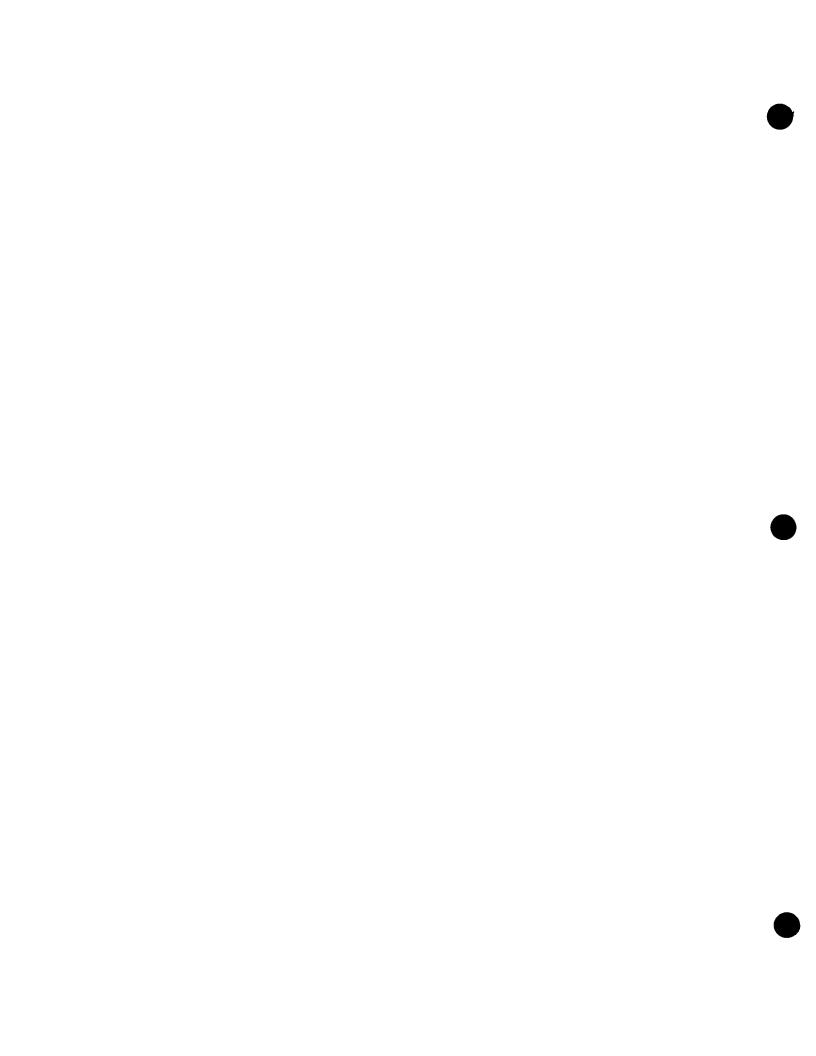
2015

HOUSE COMMERCE & JOB DEVELOPMENT

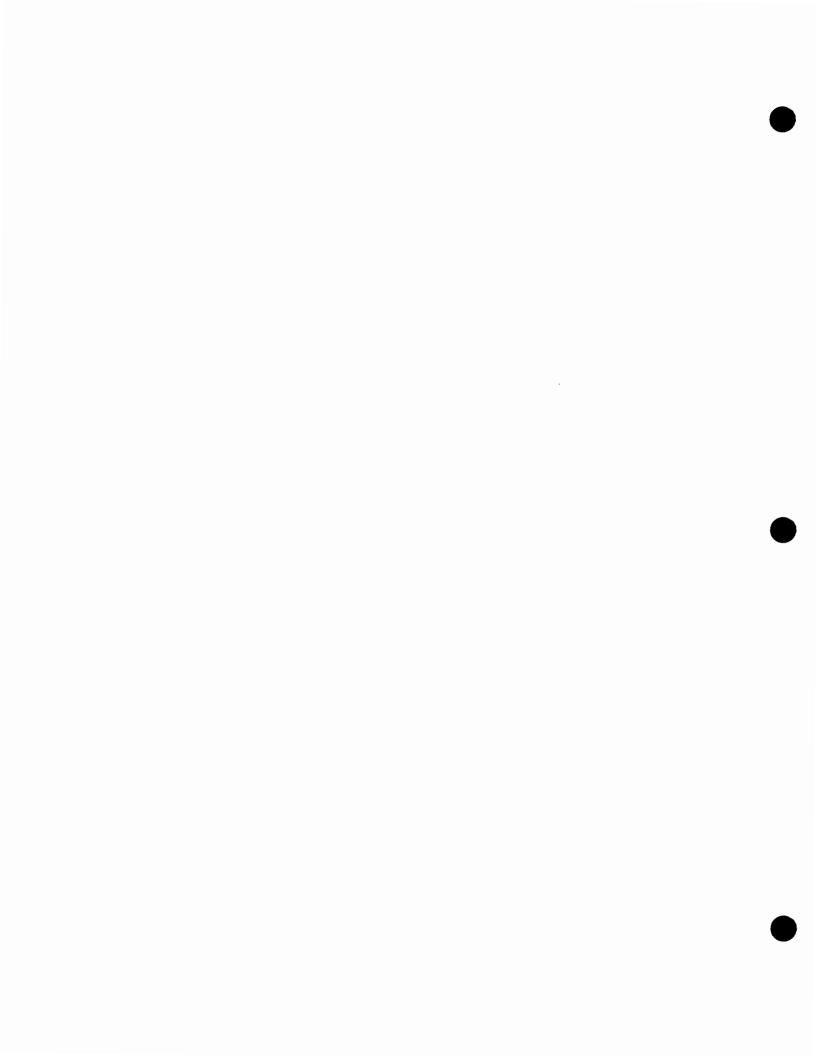
MINUTES

HOUSE COMMITTEE ON COMMERCE AND JOB DEVELOPMENT

MEMBER CONRAD, Debra	Co-Chair	ASSISTANT Clark Riemer, Clerk	PHONE 919-733-5787	OFFICE 606	<u>SEAT</u> 44
PRESNELL, Michele	Co-Chair	John Wall, Clerk	919-733-5732	418A	67
ROSS, Stephen	Co-Chair	Laura Spratley, Clerk	919-733-5820	2221	37
BRADFORD, John	Vice-Chair	Anita Spence	919-733-5828	2123	85
BROWN, Brian	Vice-Chair	Theresa Lopez	919-733-5757	604	90
FRALEY, John	Vice-Chair	Carol Wakely	919-733-5741	637	112
GOODMAN, Ken	Vice-Chair	Judy Veorse	919-733-5823	542	47
GRAHAM, Charles	Vice-Chair	Linda Laton	919-715-0875	1309	84
HALL, Larry	Vice-Chair	Theresa Wright-Bryant	919-733-5872	506	69
MARTIN, Susan	Vice-Chair	R. Lynn Taylor	919-715-3023	306C	43
MOORE, Rodney	Vice-Chair	Charmey Morgan	919-733-5606	1219	36
RICHARDSON, Bobbie	e Vice-Chair	Anna Meadows	919-715-3032	1217	93
ROBINSON, George	Vice-Chair	Aspen Coons	919-733-5931	306C	111
SZOKA, John	Vice-Chair	Beverly Slagle	919-733-9892	2223	73
WRAY, Michael	Vice-Chair	Susan Burleson	919-733-5662	503	24
ADAMS, Jay		Susan Phillips	919-733-5988	2215	98
AVILA, Marilyn		Susan Lewis	919-733-5530	2217	50
BELL, John		Susan Horne	919-715-3017	419B	27
BELL, Larry		Carolyn Edwards	919-733-5863	510	21
BOLES, James		Kerry Guice	919-733-5903	528	25
BRAWLEY, William		Lynn Taylor	919-733-5800	534	31
BROCKMAN, Cecil		Grady O'Brien	919-733-5825	1311	118



