, Dorothy Mclean. The Legal Staff introduced themselves.

The following bills were heard: Senate Bills 907 and 669.

SENATE BILL 907 - MINORITY BUSINESS CERTIFICATION, AN ACT REQUIRING THE SECRETARY OF ADMINISTRATION TO ADOPT RULES AND PROCEDURES TO CERTIFY HISTORICALLY UNDERUTILIZED BUSINESSES AND TO MAINTAIN A DATABASE OF THE BUSINESSES CERTIFIED.

Senator Dorsett was recognized to explain the bill. Vice Chair Underhill questioned the fiscal impact of the bill. The Vice Chair asked if it will be consumed in the budget. Senator Dorsett recognized Bridgette Wall, Director of Minority Black Businesses to clarify the fiscal impact. Representative Bernard Allen commented the bill was a good bill for strong clarification strategy. Vice Chair Current questioned the discrimination of groups in the state to compete for the businesses. Senator Dorsett explained that in her personal opinion, there is a lack of activity and the minority

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HOUSE STATE GOVERNMENT COMMITTEE

community does not get the fair share for what they are seeking. Ms. Bridgette Wall explained the purchasing figures to support Senator Dorsett's comment. Vice Chair Current did a follow up comment about discrimination. Co-Chair Johnson was recognized for a comment. Legal Staff was given the opportunity for questions, they had no questions.

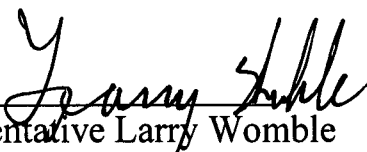
Dave Simpson, a visitor supported the bill. Representative Bernard Allen made the motion and the Committee voted a FAVORABLE report to the original bill.

SENATE BILL 669 – STATE LAND NOT SUBJECT TO MUNICIPAL CONTROL, AN ACT TO REPEAL LEGISLATION THAT MADE STATE LAND SUBJECT TO MUNICIPAL PLANNING JURISDICTION AND PERMITTED THE IMPOSITION OF OVERLAY AND SPECIAL USE DISTRICTS ON STATE LAND WITHOUT THE APPROVAL OF THE COUNCIL OF STATE.

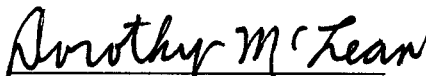
Senator Hartsell was recognized by Co-Chair Womble to present the bill. The Committee voted to hear the Proposed Committee Substitute for the bill. Representative Bernard Allen commended Senator Hartsell for bringing the bill from the previous session due to technical amendments. Co-Chair Womble recognized Legal Staff and visitors for comments. Representative Bernard Allen was recognized for the motion. The Committee voted a FAVORABLE report to the proposed committee substitute and UNFAVORABLE as to the original bill.

The Co-Chair adjourned the meeting.

Respectfully submitted,



Representative Larry Womble
Committee Co-Chair



Dorothy McLean
Committee Assistant

PAGE 3

Attachments:

Agenda

Visitor Registration Sheet

SB 907

SB 669

Committee Notice

AGENDA

HOUSE STATE GOVERNMENT COMMITTEE MEETING

July 27, 2005- Room 1425 LB

*****Representative Larry Womble***

Chair

Representative Linda Johnson

Chair

CALL TO ORDER

WELCOME

INTRODUCTION OF PAGES and SERGEANT-at-ARMS

BILLS TO BE DISCUSSED

SB 907 Minority Business Certification

Sen. Katie Dorsett

SB 1018 Adopt Cougar As State Cat

Sen. Andrew Brock

SB 669 State Land Not Subject To Municipal Control

Sen. F. Hartsell

COMMENTS

ADJOURNMENT

VISITOR REGISTRATION SHEET

STATE GOVERNMENT

July 27, 2005

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Shan Duheims	Charlotte Observer
Budget Intran	Dept. of Administration
Mark Fleming	HRB office
Kevin Fitzgerald	University
DAVID DUNN	UNC CHAPEL HILL
DAVID DUNN	UNC CHARLOTTE GO NINERS!
Indy Mills	NC State Univ.
DAVE Simpson	CAROLINAS AOC
Lisa Martin	AIC Home Builders
Suzanne Buckley	Gov. Office
Kathleen Edwards	UNC-CH Institute of Gov't
John Cyrenk	NCS Change
Suzanne	WCPB

VISITOR REGISTRATION SHEET

STATE GOVERNMENT

July 27, 2005

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Andy Romow	NCLM
Rich Webb	NCGA Intern
Erin Kenney	NK Conservation Network
Eben Polk	CWMTF
Mark Benson	Capital Group
Molly Ryan	NCSBA
Leanne Winger	NCSPO
John Rust	NCFPC
Randy Allen	NCIMED
Andrew Tamm	NCIMED
Steve Hantore	AF
A. Paul Williams	NCHBA
Stephanie Sun	NCAR

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

S

2

SENATE BILL 907
Commerce Committee Substitute Adopted 5/2/05

Short Title: Minority Business Certification.

(Public)

Sponsors:

Referred to:

March 24, 2005

A BILL TO BE ENTITLED

AN ACT REQUIRING THE SECRETARY OF ADMINISTRATION TO ADOPT
RULES AND PROCEDURES TO CERTIFY HISTORICALLY
UNDERUTILIZED BUSINESSES AND TO MAINTAIN A DATABASE OF THE
BUSINESSES CERTIFIED.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-48 is amended by adding the following new
subsection to read:

**"§ 143-48. State policy; cooperation in promoting the use of small contractors,
minority contractors, physically handicapped contractors, and women
contractors; purpose; required annual reports.**

...

(d1) The Secretary of Administration shall adopt rules and procedures for: (i) the
certification of a business under this section as a historically underutilized business; and
(ii) the creation and maintenance of a database of the businesses certified as historically
underutilized businesses. The database shall be created and maintained by the
Department of Administration, Office of Historically Underutilized Business, and shall
include the necessary procedures and rules for certification under this section."

SECTION 2. G.S. 143-128.3 is amended by adding the following new
subsection to read:

"§ 143-128.3. Minority business participation administration.

...

(e1) The Secretary shall adopt rules and procedures for: (i) the certification of a
minority business contractor, as defined in G.S. 143-128.2(g), as a historically
underutilized business; and (ii) the creation and maintenance of a database of the
businesses certified as historically underutilized businesses. The database shall be
created and maintained by the Department of Administration, Office of Historically
Underutilized Business, and shall include the necessary procedures and rules for
certification as a historically underutilized business."

1 **SECTION 3.** Article 8 of Chapter 143 of the General Statutes is amended by
2 adding a new section to read:

3 **"§ 143-128.4. Historically underutilized business defined.**

4 (a) As used in this Chapter, the term "historically underutilized business" means
5 a business that meets all of the following conditions:

- 6 (1) At least fifty-one percent (51%) of the business is owned by one or
7 more persons who are members of at least one of the groups set forth
8 in subsection (b) of this section, or in the case of a corporation, at least
9 fifty-one percent (51%) of the stock is owned by one or more persons
10 who are members of at least one of the groups set forth in subsection
11 (b) of this section.
12 (2) The management and daily business operations are controlled by one
13 or more owners of the business who are members of at least one of the
14 groups set forth in subsection (b) of this section.

15 (b) To qualify as a historically underutilized business under this section, a
16 business must be owned and controlled as set forth in subsection (a) of this section by
17 one or more citizens or lawful permanent residents of the United States who are
18 members of one or more of the following groups:

- 19 (1) Black. – A person having origins in any of the black racial groups of
20 Africa.
21 (2) Hispanic. – A person of Spanish or Portuguese culture having origins
22 in Mexico, South or Central America, or the Caribbean islands,
23 regardless of race.
24 (3) Asian American. – A person having origins in any of the original
25 peoples of the Far East, Southeast Asia, Asia, Indian continent, or
26 Pacific islands.
27 (4) American Indian. – A person having origins in any of the original
28 Indian peoples of North America.
29 (5) Female.
30 (6) Disabled. – A person with a disability as defined in G.S. 168-1 or
31 G.S. 168A-3.
32 (7) Disadvantaged. – A person who is socially and economically
33 disadvantaged as defined in 15 U.S.C. § 637."