BRODY, Mark	Neva Helms	919-715-3029	2219	89
BRYAN, Rob	Kevin Wilkinson	919-733-5607	536	61
CATLIN, Rick	Laura Holt-Kabel	919-733-5830	638	55
DAVIS, Ted	Judy Lowe	919-733-5786	418B	38
DOLLAR, Nelson	Candace Slate	919-715-0795	307B	4
FLOYD, Elmer	Dorothy McLean	919-733-5959	1325	83
GRAHAM, George	Beverlee Baker	919-733-5995	1321	91
HAGER, Mike	Baxter Knight	919-733-5749	301F	30
HAMILTON, Susi	Ruth Merkle	919-733-5754	1313	48
HOLLEY, Yvonne	Lee Lewis	919-733-5758	1213	95
HORN, Craig	Pattie Fleming	919-733-2406	419A	32
HUNTER, Howard	Brenda Bennett	919-733-5780	1307	106
JACKSON, Darren	Angela McMillan	919-733-5974	1013	34
LEWIS, David	Grace Rogers	919-715-3015	2301	6
MALONE, Chris	Wanda Benson	919-715-3010	603	64
MCELRAFT, Pat	Nancy Fox	919-733-6275	634	9
MCGRADY, Chuck	Laura Bone	919-733-5956	304	28
McNEILL, Allen	Laura Sullivan	919-715-4946	418C	56
MILLIS, Chris	Vivian Sherrell	919-715-9664	609	87
PIERCE, Garland	Janice Fenner	919-733-5803	1204	57
SAINE, Jason	Laura Puryear	919-733-5782	1326	26
SCHAFFER, Jacqueline	Sharon Sullivan	919-733-5886	2213	65
SHEPARD, Phillip	Pamela Pate	919-715-9644	530	53



STEINBURG, Bob	Bethany Hudson	919-733-0010	301B	51
TERRY, Evelyn	Franklin Terry	919-733-5777	1015	92
TINE, Paul	Katy Kingsbury	919-733-5906	529	79
TORBETT, John	Viddia Torbett	919-733-5868	538	41
YARBOROUGH, Larry	Leslie Murray	919-715-0850	1301	101

HOUSE COMMITTEE ON COMMERCE AND JOB DEVELOPMENT 2015-2016 SESSION

Clerks: Clark Riemer, Laura Spratley, John Wall



Rep. Debra Conrad, Chair



Rep. Michele Presnell, Chair



Rep. Stephen Ross, Chair



Vice-Chair



Rep. John Bradford, III Rep. Brian Brown Vice-Chair



Vice-Chair



Rep. John Fraley Rep. Ken Goodman Rep. Charles Graham Vice-Chair



Vice-Chair



Rep. Larry Hall Vice-Chair



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Vice-Chair



Vice-Chair



Vice-Chair



Rep. John Szoka Vice-Chair



Rep. Michael Wray Vice-Chair



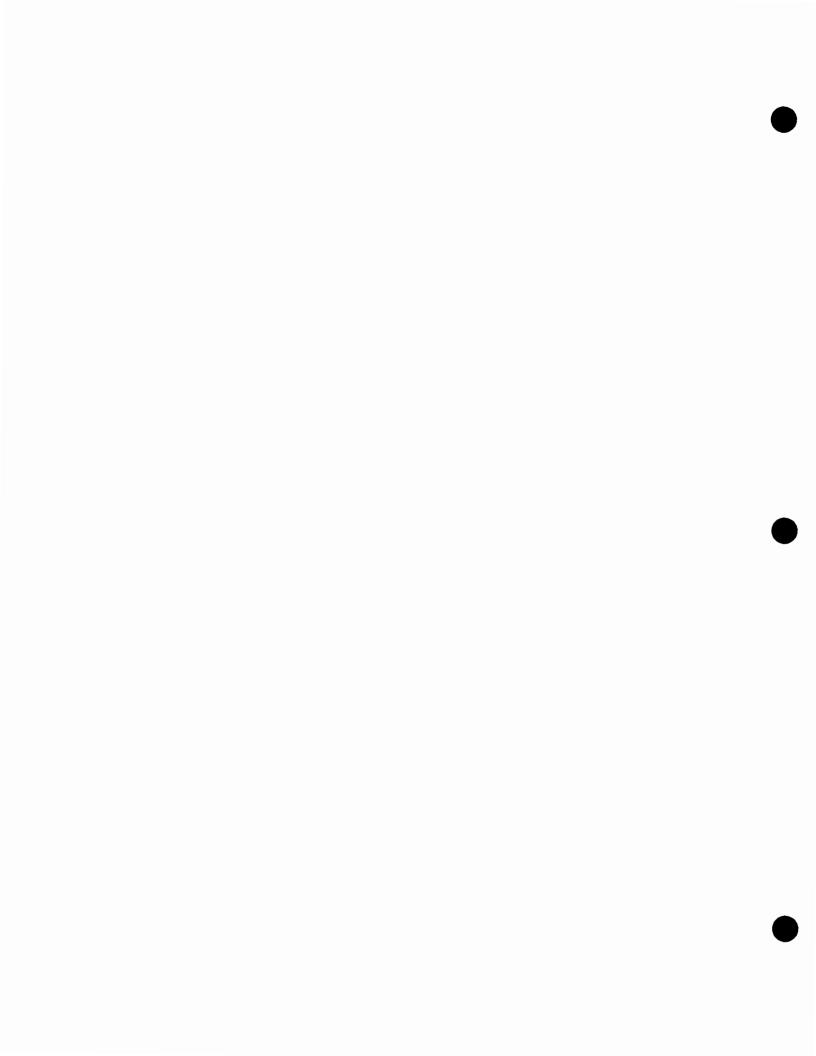
Rep. Jay Adams



Rep. Marilyn Avila



Rep. John Bell





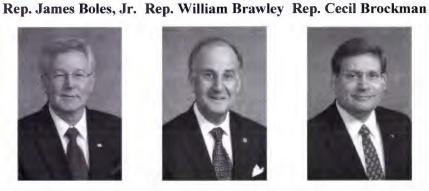
Rep. Rob Bryan



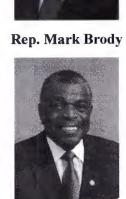
Rep. Rick Catlin



Rep. Ted Davis, Jr.