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

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☒ Committee Substitute for

SB 907 A BILL TO BE ENTITLED AN ACT REQUIRING THE SECRETARY OF
ADMINISTRATION TO ADOPT RULES AND PROCEDURES TO CERTIFY
HISTORICALLY UNDERUTILIZED BUSINESSES AND TO MAINTAIN A DATABASE OF
THE BUSINESSES CERTIFIED.

☒ With a favorable report.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the bill/resolution is placed on the Calendar of _____.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

S

1

SENATE BILL 669

Short Title: State Land Not Subject to Municipal Control.

(Public)

Sponsors: Senator Hartsell.

Referred to: Judiciary II.

March 17, 2005

A BILL TO BE ENTITLED

AN ACT TO REPEAL LEGISLATION THAT MADE STATE LAND SUBJECT TO
MUNICIPAL PLANNING JURISDICTION AND PERMITTED THE
IMPOSITION OF OVERLAY AND SPECIAL USE DISTRICTS ON STATE
LAND WITHOUT THE APPROVAL OF THE COUNCIL OF STATE.

The General Assembly of North Carolina enacts:

SECTION 1. Section 41(e) of S.L. 2004-199 is repealed.

SECTION 2. This act becomes effective July 1, 2005.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

S

D

**SENATE BILL 669
PROPOSED HOUSE COMMITTEE SUBSTITUTE S669-CSRC-78 [v.1]**

7/26/2005 3:28:17 PM

Short Title: State Land Not Subject to Municipal Control.

(Public)

Sponsors:

Referred to:

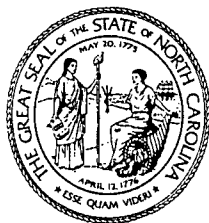
March 17, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO REPEAL LEGISLATION THAT MADE STATE LAND SUBJECT TO
3 MUNICIPAL PLANNING JURISDICTION AND PERMITTED THE
4 IMPOSITION OF OVERLAY AND SPECIAL USE DISTRICTS ON STATE
5 LAND WITHOUT THE APPROVAL OF THE COUNCIL OF STATE.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Section 41(e) of S.L. 2004-199 is repealed.

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



SENATE BILL 669: State Land Not Subject to Municipal Control

BILL ANALYSIS

Committee: House State Government
Introduced by: Sen. Hartsell
Version: PCS to First Edition
S669-CSRC-78

Date: July 26, 2005
Summary by: Kory Goldsmith
Committee Counsel

SUMMARY: *Senate Bill 669 would repeal a provision enacted in the 2004 Technical Corrections Act that made municipal zoning applicable to land owned by the State or owned by a political subdivision of the State.*

The PCS changes the effective date to make the bill effective when it becomes law.

BACKGROUND: Prior to August 17, 2004¹, G.S. 160A-392 provided that municipal zoning ordinances applied to **buildings** constructed and used by the State and to buildings constructed and used by the political subdivisions of the State. This provision had been interpreted to mean that municipal zoning ordinances did not apply to various uses of **land** (such as the creation of a parking lot) owned by the State or its political subdivisions. G.S. 160A-392 also made overlay districts², special use districts³, and conditional use districts inapplicable to **land** owned by the State unless the Council of State approved the district.

In 2004, Section 41.(e) of S.L. 2004-199 (see below) amended G.S. 160A-392 to make municipal zoning ordinances applicable to **land** owned by the State or its political subdivisions. It appears to have also made overlay districts completely inapplicable to land owned by the State, and provided that a **designee** of the Council of State could approve a conditional use district that included land owned by the State.

BILL ANALYSIS: Senate Bill 669 would repeal Section 41.(e) of S.L. 2004-199, thereby returning G.S. 160A-392 to its pre-2004 Technical Corrections Act status.

S.L. 2004-199 – 2004 Technical Corrections Act

SECTION 41.(e) G.S. 160A-392 reads as rewritten:

"§ 160A-392. Part applicable to buildings constructed by State and its subdivisions; exception.

All of the provisions of this Part are hereby made applicable to the erection, construction, and use of buildings and land by the State of North Carolina and its political subdivisions.

Notwithstanding the provisions of any general or local law or ordinance, no land owned by the State of North Carolina may be included within ~~an overlay district or a special use or conditional use district~~ without approval of the Council of State State or its designate."

¹ August 17, 2004 is the effective date for the 2004 Technical Corrections Act.

² An overlay district is a zoning district that applies development standards in addition to the requirements of the underlying zoning district. For example, a flood plain overlay district may impose restrictions on development in flood hazard areas that are in addition to whatever requirements imposed by the underlying residential or commercial zoning district.

³ A special use district is an area a permit is required for a use that is allowed only if conditions specified in the zoning ordinance are met. A formal evidentiary hearing is required to determine if the conditions are met. The term is synonymous with conditional use district.

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☐ Committee Substitute for

SB 669 A BILL TO BE ENTITLED AN ACT TO REPEAL LEGISLATION THAT
MADE STATE LAND SUBJECT TO MUNICIPAL PLANNING JURISDICTION AND
PERMITTED THE IMPOSITION OF OVERLAY AND SPECIAL USE DISTRICTS ON
STATE LAND WITHOUT THE APPROVAL OF THE COUNCIL OF STATE.

☒ With a favorable report as to House committee substitute bill, unfavorable as to the original
bill.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the (House/Senate) committee substitute bill/(joint) resolution
(No. _____) is placed on the Calendar of _____. (The original bill resolution No. _____)
is placed on the Unfavorable Calendar.

_____ The (House) committee substitute bill/(joint) resolution (No. _____) is re-referred to the
Committee on _____. (The original bill/resolution) (House/Senate Committee Substitute
Bill/(Joint) resolution No. _____) is placed on the Unfavorable Calendar.

Attachment 5

Dorothy McLean (Rep. Womble)

From: Dorothy McLean (Rep. Womble)
Sent: Thursday, July 21, 2005 2:06 PM
To: Rep. Larry Womble; Sen. Andrew C. Brock; Sen. Katie Dorsett; Sen. Fletcher Hartsell, Jr.
Cc: Dorothy McLean (Rep. Womble)
Subject: State Government Meeting correction July 27, 2005, Wednesday 11:00 A.M.

**CORRECTION DATE of meeting JULY 27, 2005-Wednesday
NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2005-2006 SESSION**

You are hereby notified that the Committee on **State Government** will meet as follows:

DAY & DATE: July 27, 2005

TIME: 11:00 a.m.

LOCATION: Room 1425 LB

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

SB 907	Minority Business Certification	Sen. Katie Dorsett
SB 1018	Adopt Cougar As State Cat	Sen. Andrew Brock
SB 669	State Land Not Subject To Municipal Control	Sen. F. Hartsell

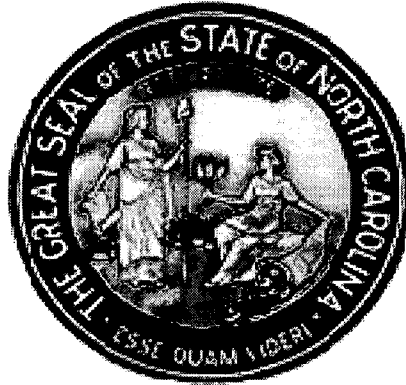
Respectfully,

Representatives Womble/ Johnson
Chairman*

I hereby certify this notice was filed by the committee assistant at the following offices at **1:00 PM** on **Thursday, July 21, 2005.**

☒ Principal Clerk
☒ Reading Clerk - House Chamber

7/26/2005



HOUSE COMMITTEE ON STATE GOVERNMENT

2006 SESSION

**REPRESENTATIVE LINDA JOHNSON, CHAIR
REPRESENTATIVE LARRY WOMBLE, CHAIR**

COMMITTEE ASSISTANTS:

**RACHAEL FAISON
DOROTHY McLEAN**

HOUSE COMMITTEE ON STATE/GOVERNMENT
2005-06 SESSION
Membership List

<u>MEMBER</u>	<u>ASSISTANT</u>	<u>PHONE</u>	<u>OFFICE</u>	<u>SEAT</u>
WOMBLE, Larry, W., Chair	Dorothy McLean	733-5777	537 LOB	57
JOHNSON, Linda P., Chair	Rachel Faison	733-5861	1006 LB	28
ALEXANDER, Martha B., Vice-Chair	Ann Faust	733-5807	2208 LB	32
CURRENT, William A., Vice-Chair	Wendy Miller	733-5809	539 LOB	108
UNDERHILL, Alice G., Vice-Chair	Judy Veorse	733-5853	1206 LB	17
ALLEN, Bernard	Latisha Dumas	733-5772	1325 LB	79
SETZER, Mitchell, S.	Joanna Mills	733-4948	1204 LB	49
YONGUE, Douglas, Y.	Katie Stanley	733-5821	1303 LB	107

EX-OFFICIO MEMBERS

CULPEPPER, Bill	Dot Crocker	715-3028	404 LOB	36
CUNNINGHAM, Pete	Valerie Rustin	733-5778	541 LOB	7
EDDINS, Rick	Dorie Monroe	733-5800	1319 LB	26
HACKNEY, Joe	Emily Reynolds	733-5752	2207 LB	69

STAFF

Kory Goldsmith	Research	733-2578	545 LOB
Tim Hovis	Research	733-2578	545 LOB
Theresa Matula	Research	733-2578	545 LOB

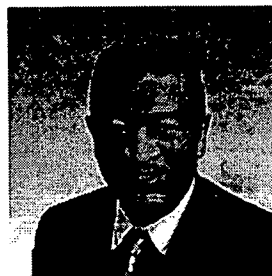
COMMITTEE ASSISTANT

Dorothy McLean	733-5777	537 LOB
Rachel Faison	733-5861	1006 LB

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE STATE GOVERNMENT COMMITTEE
2005 – 2006 SESSION



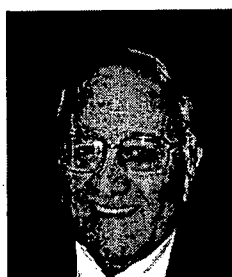
Rep. Johnson
Chair



Rep. Womble
Chair



Rep. Alexander
Vice chair



Rep Current
Vice chair



Rep. Underhill
Vice chair



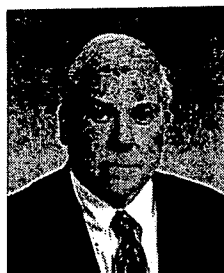
Rep. Allen



Rep. Setzer



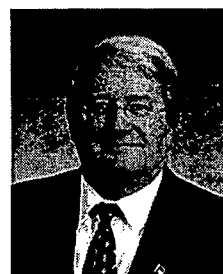
Rep. Yongue



Rep. Culpepper
Ex-officio



Rep. Cunningham
Ex-officio



Rep. Eddins
Ex-officio



Rep. Hackney
Ex-officio

ATTENDANCE

HOUSE/STATE GOVERNMENT

2006 SESSION

[illegible]

HOUSE STATE GOVERNMENT COMMITTEE
MEETING MINUTES

June 28, 2006

Chair Larry Womble, Presiding

The House State Government Committee met on Wednesday June 28, 2006 at 11 a.m. in Room 1425 of the Legislative Building.

MEMBERS PRESENT: Chair Larry Womble, Co-Chair Linda Johnson; Vice Chairs: Alexander, Underhill and Current; Representatives Bernard Allen. Staff Counsel present: Tim Hovis. A visitor's Registration and Meeting Agenda are attached as part of these minutes.

Chair Womble welcomed everyone and acknowledged the members, Staff counsel Kory Goldsmith was absent from the meeting. The House Pages and the House Sergeants-At-Arms were recognized along with the intern, Brittany Boone.

The Chair stated that Senate Bill 402 was the only bill on the meeting agenda. Representative Bernard Allen was recognized by the Chair to make the motion for the Committee Substitute of Senate Bill 402. The Committee was favorable to the Committee Substitute and was opened for discussion.

SENATE BILL 402- WATER/UTILITIES SAVINGS IN GOVT. FACILITIES/PUB. RECORDS, AN ACT TO CLARIFY THAT GUARANTEED ENERGY SAVINGS CONTRACTS INCLUDE CONSERVATION MEASURES FOR WATER AND OTHER UTILITIES, TO RAISE THE CAP FOR GUARANTEED ENERGY SAVINGS CONTRACTS, TO EXPAND THE STATE'S ENERGY POLICY AND LIFE-CYCLE COST ANALYSIS TO INCLUDE THE CONSERVATION OF WATER AND OTHER UTILITIES, AND TO MAKE CONFORMING CHANGES.

Senator Eleanor Kinnard, bill sponsor, was asked to explain the bill. The Chair recognized Committee Members for any questions about the bill and then the visitors were given the opportunity to ask questions.

Page 2

House State Government Committee

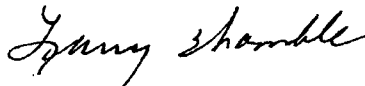
Committee Member Representative Bernard Allen was recognized to address clarification of terminology in the bill. Sharon Shroud, of the State Energy Department and Legal Research addressed question.

Tim Hovis noted page 18 line 14 restated amendment for this bill.

The Chair opened the floor for the motion of the bill. Representative Allen made the motion and the committee voted FAVORABLE to the Committee Substitute and UNFAVORABLE to the original bill and was referred to Finance Committee.

The Chair adjourned the meeting.

Respectfully Submitted,



Representative Larry Womble
Committee Chair

Dorothy McLean
Committee Assistant

Attachments:

Agenda

Visitors Registration Sheet

SB 402

SB 402 PCS

Bill Analysis

Committee Report

Meeting Notice

AGENDA

HOUSE STATE GOVERNMENT COMMITTEE MEETING

June 28, 2006- Room 1425 LB

****Representative Larry Womble**

Chair

Representative Linda Johnson

Chair

CALL TO ORDER

WELCOME

INTRODUCTION OF PAGES and SERGEANT-at-ARMS

BILLS TO BE DISCUSSED

SB 402 WATER/UTILITIES SAVINGS IN GOVT. FACILITIES Sen. Kinnaird

COMMENTS

ADJOURNMENT

**North Carolina General Assembly
House Committee On State Government 2006**

DATE: June 28, 2006

PAGES INFORMATION SHEET *Print*

	<u>NAME</u>	<u>COUNTY</u>	<u>REPRESENTATIVE</u>
1.	Joelle Humphrey	Onslow	Grady
2.	Amanda Fox	Burcombe	Sherrill
3.	Andrew Kenny	Cabarrus	Barnhart
4.	Tom Peele	Onslow	Grady
5.			

SERGEANT AT ARMS

	<u>NAME</u>
1.	JAMES WORTH
2.	FRED HINES
3.	
4.	
5.	

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

S

D

SENATE BILL 402*
PROPOSED HOUSE COMMITTEE SUBSTITUTE S402-CSSY-45 [v.3]

6/28/2006 9:59:02 AM

Short Title: Water/Utilities Savings in Govt. Facilities.

(Public)

Sponsors:

Referred to:

March 7, 2005

A BILL TO BE ENTITLED
AN ACT TO CLARIFY THAT GUARANTEED ENERGY SAVINGS CONTRACTS
INCLUDE CONSERVATION MEASURES FOR WATER AND OTHER
UTILITIES, TO RAISE THE CAP FOR GUARANTEED ENERGY SAVINGS
CONTRACTS, TO EXPAND THE STATE'S ENERGY POLICY AND
LIFE-CYCLE COST ANALYSIS TO INCLUDE THE CONSERVATION OF
WATER AND OTHER UTILITIES, AND TO MAKE CONFORMING
CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. The title of Article 3B of Chapter 143 of the General Statutes reads as rewritten: "~~Energy Conservation of Energy, Water, and Other Utilities in Public~~ Government Facilities."

SECTION 2. G.S. 143-64.17 reads as rewritten:

"§ 143-64.17. Definitions.

As used in this Part:

(1) "Energy conservation measure" means a facility or meter alteration, training, or services related to the operation of the ~~facility~~facility or meter, when the alteration, training, or services provide anticipated energy ~~savings~~savings or capture lost revenue. Energy conservation measure includes any of the following:

- a. Insulation of the building structure and systems within the building.
- b. Storm windows or doors, caulking, weatherstripping, multiglazed windows or doors, heat-absorbing or heat-reflective glazed or coated window or door systems, additional glazing, reductions in glass area, or other window or door system modifications that reduce energy consumption.
- c. Automatic energy control systems.

- 1 d. Heating, ventilating, or air-conditioning system modifications
2 or replacements.
- 3 e. Replacement or modification of lighting fixtures to increase the
4 energy efficiency of a lighting system without increasing the
5 overall illumination of a facility, unless an increase in
6 illumination is necessary to conform to the applicable State or
7 local building code or is required by the light system after the
8 proposed modifications are made.
- 9 f. Energy recovery systems.
- 10 g. Cogeneration systems that produce steam or forms of energy
11 such as heat, as well as electricity, for use primarily within a
12 building or complex of buildings.
- 13 ~~h. Other energy conservation measures.~~
- 14 i. Faucets with automatic or metered shut-off valves, leak
15 detection equipment, water meters, water recycling equipment,
16 and wastewater recovery systems.
- 17 j. Other energy conservation measures that conserve energy,
18 water, or other utilities.
- 19 (2) "Energy savings" means a measured reduction in fuel costs, energy
20 costs, water costs, stormwater fees, other utility costs, or operating
21 ~~costs—costs, including environmental discharge fees, water and sewer~~
22 maintenance fees, and increased meter accuracy, created from the
23 implementation of one or more energy conservation measures when
24 compared with an established baseline of previous ~~fuel costs, energy~~
25 ~~costs, or operating costs~~such costs, including captured lost revenues,
26 developed by the governmental unit.
- 27 (2a) "Governmental unit" means either a local governmental unit or a State
28 governmental unit.
- 29 (3) "Guaranteed energy savings contract" means a contract for the
30 evaluation, recommendation, or implementation of energy
31 conservation measures, including the design and installation of
32 equipment or the repair or replacement of existing
33 ~~equipment,~~equipment or meters, in which all payments, except
34 obligations on termination of the contract before its expiration, are to
35 be made over time, and in which energy savings are guaranteed to
36 exceed costs.
- 37 (4) "Local governmental unit" means any board or governing body of a
38 political subdivision of the State, including any board of a community
39 college, any school board, or an agency, commission, or authority of a
40 political subdivision of the State.
- 41 (5) "Qualified provider" means a person or business experienced in the
42 design, implementation, and installation of energy conservation
43 measures.

- 1 (6) "Request for proposals" means a negotiated procurement initiated by a
2 governmental unit by way of a published notice that includes the
3 following:
4 a. The name and address of the governmental unit.
5 b. The name, address, title, and telephone number of a contact
6 person in the governmental unit.
7 c. Notice indicating that the governmental unit is requesting
8 qualified providers to propose energy conservation measures
9 through a guaranteed energy savings contract.
10 d. The date, time, and place where proposals must be received.
11 e. The evaluation criteria for assessing the proposals.
12 f. A statement reserving the right of the governmental unit to
13 reject any or all the proposals.
14 g. Any other stipulations and clarifications the governmental unit
15 may require.
16 (7) "State governmental unit" means the State or a department, an agency,
17 a board, or a commission of the State, including the Board of
18 Governors of The University of North Carolina and its constituent
19 institutions."

20 SECTION 3. G.S. 143-64.17B(a) reads as rewritten:

21 **"§ 143-64.17B. Guaranteed energy savings contracts."**

22 (a) A governmental unit may enter into a guaranteed energy savings contract
23 with a qualified provider if all of the following apply:

- 24 (1) The term of the contract does not exceed 12-20 years from the date of
25 the installation and acceptance by the governmental unit of the energy
26 conservation measures provided for under the contract.
27 (2) The governmental unit finds that the energy savings resulting from the
28 performance of the contract will equal or exceed the total cost of the
29 contract.
30 (3) The energy conservation measures to be installed under the contract
31 are for an existing building, building or utility system."

32 SECTION 4. G.S. 143-64.17G reads as rewritten:

33 **"§ 143-64.17G. Report on guaranteed energy savings ~~contracts~~ contracts entered**
34 **into by local governmental units.**

35 A local governmental unit that enters into a guaranteed energy savings contract must
36 report the contract and the terms of the contract to the Local Government Commission.
37 The Commission shall compile the information and report it biennially to the Joint
38 Commission on Governmental Operations. In compiling the information, the Local
39 Government Commission shall include information on the energy savings expected to
40 be realized from a contract and, with the assistance of the Office of State Construction,
41 shall evaluate whether expected savings have in fact been realized."

42 SECTION 5. G.S. 143-64.17H reads as rewritten:

1 "§ 143-64.17H. Guaranteed—Report on guaranteed energy savings contract
2 reporting requirements—contracts entered into by State governmental
3 units.

4 A State governmental unit that enters into a guaranteed energy savings contract must
5 report the contract and the terms of the contract to the State Energy Office of the
6 Department of Administration within 30 days of the date the contract is entered into. In
7 addition, within 60 days after each annual anniversary date of a guaranteed energy
8 savings contract, the State governmental unit must report the status of the contract to the
9 State Energy Office, including any details required by the State Energy Office. The
10 State Energy Office shall compile the information for each fiscal year and report it to
11 the Joint Legislative Commission on Governmental Operations and to the Local
12 Government Commission annually by December 1. In compiling the information, the
13 State Energy Office shall include information on the energy savings expected to be
14 realized from a contract and shall evaluate whether expected savings have in fact been
15 realized."

16 SECTION 6. G.S. 142-63 reads as rewritten:

17 "§ 142-63. **Authorization of financing contract.**

18 Subject to the terms and conditions set forth in this Article, a State governmental
19 unit that has solicited a guaranteed energy conservation measure pursuant to
20 G.S. 143-64.17A or G.S. 143-64.17B or the State Treasurer, as designated by the
21 Council of State, is authorized to execute and deliver, for and on behalf of the State of
22 North Carolina, a financing contract to finance the costs of the energy conservation
23 measure. The aggregate principal amount payable by the State under financing contracts
24 entered pursuant to this Article shall not exceed ~~fifty million dollars (\$50,000,000)~~ one
25 hundred million dollars (\$100,000,000) at any one time."

26 SECTION 7. G.S. 142-64(b)(2) reads as rewritten:

27 "(2) The Council of State has approved the execution and delivery of the
28 financing contract by resolution that sets forth all of the following:

- 29 a. The not-to-exceed term or final maturity of the financing
30 contract, which shall be no later than ~~12 years from the date the~~
31 ~~financing contract is entered.~~ 20 years from the date of
32 acceptance of the project.
33 b. The not-to-exceed interest rate or rates (or the equivalent
34 thereof), which may be fixed or vary over a period of time, with
35 respect to the financing contract.
36 c. The appropriate officers of the State to execute and deliver the
37 financing contract and all other documentation relating to it."

38 SECTION 8. G.S. 143-64.10 reads as rewritten:

39 "§ 143-64.10. **Findings; policy.**

40 (a) The General Assembly ~~hereby finds:~~ finds all of the following:

- 41 (1) That the State shall take a leadership role in aggressively undertaking
42 energy—the conservation of energy, water, and other utilities in North
43 Carolina;Carolina.