Rep. Nelson Dollar



Rep. Elmer Floyd



Rep. George Graham



Rep. Mike Hager



Rep. Susi Hamilton



Rep. Yvonne Holley



Rep. D. Craig Horn



Rep. Howard Hunter III Rep. Darren Jackson





Rep. David Lewis



Rep. Chris Malone



Rep. Pat McElraft



Rep. Chuck McGrady Rep. Allen McNeill





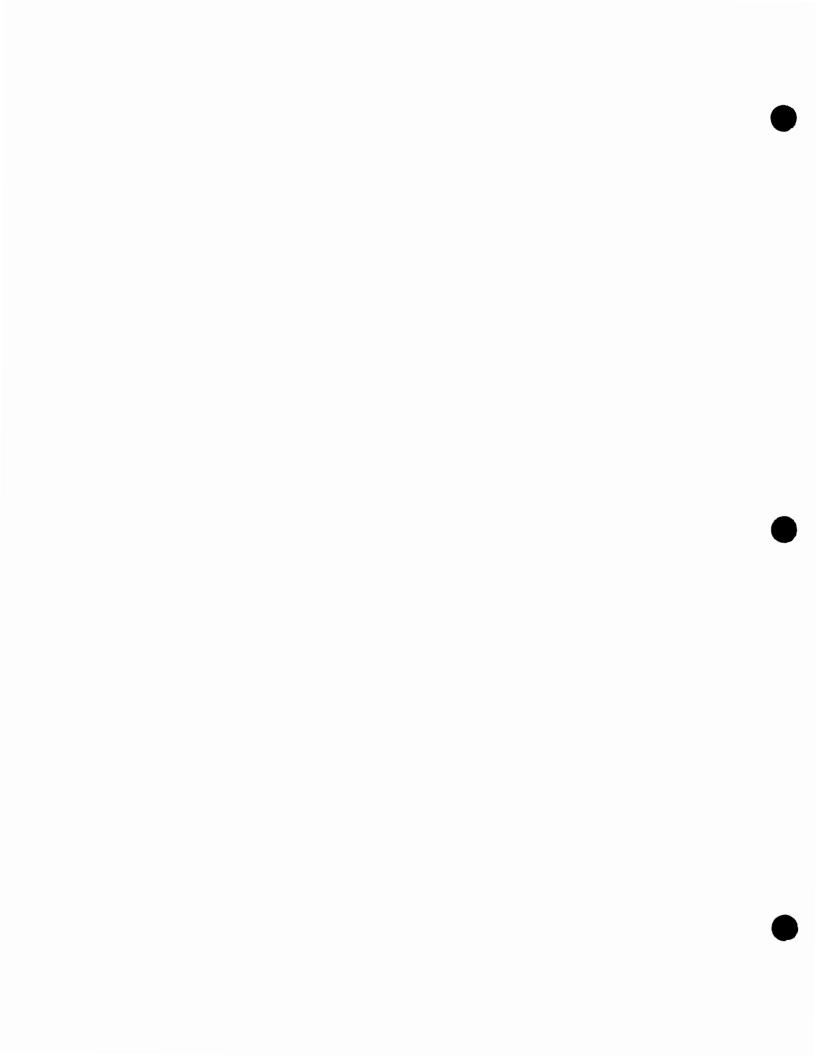
Rep. Chris Millis



Rep. Garland Pierce



Rep. Jason Saine









Rep. Phil Shepard



Rep. Bob Steinburg



Rep. Evelyn Terry



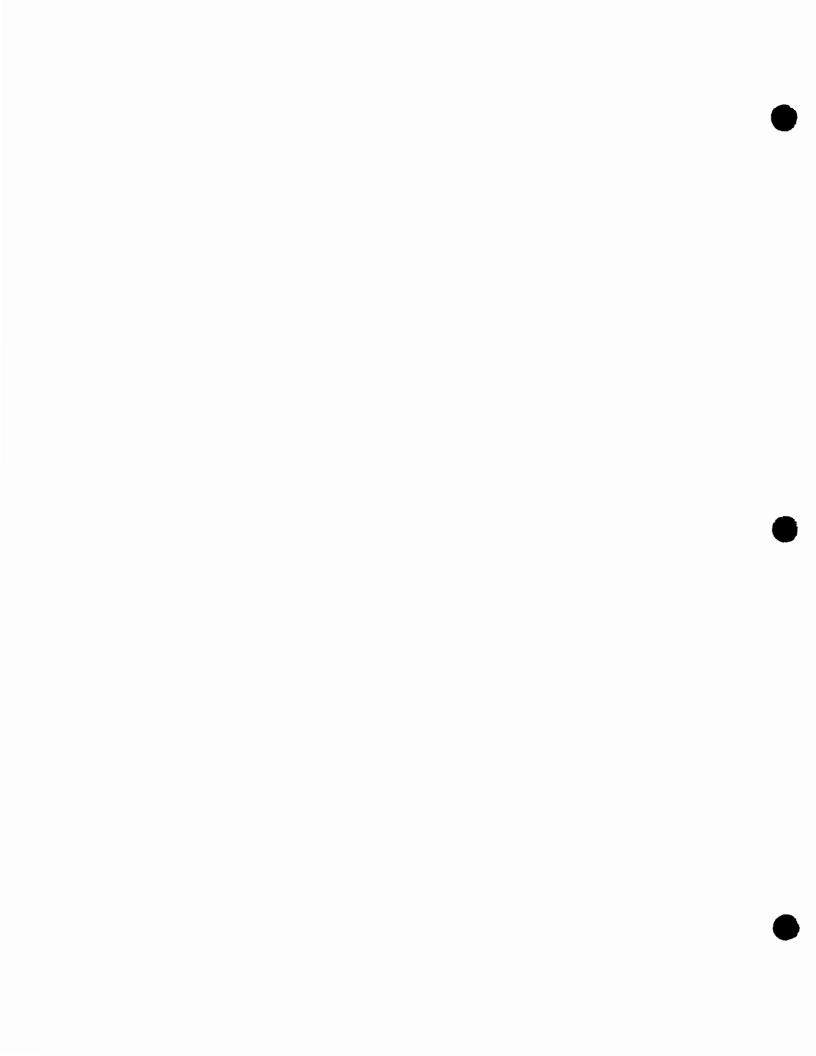
Rep. Paul Tine







Rep. Larry Yarborough



House Committee on Commerce and Job Development Wednesday, March 18 2015 at 11am Room 642

MINUTES

The House Committee on Commerce and Job Development met at 11am on March 18th 2015 in Room 642. Representatives Adams, Avila, Bell, Bell, Bradford, Brockman, Brown, Bryan, Catlin, Conrad, Davis, Floyd, Fraley, Goodman, Graham, Graham, Hager, Hall, Hamilton, Holley, Horn, Hunter, Malone, Martin, McNeill, Millis, Moore, Presnell, Richardson, Robinson, Ross, Schaffer, Shepard, Szoka, Terry, Tine, Torbett, and Yarborough attended. Karen Cochrane, Jennifer Mundt from the research staff and Greg Roney from the bill drafting staff were in attendance as well. Representative Boles, Brawley, Brody, Dollar, Jackson, Lewis, McElraft, McGrady, Pierce, Saine, Steinburg, and Wray were not present (Attachment I). A Visitor Registration list is attached and made part of these minutes (Attachment II)

Representative Stephen Ross presided as chair; he called the meeting to order at 11:00am. He introduced the page and sergeant of Arms staff (Attachment III).