- 1 (2) That State facilities have a significant impact on the State's
2 consumption of ~~energy~~energy, water, and other utilities.
- 3 (3) That ~~energy conservation~~ practices to conserve energy, water, and
4 other utilities that are adopted for the design, construction, operation,
5 maintenance, and renovation of these facilities and for the purchase,
6 operation, and maintenance of equipment for these facilities will have
7 a beneficial effect on the State's overall supply of ~~energy~~energy,
8 water, and other utilities.
- 9 (4) That the cost of the ~~energy~~energy, water, and other utilities consumed
10 by these facilities and the equipment for these facilities over the life of
11 the facilities shall be considered, in addition to the initial ~~cost~~cost.
- 12 (5) That the cost of ~~energy~~energy, water, and other utilities is significant
13 and facility designs shall take into consideration the total life-cycle
14 cost, including the initial construction cost, and the cost, over the
15 economic life of the facility, of the ~~energy~~energy, water, and other
16 utilities consumed, and of operation and maintenance of the facility as
17 it affects ~~energy consumption~~and the consumption of energy, water,
18 or other utilities.
- 19 (6) That State government shall undertake a program to reduce ~~energy~~the
20 use of energy, water, and other utilities in State facilities and
21 equipment in those facilities in order to provide its citizens with an
22 example of ~~energy-use~~energy-use, water-use, and utility-use
23 efficiency.
- 24 (b) It is the policy of the State of North Carolina to ensure that ~~energy~~
25 ~~conservation~~practices to conserve energy, water, and other utilities are employed in the
26 design, construction, operation, maintenance, and renovation of State facilities and in
27 the purchase, operation, and maintenance of equipment for State facilities."

28 **SECTION 9.** G.S. 143-64.11(2) reads as rewritten:

29 "(2) "Energy-consumption analysis" means the evaluation of all energy-
30 consuming ~~system~~systems, including systems that consume water or
31 other utilities, and components of these systems by demand and type
32 of ~~energy~~energy or other utility use, including the internal energy load
33 imposed on a facility by its occupants, equipment and components,
34 and the external energy load imposed on the facility by climatic
35 conditions."

36 **SECTION 10.** G.S. 143-64.11(2b) reads as rewritten:

37 "(2b) "Energy-consuming system" includes but is not limited to any of the
38 following equipment or measures:
39 a. Equipment used to heat, cool, or ventilate the facility;
40 b. Equipment used to heat water in the facility;
41 c. Lighting systems;
42 d. On-site equipment used to generate electricity for the facility;
43 e. On-site equipment that uses the sun, wind, oil, natural gas,
44 liquid propane gas, coal, or electricity as a power source; and

- f. Energy conservation ~~measures~~—measures, as defined in G.S. 143-64.17, in the facility design and construction that decrease the energy—energy, water, or other utility requirements of the facility."

SECTION 11. G.S. 143-64.11(3) reads as rewritten:

"(3) "Facility" means a building or a group of buildings served by a central ~~energy—distribution system~~ for energy, water, or other utility or components of a central ~~energy—distribution system.~~"

SECTION 12. G.S. 143-64.12 reads as rewritten:

"§ 143-64.12. Authority and duties of State agencies.

(a) The General Assembly authorizes and directs that State agencies shall carry out the construction and renovation of State facilities, under their jurisdiction in such a manner as to further the policy declared herein, ensuring the use of life-cycle cost analyses and ~~energy-conservation practices~~—practices to conserve energy, water, and other utilities.

(b) The Department of Administration shall develop and implement policies, procedures, and standards to ensure that State purchasing practices improve ~~energy efficiency~~ regarding energy, water, and other utility use and take the cost of the product over the economic life of the product into consideration. The Department of Administration shall adopt and implement Building Energy Design Guidelines. These guidelines shall include energy-use goals and standards, economic assumptions for life-cycle cost analysis, and other criteria on building systems and technologies. The Department of Administration shall modify the design criteria for construction and renovation of facilities to require that a life-cycle cost analysis be conducted pursuant to G.S. 143-64.15. The Department of Administration, as part of the Facilities Condition and Assessment Program, shall identify and recommend energy conservation maintenance and operating procedures that are designed to reduce energy consumption within the facility and that require no significant expenditure of funds. State departments, institutions, or agencies shall implement these recommendations. Where energy management equipment is proposed for State facilities, the maximum interchangeability and compatibility of equipment components shall be required.

The Department of Administration shall develop a comprehensive ~~energy management—program~~ to manage energy, water, and other utility use for State government. Each State agency shall develop and implement ~~an energy—~~ a management plan that is consistent with the State's comprehensive ~~energy—management program—program~~ to manage energy, water, and other utility use.

(c) through (g) Repealed by Session Laws 1993, c. 334, s. 4."

SECTION 13. G.S. 143-64.15 reads as rewritten:

"§ 143-64.15. Life-cycle cost analysis.

(a) A life-cycle cost analysis shall include, but not be limited to, all of the following elements:

- (1) The coordination, orientation, and positioning of the facility on its ~~physical site~~;site.
- (2) The amount and type of fenestration employed in the ~~facility~~;facility.

- 1 (3) Thermal characteristics of materials and the amount of insulation
2 incorporated into the facility ~~design; design.~~
- 3 (4) The variable occupancy and operating conditions of the facility,
4 including illumination ~~levels; and levels.~~
- 5 (5) Architectural features ~~which—that~~ affect ~~energy—consumption; the~~
6 ~~consumption of energy, water, and other utilities.~~
- 7 (b) The life-cycle cost analysis performed for any State facility shall, in addition
8 to the requirements set forth in subsection (a) of this section, include, but not be limited
9 to, all of the following:
- 10 (1) An energy-consumption analysis of the facility's energy-consuming
11 systems in accordance with the provisions of subsection (g) of this
12 ~~section; section.~~
- 13 (2) The initial estimated cost of each energy-consuming system being
14 compared and ~~evaluated; evaluated.~~
- 15 (3) The estimated annual operating cost of all utility
16 ~~requirements; requirements.~~
- 17 (4) The estimated annual cost of maintaining each energy-consuming
18 ~~system; and system.~~
- 19 (5) The average estimated replacement cost for each system expressed in
20 annual terms for the economic life of the facility.
- 21 (c) ~~The General Assembly requires each~~ Each entity ~~to—shall~~ conduct a life-cycle
22 cost analysis pursuant to this section for the construction or the renovation of any State
23 facility or State-assisted facility of 20,000 or more gross square feet. For the
24 replacement of heating, ventilation, and air conditioning equipment in any State facility
25 or State-assisted facility of 20,000 or more gross square feet, the entity shall conduct a
26 life-cycle cost analysis of the replacement equipment pursuant to this section when the
27 replacement is financed under a guaranteed energy savings contract or financed using
28 repair and renovation funds.
- 29 (d) The life-cycle cost analysis shall be certified by a registered professional
30 engineer or bear the seal of a North Carolina registered architect, or both. The engineer
31 or architect shall be particularly qualified by training and experience for the type of
32 work involved, but shall not be employed directly or indirectly by a fuel provider, utility
33 company, or group supported by fuel providers or utility funds. Plans and specifications
34 for facilities involving public funds shall be designed in conformance with the
35 provisions of G.S. 133-1.1.
- 36 (e) In order to protect the integrity of historic buildings, no provision of this
37 Article shall be interpreted to require the implementation of ~~energy—cost~~ measures to
38 conserve energy, water, or other utility use that conflict with respect to any property
39 eligible for, nominated to, or entered on the National Register of Historic Places,
40 pursuant to the National Historic Preservation Act of 1966, P.L. 89-665; any historic
41 building located within an historic district as provided in Chapters 160A or 153A of the
42 General Statutes; any historic building listed, owned, or under the jurisdiction of an
43 historic properties commission as provided in Chapter 160A or 153A; nor any historic
44 property owned by the State or assisted by the State.

1 (f) Each State agency shall use the life-cycle cost analysis over the economic life
2 of the facility in selecting the optimum system or combination of systems to be
3 incorporated into the design of the facility.

4 (g) The energy-consumption analysis of the operation of energy-consuming
5 systems utilities in a facility shall include, but not be limited ~~to~~ to, all of the following:

6 (1) The comparison of two or more system ~~alternatives;~~ alternatives.

7 (2) The simulation or engineering evaluation of each system over the
8 entire range of operation of the facility for a year's operating ~~period;~~
9 and period.

10 (3) The engineering evaluation of the ~~energy consumption of energy,~~
11 water, and other utilities of component equipment in each system
12 considering the operation of such components at other than full or
13 rated outputs."

14 **SECTION 14.** This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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1

SENATE BILL 402*

Short Title: Water/Utilities Savings in Govt. Facilities. (Public)

Sponsors: Senators Kinnaird, Horton; Cowell, and Shaw.

Referred to: Commerce.

March 7, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THAT GUARANTEED ENERGY SAVINGS CONTRACTS
3 INCLUDE CONSERVATION MEASURES FOR WATER AND OTHER
4 UTILITIES, TO RAISE THE CAP FOR GUARANTEED ENERGY SAVINGS
5 CONTRACTS, TO EXPAND THE STATE'S ENERGY POLICY AND
6 LIFE-CYCLE COST ANALYSIS TO INCLUDE THE CONSERVATION OF
7 WATER AND OTHER UTILITIES, AND TO MAKE CONFORMING
8 CHANGES.

9 The General Assembly of North Carolina enacts:

10 **SECTION 1.** The title of Article 3B of Chapter 143 of the General Statutes
11 reads as rewritten: "~~Energy Conservation~~ of Energy, Water, and Other Utilities in Public
12 Government Facilities."

13 **SECTION 2.** G.S. 143-64.17 reads as rewritten:

14 "**§ 143-64.17. Definitions.**

15 As used in this Part:

- 16 (1) "Energy conservation measure" means a facility alteration, training, or
17 services related to the operation of the facility, when the alteration,
18 training, or services provide anticipated energy savings. Energy
19 conservation measure includes any of the following:
- 20 a. Insulation of the building structure and systems within the
21 building.
 - 22 b. Storm windows or doors, caulking, weatherstripping,
23 multiglazed windows or doors, heat-absorbing or heat-reflective
24 glazed or coated window or door systems, additional glazing,
25 reductions in glass area, or other window or door system
26 modifications that reduce energy consumption.
 - 27 c. Automatic energy control systems.
 - 28 d. Heating, ventilating, or air-conditioning system modifications
29 or replacements.

- 1 e. Replacement or modification of lighting fixtures to increase the
2 energy efficiency of a lighting system without increasing the
3 overall illumination of a facility, unless an increase in
4 illumination is necessary to conform to the applicable State or
5 local building code or is required by the light system after the
6 proposed modifications are made.
- 7 f. Energy recovery systems.
- 8 g. Cogeneration systems that produce steam or forms of energy
9 such as heat, as well as electricity, for use primarily within a
10 building or complex of buildings.
- 11 ~~h. Other energy conservation measures:~~
- 12 i. Faucets with automatic or metered shut-off valves, leak
13 detection equipment, water recycling equipment, and
14 wastewater recovery systems.
- 15 j. Other energy conservation measures that conserve energy,
16 water, or other utilities.
- 17 (2) "Energy savings" means a measured reduction in fuel costs, energy
18 costs, water costs, stormwater fees, other utility costs, or operating
19 costs—costs, including environmental discharge fees and water and
20 sewer maintenance fees, created from the implementation of one or
21 more energy conservation measures when compared with an
22 established baseline of previous ~~fuel costs, energy costs, or operating~~
23 ~~costs~~ such costs developed by the governmental unit.
- 24 (2a) "Governmental unit" means either a local governmental unit or a State
25 governmental unit.
- 26 (3) "Guaranteed energy savings contract" means a contract for the
27 evaluation, recommendation, or implementation of energy
28 conservation measures, including the design and installation of
29 equipment or the repair or replacement of existing equipment, in which
30 all payments, except obligations on termination of the contract before
31 its expiration, are to be made over time, and in which energy savings
32 are guaranteed to exceed costs.
- 33 (4) "Local governmental unit" means any board or governing body of a
34 political subdivision of the State, including any board of a community
35 college, any school board, or an agency, commission, or authority of a
36 political subdivision of the State.
- 37 (5) "Qualified provider" means a person or business experienced in the
38 design, implementation, and installation of energy conservation
39 measures.
- 40 (6) "Request for proposals" means a negotiated procurement initiated by a
41 governmental unit by way of a published notice that includes the
42 following:
- 43 a. The name and address of the governmental unit.

- 1 b. The name, address, title, and telephone number of a contact
- 2 person in the governmental unit.
- 3 c. Notice indicating that the governmental unit is requesting
- 4 qualified providers to propose energy conservation measures
- 5 through a guaranteed energy savings contract.
- 6 d. The date, time, and place where proposals must be received.
- 7 e. The evaluation criteria for assessing the proposals.
- 8 f. A statement reserving the right of the governmental unit to
- 9 reject any or all the proposals.
- 10 g. Any other stipulations and clarifications the governmental unit
- 11 may require.

12 (7) "State governmental unit" means the State or a department, an agency,
13 a board, or a commission of the State, including the Board of
14 Governors of The University of North Carolina and its constituent
15 institutions."

16 **SECTION 3.** G.S. 143-64.17G reads as rewritten:

17 **"§ 143-64.17G. Report on guaranteed energy savings ~~contracts~~contracts entered**
18 **into by local governmental units.**

19 A local governmental unit that enters into a guaranteed energy savings contract must
20 report the contract and the terms of the contract to the Local Government Commission.
21 The Commission shall compile the information and report it biennially to the Joint
22 Commission on Governmental Operations. In compiling the information, the Local
23 Government Commission shall include information on the energy savings expected to
24 be realized from a contract and, with the assistance of the Office of State Construction,
25 shall evaluate whether expected savings have in fact been realized."

26 **SECTION 4.** G.S. 143-64.17H reads as rewritten:

27 **"§ 143-64.17H. ~~Guaranteed-Report on guaranteed energy savings contract~~**
28 **reporting requirementscontracts entered into by State governmental**
29 **units.**

30 A State governmental unit that enters into a guaranteed energy savings contract must
31 report the contract and the terms of the contract to the State Energy Office of the
32 Department of Administration within 30 days of the date the contract is entered into. In
33 addition, within 60 days after each annual anniversary date of a guaranteed energy
34 savings contract, the State governmental unit must report the status of the contract to the
35 State Energy Office, including any details required by the State Energy Office. The
36 State Energy Office shall compile the information for each fiscal year and report it to
37 the Joint Legislative Commission on Governmental Operations and to the Local
38 Government Commission annually by December 1. In compiling the information, the
39 State Energy Office shall include information on the energy savings expected to be
40 realized from a contract and shall evaluate whether expected savings have in fact been
41 realized."

42 **SECTION 5.** G.S. 142-63 reads as rewritten:

43 **"§ 142-63. Authorization of financing contract.**

1 Subject to the terms and conditions set forth in this Article, a State governmental
2 unit that has solicited a guaranteed energy conservation measure pursuant to
3 G.S. 143-64.17A or G.S. 143-64.17B or the State Treasurer, as designated by the
4 Council of State, is authorized to execute and deliver, for and on behalf of the State of
5 North Carolina, a financing contract to finance the costs of the energy conservation
6 measure. The aggregate principal amount payable by the State under financing contracts
7 entered pursuant to this Article shall not exceed ~~fifty million dollars (\$50,000,000)~~
8 seventy-five million dollars (\$75,000,000) at any one time."

9 **SECTION 6.** G.S. 143-64.10 reads as rewritten:

10 **"§ 143-64.10. Findings; policy.**

11 (a) The General Assembly ~~hereby finds~~finds all of the following:

- 12 (1) That the State shall take a leadership role in aggressively undertaking
13 ~~energy~~the conservation of energy, water, and other utilities in North
14 ~~Carolina~~Carolina.
- 15 (2) That State facilities have a significant impact on the State's
16 consumption of ~~energy~~energy, water, and other utilities.
- 17 (3) That ~~energy conservation~~ practices to conserve energy, water, and
18 other utilities that are adopted for the design, construction, operation,
19 maintenance, and renovation of these facilities and for the purchase,
20 operation, and maintenance of equipment for these facilities will have
21 a beneficial effect on the State's overall supply of ~~energy~~energy,
22 water, and other utilities.
- 23 (4) That the cost of the ~~energy~~energy, water, and other utilities consumed
24 by these facilities and the equipment for these facilities over the life of
25 the facilities shall be considered, in addition to the initial ~~cost~~cost.
- 26 (5) That the cost of ~~energy~~energy, water, and other utilities is significant
27 and facility designs shall take into consideration the total life-cycle
28 cost, including the initial construction cost, and the cost, over the
29 economic life of the facility, of the ~~energy~~energy, water, and other
30 utilities consumed, and of operation and maintenance of the facility as
31 it affects ~~energy consumption; and~~ the consumption of energy, water,
32 or other utilities.
- 33 (6) That State government shall undertake a program to reduce ~~energy~~the
34 use of energy, water, and other utilities in State facilities and
35 equipment in those facilities in order to provide its citizens with an
36 example of ~~energy use~~energy-use, water-use, and utility-use
37 efficiency.