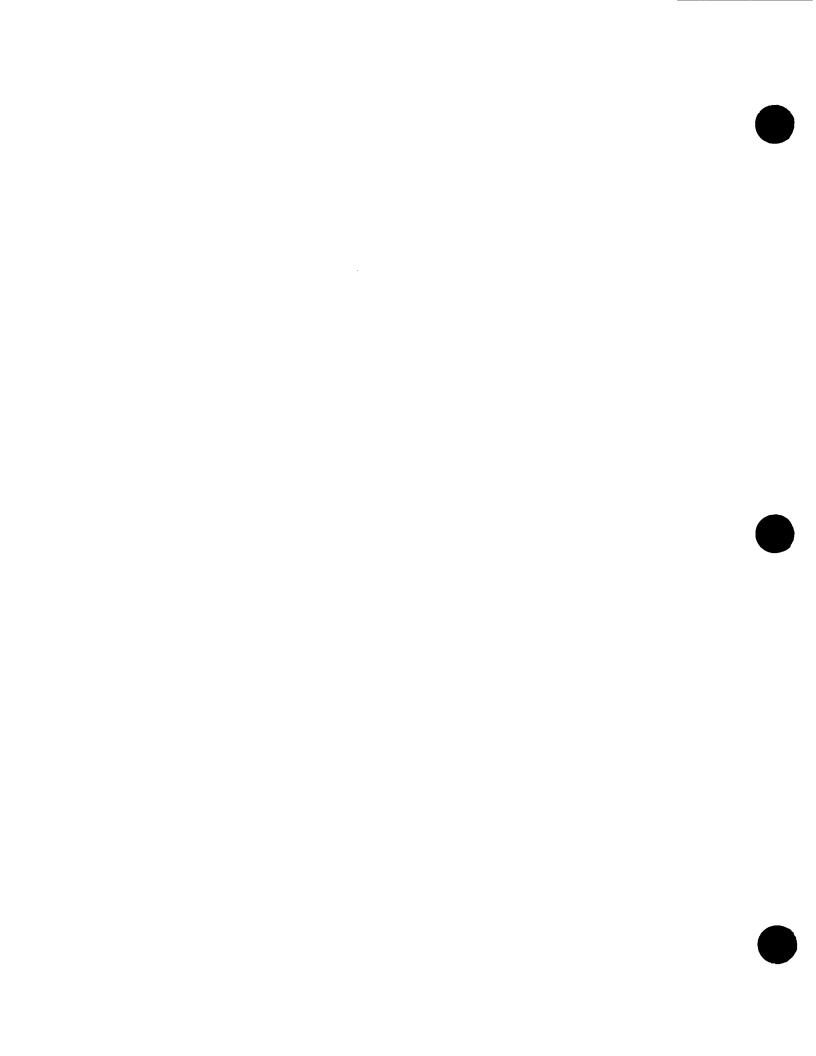
House Bill 108 Site and Building Development Fund were considered. The bill sponsor Representative Stam proposed a Proposed Committee Substitute before the committee. Representative Martin motioned for the Proposed Committee Substitute to be heard (Attachment IV).

Representative Stam explained the bill. Several invited local economic developers were invited to express their support of the bill. After lengthy discussion, Representative Holley proposed an amendment to the bill (Attachment V). The amendment was put to a vote and failed. Division was called by several members and the amendment passed with a hand vote of 22 members voting yes and 10 members voting no. The amendment was carried. Representative Millis also introduced an amendment to the bill (Attachment VI). After brief discussion the amendment failed. Representative Brown motioned for a favorable report to the Proposed Committee Substitute, with an unfavorable to the original and a serial referral to the House Committee on Appropriations. Representative Richardson seconded the motion. The committee voted in favor of passing the Proposed Committee Substitute (Attachment VII).

The meeting adjourned at 12:00pm.