38 (b) It is the policy of the State of North Carolina to ensure that ~~energy~~
39 ~~conservation~~practices to conserve energy, water, and other utilities are employed in the
40 design, construction, operation, maintenance, and renovation of State facilities and in
41 the purchase, operation, and maintenance of equipment for State facilities."

42 **SECTION 7.** G.S. 143-64.11(2) reads as rewritten:

43 "(2) "Energy-consumption analysis" means the evaluation of all energy-
44 consuming ~~system~~systems, including systems that consume water or

1 other utilities, and components of these systems by demand and type
2 of ~~energy-energy~~ or other utility use, including the internal energy load
3 imposed on a facility by its occupants, equipment and components,
4 and the external energy load imposed on the facility by climatic
5 conditions."

6 **SECTION 8.** G.S. 143-64.11(2b) reads as rewritten:

7 "(2b) "Energy-consuming system" includes but is not limited to any of the
8 following equipment or measures:

- 9 a. Equipment used to heat, cool, or ventilate the facility;
- 10 b. Equipment used to heat water in the facility;
- 11 c. Lighting systems;
- 12 d. On-site equipment used to generate electricity for the facility;
- 13 e. On-site equipment that uses the sun, wind, oil, natural gas,
14 liquid propane gas, coal, or electricity as a power source; and
- 15 f. Energy conservation ~~measures—measures,~~ as defined in
16 G.S. 143-64.17, in the facility design and construction that
17 decrease the ~~energy-energy, water, or other utility~~ requirements
18 of the facility."

19 **SECTION 9.** G.S. 143-64.11(3) reads as rewritten:

20 "(3) "Facility" means a building or a group of buildings served by a central
21 ~~energy—distribution~~ system for energy, water, or other utility or
22 components of a central ~~energy—distribution~~ system."

23 **SECTION 10.** G.S. 143-64.12 reads as rewritten:

24 **"§ 143-64.12. Authority and duties of State agencies.**

25 (a) The General Assembly authorizes and directs that State agencies shall carry
26 out the construction and renovation of State facilities, under their jurisdiction in such a
27 manner as to further the policy declared herein, ensuring the use of life-cycle cost
28 analyses and ~~energy-conservation practices.practices~~ to conserve energy, water, and
29 other utilities.

30 (b) The Department of Administration shall develop and implement policies,
31 procedures, and standards to ensure that State purchasing practices improve ~~energy~~
32 efficiency regarding energy, water, and other utility use and take the cost of the product
33 over the economic life of the product into consideration. The Department of
34 Administration shall adopt and implement Building Energy Design Guidelines. These
35 guidelines shall include energy-use goals and standards, economic assumptions for
36 life-cycle cost analysis, and other criteria on building systems and technologies. The
37 Department of Administration shall modify the design criteria for construction and
38 renovation of facilities to require that a life-cycle cost analysis be conducted pursuant to
39 G.S. 143-64.15. The Department of Administration, as part of the Facilities Condition
40 and Assessment Program, shall identify and recommend energy conservation
41 maintenance and operating procedures that are designed to reduce energy consumption
42 within the facility and that require no significant expenditure of funds. State
43 departments, institutions, or agencies shall implement these recommendations. Where

1 energy management equipment is proposed for State facilities, the maximum
2 interchangeability and compatibility of equipment components shall be required.

3 The Department of Administration shall develop a comprehensive ~~energy~~
4 ~~management~~ program to manage energy, water, and other utility use for State
5 government. Each State agency shall develop and implement ~~an energy a~~ management
6 plan that is consistent with the State's comprehensive ~~energy management~~
7 ~~program~~ program to manage energy, water, and other utility use.

8 (c) through (g) Repealed by Session Laws 1993, c. 334, s. 4."

9 **SECTION 11.** G.S. 143-64.15 reads as rewritten:

10 **"§ 143-64.15. Life-cycle cost analysis.**

11 (a) A life-cycle cost analysis shall include, but not be limited to, all of the
12 following elements:

- 13 (1) The coordination, orientation, and positioning of the facility on its
14 physical ~~site~~ site.
- 15 (2) The amount and type of fenestration employed in the ~~facility~~ facility.
- 16 (3) Thermal characteristics of materials and the amount of insulation
17 incorporated into the facility ~~design~~ design.
- 18 (4) The variable occupancy and operating conditions of the facility,
19 including illumination ~~levels~~ and levels.
- 20 (5) Architectural features ~~which that~~ affect ~~energy consumption~~ the
21 consumption of energy, water, and other utilities.

22 (b) The life-cycle cost analysis performed for any State facility shall, in addition
23 to the requirements set forth in subsection (a) of this section, include, but not be limited
24 to, all of the following:

- 25 (1) An energy-consumption analysis of the facility's energy-consuming
26 systems in accordance with the provisions of subsection (g) of this
27 ~~section~~ section.
- 28 (2) The initial estimated cost of each energy-consuming system being
29 compared and ~~evaluated~~ evaluated.
- 30 (3) The estimated annual operating cost of all utility
31 ~~requirements~~ requirements.
- 32 (4) The estimated annual cost of maintaining each energy-consuming
33 ~~system~~ and system.
- 34 (5) The average estimated replacement cost for each system expressed in
35 annual terms for the economic life of the facility.

36 (c) ~~The General Assembly requires each~~ Each entity ~~to shall~~ conduct a life-cycle
37 cost analysis pursuant to this section for the construction or the renovation of any State
38 facility or State-assisted facility of 20,000 or more gross square feet. For the
39 replacement of heating, ventilation, and air conditioning equipment in any State facility
40 or State-assisted facility of 20,000 or more gross square feet, the entity shall conduct a
41 life-cycle cost analysis of the replacement equipment pursuant to this section when the
42 replacement is financed under a guaranteed energy savings contract or financed using
43 repair and renovation funds.

(d) The life-cycle cost analysis shall be certified by a registered professional engineer or bear the seal of a North Carolina registered architect, or both. The engineer or architect shall be particularly qualified by training and experience for the type of work involved, but shall not be employed directly or indirectly by a fuel provider, utility company, or group supported by fuel providers or utility funds. Plans and specifications for facilities involving public funds shall be designed in conformance with the provisions of G.S. 133-1.1.

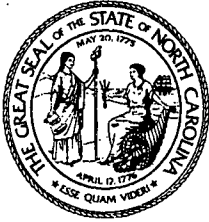
(e) In order to protect the integrity of historic buildings, no provision of this Article shall be interpreted to require the implementation of ~~energy-cost~~ measures to conserve energy, water, or other utility use that conflict with respect to any property eligible for, nominated to, or entered on the National Register of Historic Places, pursuant to the National Historic Preservation Act of 1966, P.L. 89-665; any historic building located within an historic district as provided in Chapters 160A or 153A of the General Statutes; any historic building listed, owned, or under the jurisdiction of an historic properties commission as provided in Chapter 160A or 153A; nor any historic property owned by the State or assisted by the State.

(f) Each State agency shall use the life-cycle cost analysis over the economic life of the facility in selecting the optimum system or combination of systems to be incorporated into the design of the facility.

(g) The energy-consumption analysis of the operation of energy-consuming systems utilities in a facility shall include, but not be limited ~~to to~~, all of the following:

- (1) The comparison of two or more system ~~alternatives; alternatives.~~
- (2) The simulation or engineering evaluation of each system over the entire range of operation of the facility for a year's operating ~~period;~~ and period.
- (3) The engineering evaluation of the ~~energy-consumption of energy,~~ water, and other utilities of component equipment in each system considering the operation of such components at other than full or rated outputs."