Representative Stephen Ross

Presiding





2015- 2016 House Committee on Commerce and Job Development

Date: March 18, 2015

Room: 643

Time: 11:00am

AGENDA

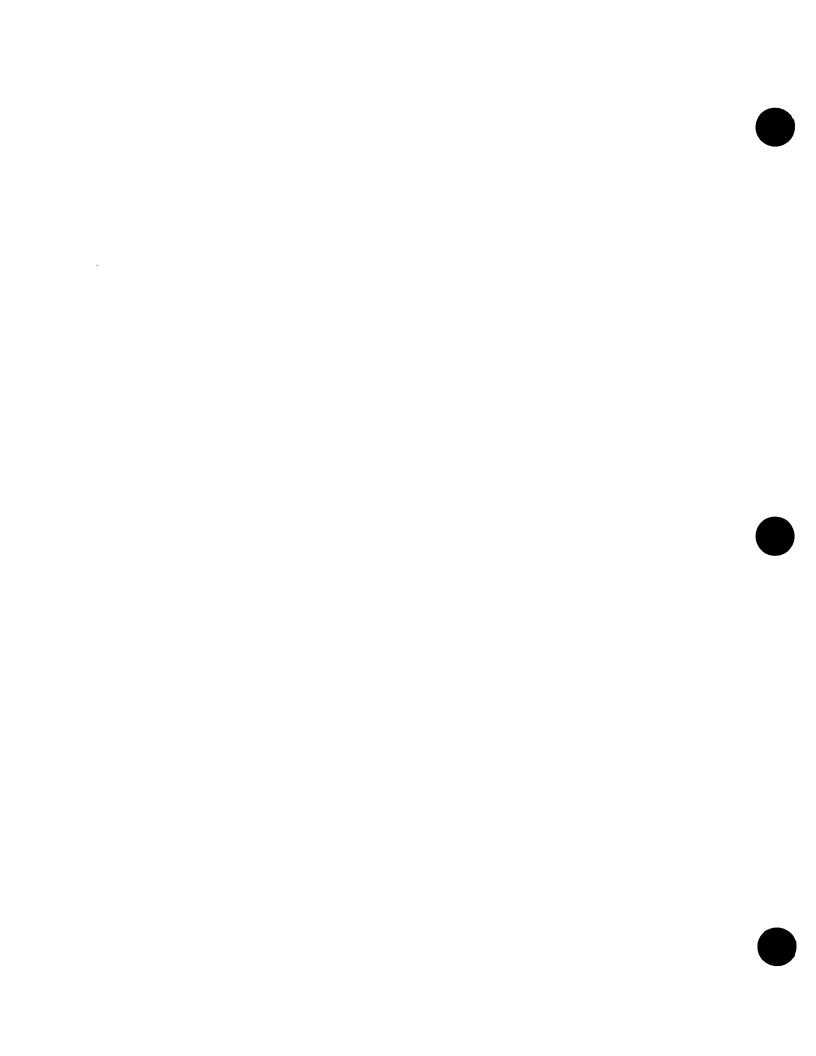
BILL NO. SHORT TITLE SPONSOR

HB 108 Site and Building Development Fund. Representative Stam

Representative Jeter

Representative Waddell

Representative S. Martin



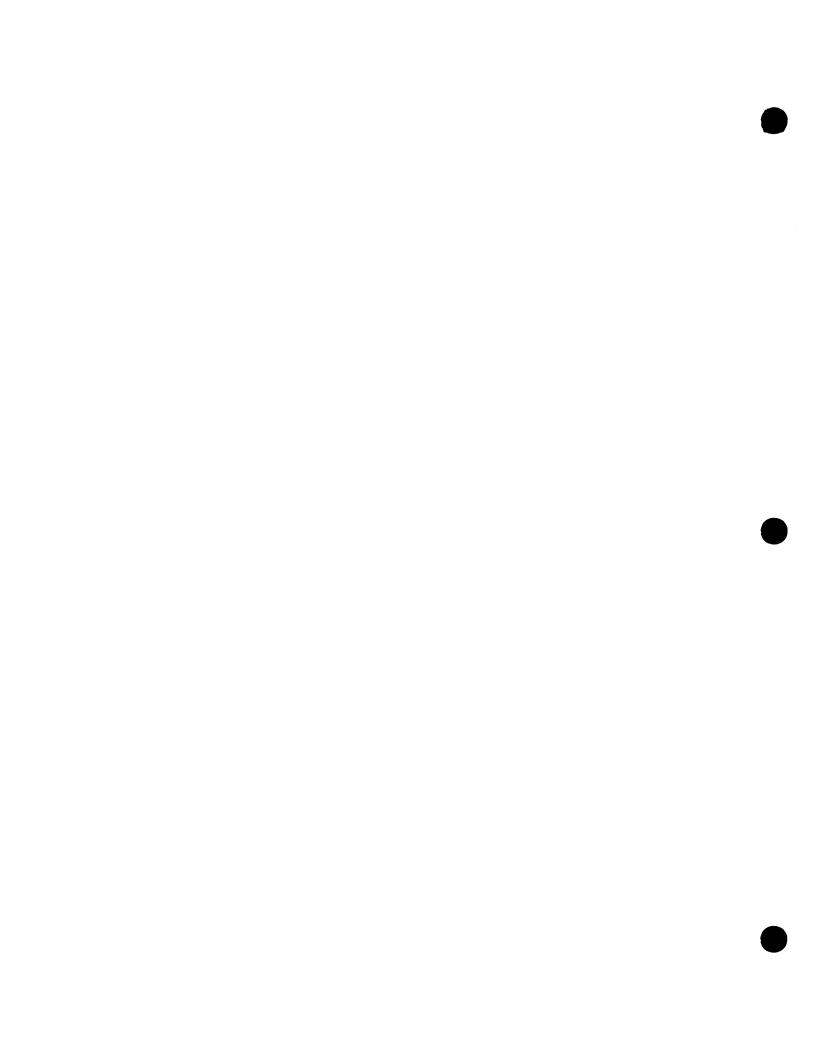
ATTENDANCE

House Committee on Commerce and Job Development 2015-16 Session

DATES	3-16-15	3-25-15			
CONRAD, Debra CO-CHAIR	X	X			
PRESNELL, Michele CO-CHAIR	X	X			
ROSS, Stephen CO-CHAIR	X	X			
BRADFORD, John VICE-CHAIR	X	X			
BROWN, Brian VICE-CHAIR	X				
FRALEY, John VICE-CHAIR	X	X			
GOODMAN, Ken VICE-CHAIR	X	X			
GRAHAM, Charles VICE-CHAIR	X	\times			
HALL, Larry VICE-CHAIR	X	X			
MARTIN, Susan VICE-CHAIR	X	X			
MOORE, Rodney VICE-CHAIR	X	X			
RICHARDSON, Bobbie VICE-CHAIR	×	\times			
ROBINSON, George VICE-CHAIR	X	X			
SZOKA, John VICE-CHAIR	X	X			
WRAY, Michael VICE-CHAIR	A	X			
ADAMS, Jay	X	Χ			
AVILA, Marilyn	X				
BELL, John	X	X			
BELL, Larry	X	λ			-
BOLES, James	A	\times			
BRAWLEY, William	A		,		
BROCKMAN, Cecil	X	X			
BRODY, Mark	A	χ			
BRYAN, Rob	X	X			
CATLIN, Rick	X				
DAVIS, Ted	X	X			



DOLLAR, Nelson	A					
FLOYD, Elmer	X	X				
GRAHAM, George	×	X				
HAGER, Mike	X	X				
HAMILTON, Susi	X	X				
HOLLEY, Yvonne	X	X				
HORN, Craig	X	X				
HUNTER, Howard	X	X				
JACKSON, Darren	A					
LEWIS, David	A					
MALONE, Chris	×	X				
MCELRAFT, Pat	A					
MCGRADY, Chuck	A	X				
McNEILL, Allen	X	χ				
MILLIS, Chris	X					
PIERCE, Garland	A					
SAINE, Jason	A					
SCHAFFER, Jacqueline	×					
SHEPARD, Phillip	X	X				
STEINBURG, Bob	A	X				
TERRY, Evelyn	X	7				
TINE, Paul	X	X				
TORBETT, John	Х	X				
YARBOROUGH, Larry	X	\times				



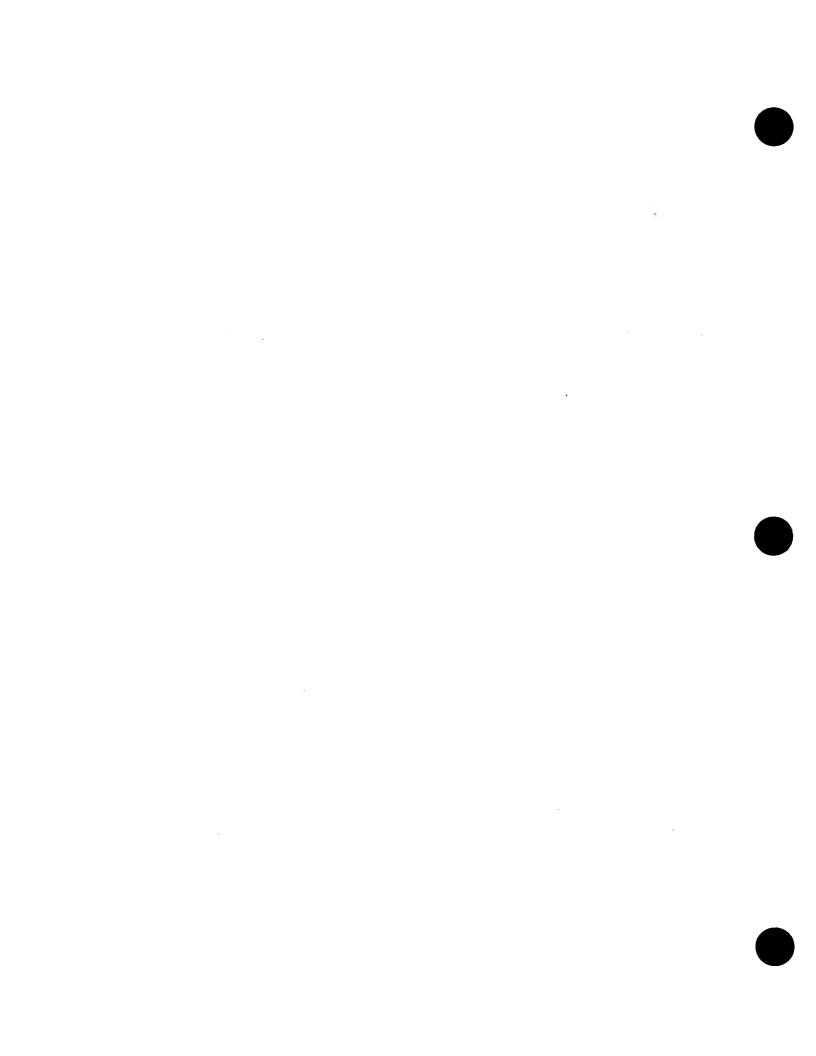
House Committee on Commerce and Job Development 3-16-15