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



SENATE BILL 402: Water/Utilities Savings in Govt. Facilities

BILL ANALYSIS

Committee:	House State Government	Date:	June 28, 2006
Introduced by:	Sen. Kinnaird	Summary by:	Kory Goldsmith
Version:	PCS to First Edition S402-CSRC		Committee Counsel

SUMMARY: *The Proposed Committee Substitute(PCS) for Senate Bill 402 expands the types of utilities that are subject to the conservation methods authorized for State facilities. In addition to energy, the bill adds water and other utilities. It also increases, from \$50,000,000 to \$100,000,000, the aggregate total principal amount payable by the State guaranteed energy savings contracts and extends the maximum length of a financing contract from 12 to 20 years. It also directs that when a State facility or State-assisted facility of 20,000 gross square feet or more replaces its heating, ventilation, or air conditions equipment, it must conduct a life-cycle cost analysis of the replacement equipment if the replacement is financed with a guaranteed energy savings contract or is financed using repair and renovation funds.*

The PCS is effective when it becomes law.

[As introduced, this bill was identical to H454, as introduced by Reps. Tolson, Pate, which is currently in House Appropriations.]

CURRENT LAW: Article 3B of Chapter 143 establishes the policy that the State should take a leadership role in conserving energy, and that State agencies must carry out construction and renovation projects in a manner that furthers this policy. The Department of Administration (DOA) must identify and recommend energy conservation procedures designed to reduce energy consumption in State facilities. State agencies are required to conduct life-cycle cost analysis on any construction or renovation of 20,000 square feet or more.

State agencies and the University system may enter into financing contracts with qualified providers for up to \$50 million to finance the costs of an energy conservation measure. These contracts are allowed provided the term of the contract does not exceed 12 years, the energy savings will equal or exceed the total cost of the contract, and the conservation measures are for an existing building. Units of local government must report any contracts to the Local Government Commission, and State agencies must report their contracts to the DOA.

BILL ANALYSIS:

Section 1 amends the title of Article 3B of Chapter 143 of the General Statutes to reflect that water and other utilities are included among the conservation measures for governmental facilities.

Section 2 amends the definition of "Energy conservation measure" to include devices that help conserve water and other utilities and to capture lost revenues. The definition of "energy savings" is also amended to include water costs, stormwater, environmental discharges, sewer maintenance fees, and increased meter accuracy.

Senate Bill 402

Page 2

Sections 3 and 7 extend the maximum length off term for a guaranteed energy savings contract from 12 to 20 years.

Sections 4 and 5 amend the catch lines for G.S. 143-64.17G and G.S. 143-64.17H respectively to make it clearer which one applies to units of local government and which one applies to State agencies.

Section 6 increases, from \$50,000,000 to \$100,000,000, the aggregate total principal amount payable by the State on guaranteed energy savings contract.

Section 8 amends the findings by the State regarding its policy of adopting energy conservation measures to make them also be applicable to water and other utilities.

Section 9 amends the definition of "Energy-consumption analysis" to include evaluations of systems that consume water and other utilities.

Section 10 amends the definition of "Energy-consuming system" to include water and other utility conserving measures.

Section 11 amends the definition of "Facility" to include a building or group of buildings serviced by a central water or other utility distribution system.

Section 12 authorizes and directs State agencies to carry out construction and renovation projects in a manner to further the conservation of water and other utilities.

Section 13 directs that when a State facility or State-assisted facility of 20,000 gross square feet or more replaces its heating, ventilation, or air conditioning equipment, it must conduct a life-cycle cost analysis of the replacement equipment if the replacement is financed with a guaranteed energy savings contract or is financed using repair and renovation funds.

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

S0402e1-SMRC-CSRC

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative Johnson, Womble (Chairs) for the Committee on STATE
GOVERNMENT.

☐ Committee Substitute for

SB 402 A BILL TO BE ENTITLED AN ACT TO CLARIFY THAT GUARANTEED ENERGY SAVINGS CONTRACTS INCLUDE CONSERVATION MEASURES FOR WATER AND OTHER UTILITIES, TO RAISE THE CAP FOR GUARANTEED ENERGY SAVINGS CONTRACTS, TO EXPAND THE STATE'S ENERGY POLICY AND LIFE-CYCLE COST ANALYSIS TO INCLUDE THE CONSERVATION OF WATER AND OTHER UTILITIES, AND TO MAKE CONFORMING CHANGES.

☒ With a favorable report as to the House committee substitute, unfavorable as to the original bill, and recommendation that the House committee substitute be re-referred to the Committee on FINANCE.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on _____.

_____ Pursuant to Rule 36(b), the (House/Senate) committee substitute bill/(joint) resolution (No. _____) is placed on the Calendar of _____. (The original bill resolution No. _____) is placed on the Unfavorable Calendar.

_____ The (House) committee substitute bill/(joint) resolution (No. _____) is re-referred to the Committee on _____. (The original bill/resolution) (House/Senate Committee Substitute Bill/(Joint) resolution No. _____) is placed on the Unfavorable Calendar.

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2006 SESSION**

You are hereby notified that the Committee on **State Government** will meet as follows:

DAY & DATE: **June 28, 2006**

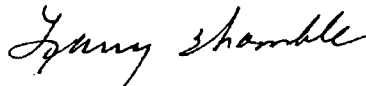
TIME: **11:00 a.m.**

LOCATION: **Room 1425 LB**

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

SB 402 - WATER/UTILITIES SAVING IN GOVT. FACILITIES – Sen. Kinnaird

Respectfully,



Representatives Womble/ Johnson
Chairman*

I hereby certify this notice was filed by the committee assistant at the following offices at
5:00 PM on Thursday, June 22, 2006

☒ Principal Clerk

☒ Reading Clerk - House Chamber

Dorothy McLean (Committee Assistant) *
Rachel Faison (Committee Assistant)

Senate Bill 402 / S.L. 2006-190 (= H454)**2005-2006 Session****Water/Utilities Savings in Govt. Facilities.**

Text	Fiscal Note	Status:	[R] Ch. SL 2006-190 on 08/03/2006
Filed [PDF]	-	Sponsors Primary: Eleanor Kinnaid; Co: Janet Cowell; Hamilton C. Horton, Jr.; Larry Shaw;	
Edition 1 [PDF]	-		
Edition 2 [PDF]	-		
Ratified [PDF]	-		
SL2006-190 [PDF]	-		
		Attributes:	Public; Text has changed;

Vote History										
Date	Subject	RCS #	Aye	No	N/V	Exc. Abs.	Exc. Vote	Total	Result	
07/12/2006 6:38PM	Second Reading	[H] - 1617	110	0	5	5	0	110	PASSED	
07/13/2006 1:39PM	Third Reading	[H] - 1626	114	0	1	5	0	114	PASSED	
Viewing Last 2 Vote(s)									View All Votes	

History	
Date	Action
03/03/2005	[S] Filed
03/07/2005	[S] Ref To Com On Commerce
08/11/2005	[S] Reptd Fav
08/12/2005	[S] Passed 2nd Reading
08/13/2005	[S] Passed 3rd Reading
08/18/2005	[H] Rec From Senate
08/18/2005	[H] Ref To Com On State Government
06/28/2006	[HA] Reptd Fav Com Substitute
06/28/2006	[H] Re-ref Com On Finance
07/11/2006	[H] Reptd Fav
07/11/2006	[H] Cal Pursuant Rule 36(b)
07/11/2006	[H] Placed On Cal For 7/12/2006
07/12/2006	[H] Passed 2nd Reading
07/13/2006	[H] Passed 3rd Reading
07/13/2006	[S] Rec To Concur H Com Sub
07/13/2006	[S] Placed On Cal For 7/17/2006
07/17/2006	[S] Concurred On 2nd Reading
07/18/2006	[S] Concurred On 3rd Reading
07/19/2006	[S] Ratified
07/20/2006	[S] Pres. To Gov. 7/19/2006
08/03/2006	[S] Signed By Gov. 8/3/2006
08/03/2006	[R] Ch. SL 2006-190

Note: a bill listed on this website is not law until passed by the House and the Senate, ratified, and, if required, signed by the Governor.

ABBREVIATIONS KEY

- H = House Action
- S = Senate Action
- R = Ratified
- HF = Failed in the House
- SF = Failed in the Senate
- HA = Adopted in the House