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

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	1036 MAIN STREET
SCOTT FOGLEMAN	Town of BLOWING ROCK BLOWING ROCK NC 28
DOUG MATHESON	(1
RAY PICKETT	//
Joie Fulbright	Conover
Mark CANROBERT	City of Conover
Kyle Hearynam	Cof of Conover
DONALD UNCAN	City of Consuer
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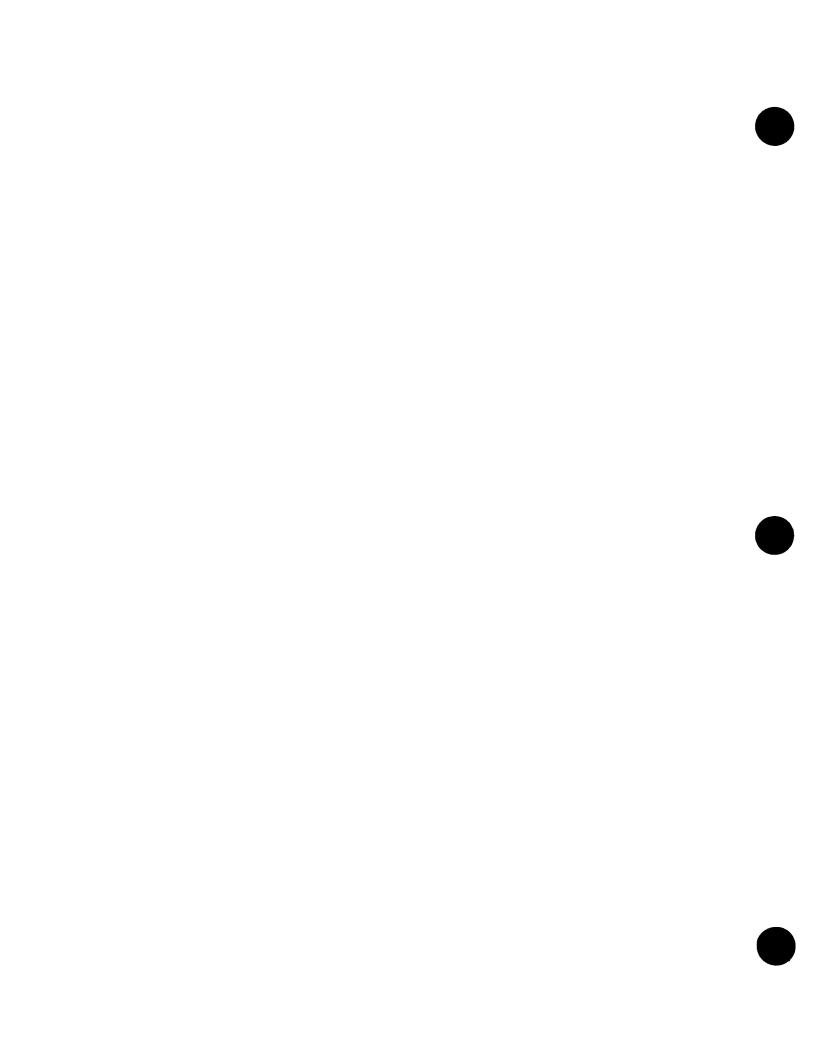
House Committee on Commerce and Job Development 3-18-15

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

Kandie Smith	NCLM - Greenville
Barbara Enpressit	
Nochkentar	Intern for Rep. Brockman
Elipoleth Hell	įl ')
Am flesse	City of Winston-balan
In Lobbel	TOWN OF SPINCER
Jody Euchart	Town of Spencer
Rick Smiles	City of Greenwelle
RICK CROSKERY	Coly of Greenville
DAVE HOLES	CITY OF Greenville
Conson Pdine	MVA



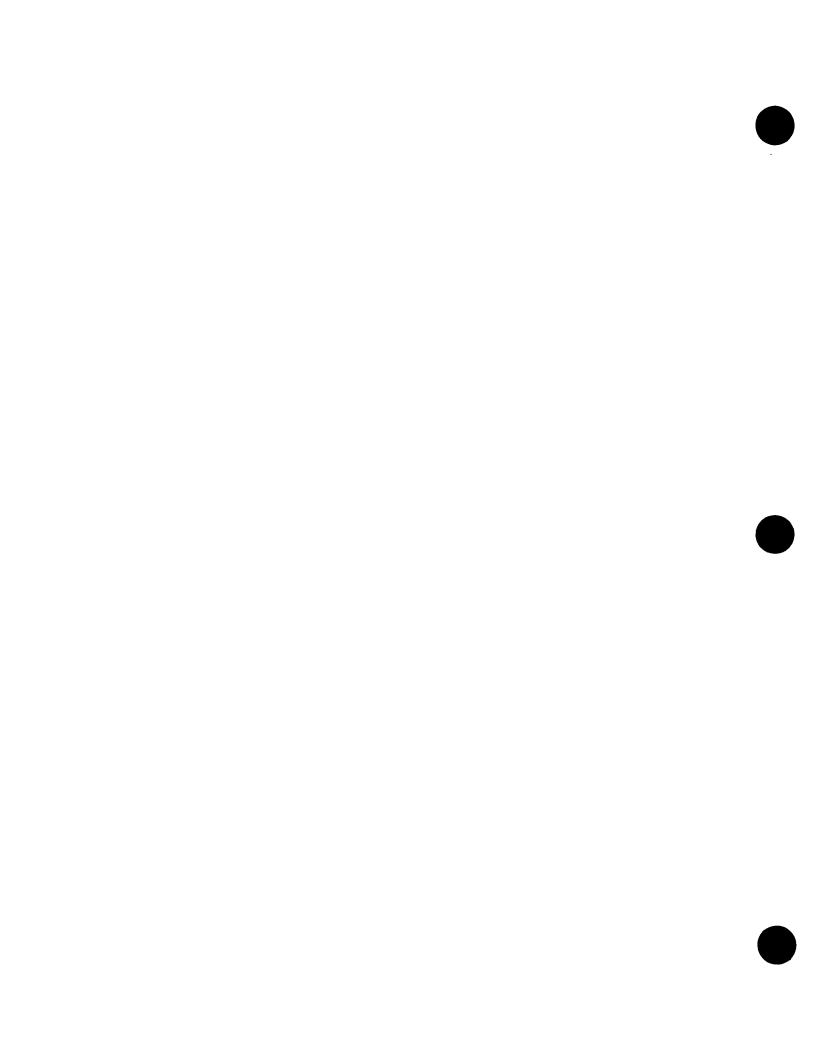
House Committee on Commerce and Job Development 3-18-15

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

vier Pary - Here	NCHFA
Hatha Babers	NC Chamber
Jaloe Cashian	Ne Chal
Cumanda Honouxer	Troutman Sonders
Lexi Morgan	NCRMA
ANDY WACSH	5/4
Ed Shulgh	BP
Perry Huff	School) Hold and Statement 18
ETSICS, MASON	MAYOR Town FARMUILE / LENGUE MUNICIPALTIE
Betay Barley	CACC
David Crawford	FIA NC



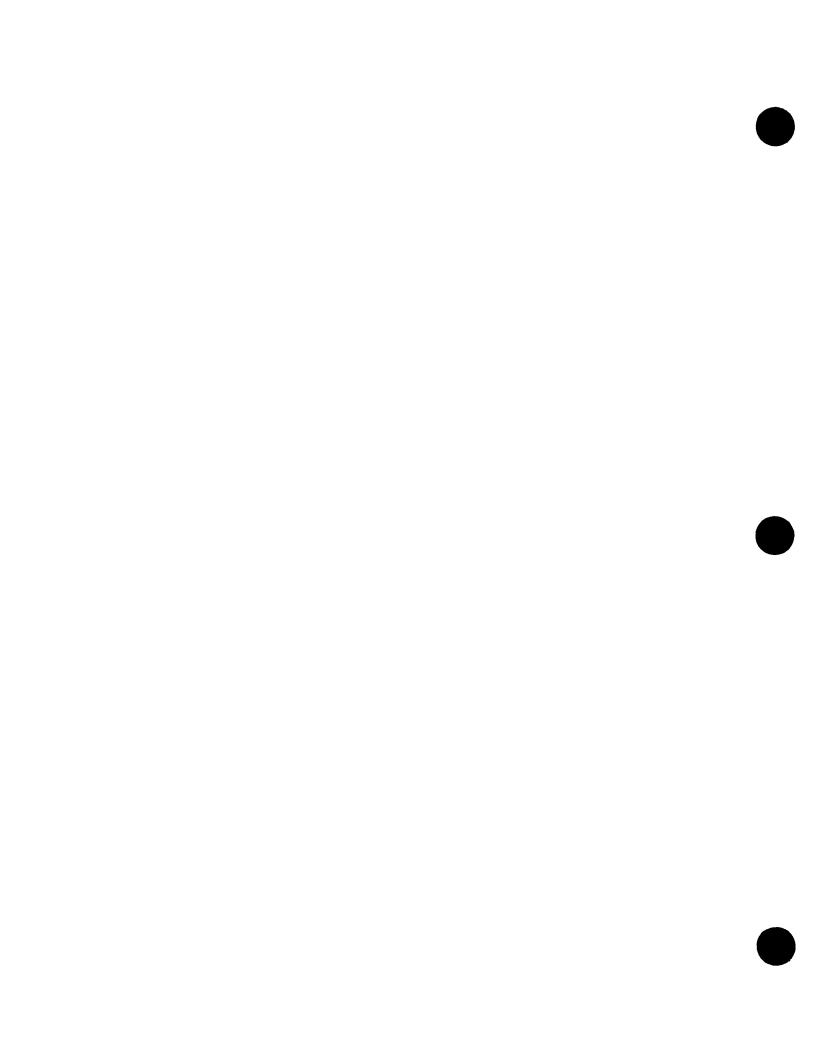
House Committee on Commerce and Job Development 3-16-15

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	N	A	M	E		
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Phoebe Landon	Brooks Pierce
0-37	mwc
H.S.M. Jean	Ausm Co. Schools
Sarah Collins	NCLM
Evin Wynia	NCLM
Steve Brever	CR
Sorah Hordin	CTZ
Nathan Batts	NOBA
Janison Dillon	NCBA
Charun Muhan	PST
SOLARI	DST
Starnes	Treasurer
GASKINS	Treasnrer
High Johnson	NCACL



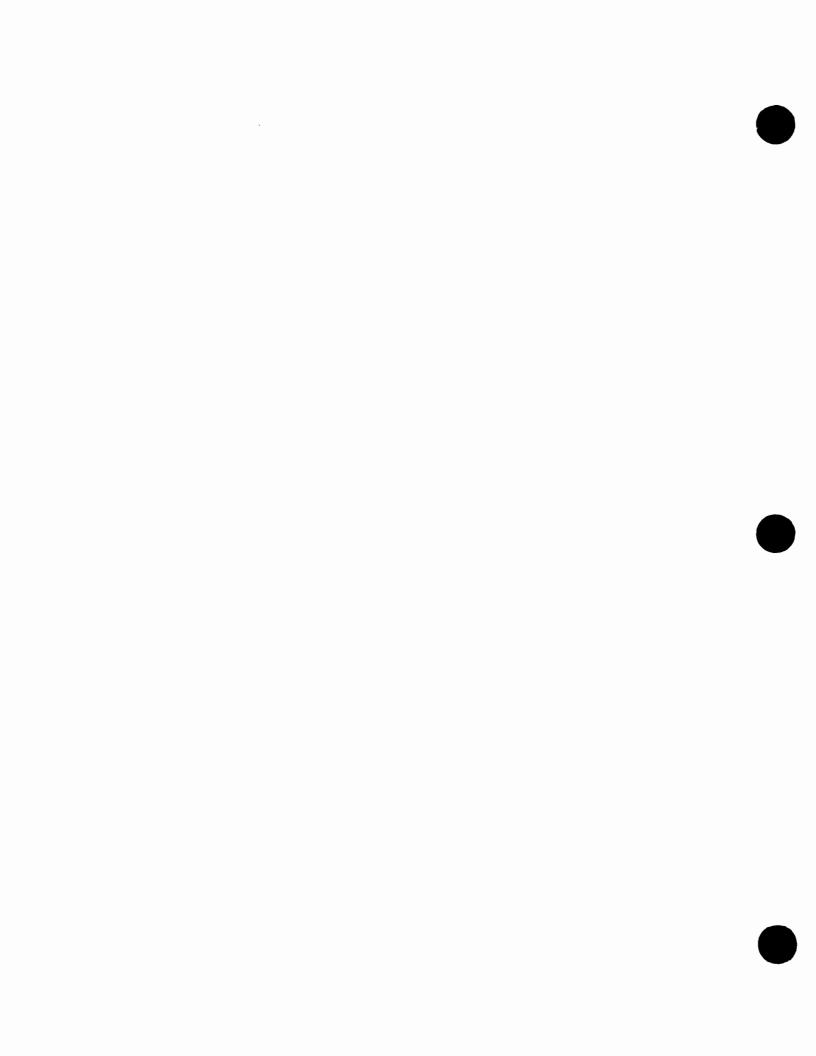
House Committee on Commerce and Job Development 3-16-15

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

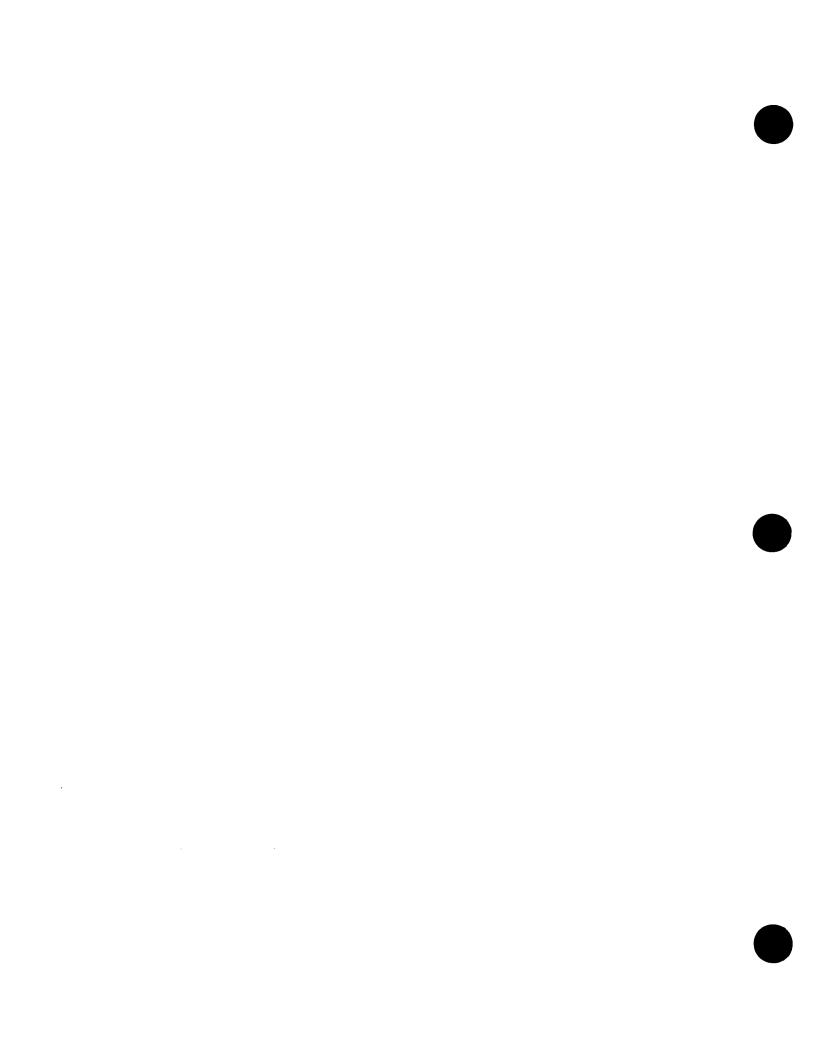
NAME

D. Mark Pope	Lenoir County Economic Development
Crystal Cyettys	Wayne County Development & lance
JIM BRADSHA	
Gary A. Lanier, Ed &	Brunsmer County EDC Director, Columbus County EDC 111 Washington St., Whiteville, NC
Robert E. Lesks.	Sanford Holdman &DC
Steve Yost	NC's Southeast
Dodie Renfer	Cansler Collaboranie Resources
GHARY COHEN	Nelson Mullins
ERNIE PEARCON	NEXCEN PROET
TON PETERSON	KCEPA
Fornie Losw	ich Franklin County EDC
Debbie Clar	of NC Stratagy Partners



Committee Sergeants at Arms

NAME (DE COMMITTEE	louse Committee on	Commerce 8	& Job Develo	pment
DATE: _	3-18-2015	Room:	643		
		House Sgt-At A	rms:		
1 Name:	Warren Hawkins				
	_Doug Harris	•			
3. Name:	David Leighton		····	.	
4. Name:	and the second s	NACONATORIO A CONTRACTORIO CONT		•	,
5. Name:			·	•	
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Wednesday, March 18
COMMERCE & JOB
DEVELOPMENT

Room 643

Time 11:00 am

Name	County	Sponsor
Tonio Simms	Pitt	Speaker

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GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

H

HOUSE BILL 108 PROPOSED COMMITTEE SUBSTITUTE H108-PCS40148-TM-4 D

Snort little:	Site and Building Development Fund.	(Public)
Sponsors:		
Referred to:		
	February 27, 2015	
	A BILL TO BE ENTITLED	
	CREATE A FUND TO PROVIDE LOANS TO LOCAL GOVE	ERNMENT
	R THE DEVELOPMENT OF SITES AND BUILDINGS.	
	sembly of North Carolina enacts:	
	CTION 1. Article 10 of Chapter 143B of the General Statutes is a	mended by
adding a new se		
	21. Site and Building Development Fund.	
(a) <u>Defin</u> (1)	<u>nitions. – The following definitions apply in this section:</u> <u>Code. – Defined in G.S. 105-228.90.</u>	
(2)	Department. – The Department of Commerce.	
$\frac{(2)}{(3)}$	Development plan. – A strategic analysis of potential qualifie	d business
(5)	facilities required by this section to be maintained by the Depa	
	updated every four years.	
<u>(4)</u>	Fund. – The Site and Building Development Fund established by	subsection
	(b) of this section.	
<u>(5)</u>	Local government. – Any of the following:	
	a. A city as defined in G.S. 160A-1.	
	b. A county.	
	c. A consolidated city-county as defined in G.S. 160B-2.	
(6)	Local government unit. – The term includes a local government,	
	economic development corporation, and any combination	of local
(7)	governments or nonprofit economic development corporations.	avaiadina
(7)	<u>Long-term lease</u> . – A lease agreement with a maximum duration three years, including any extensions allowed by the lease agreement	
(8)	Nonprofit economic development corporation. – A corporation i	
(0)	of the following requirements:	neeting an
	a. Exempt from income tax under section 501(c)(3) or 501(c)	c)(6) of the
	Code.	
	b. Established to assist one or more local governments in re	ducing the
	burden of economic development efforts.	
	c. Acknowledged through a resolution of one or n	nore local
	governments that contains all of the following:	
	1. Statement that the corporation is acting in support	of the local
	government in economic development efforts.	
	2. Nonbinding pledge to repay the Fund if the corpo	ration fails
	to make any required loan payments.	



of trust on the qualified business facility.

businesses and in evaluating sites for business recruitment purposes.

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must contract with another entity with demonstrated experience in site selection services for

facility, the Department must determine the amount of the loan from the Fund, the preferred

Loan Terms. – Loans from the Fund must meet the following requirements:

form and details of the loan participation, and the safeguards to protect the State's investment.

Awards. – If the Department approves an application for a qualified business

The loan must be evidenced by a promissory note and secured by a first deed

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report.

Written findings addressing any application approved for a loan from the Fund since the last report, as required by subsection (e) of this section.

Detailed information about any defaults and repayment since the last report.

outstanding amount of loan, interest rate, maturity date, location of qualified

business facility acting as security, brief property description, identity of

local government unit receiving the loan, status of repayment, current use of

the qualified business facility, and identification of loans made since the last

(4) Information contained in the report required by G.S. 105-277.15A(g)."

	General A	Assembly Of North Carolina	Session 2015
1		SECTION 2. G.S. 150B-1(d) is amended by adding a new subdivision	
2	"(d)	Exemptions from Rule Making Article 2A of this Chapter does	not apply to the
3	following:		
4			
5		(21) The Department of Commerce in developing criteria and	guidelines under
6		G.S. 143B-437.021.	
7			
8		SECTION 3. The provisions of this act are not subject t	to the terms of
9	G.S. 160A	20.	
10		SECTION 4. This act does not obligate the General Assembly to a	appropriate funds
11	to implem	ent it.	
12	-	SECTION 5. This act is effective when it becomes law.	

Page 4 House Bill 108 H108-PCS40148-TM-4



HOUSE BILL 108: Site and Building Development Fund

2015-2016 General Assembly

Committee:

House Commerce and Job Development, if

March 18, 2015

favorable, Appropriations Introduced by: Reps. Stam, Jeter, Waddell, S. Martin

Prepared by: Greg Roney

Date:

Analysis of:

PCS to First Edition

Committee Counsel

H108-CSTM-2

SUMMARY: The Proposed Committee Substitute (PCS) for House Bill 108 would create the Site and Building Development Fund in the Department of Commerce. The Fund would provide loans to local governments and nonprofit economic development corporations for the purchase and improvement of business facilities.

The loan is due upon the sale or long-term lease (i.e., lease with a maximum potential term of 3 or more years). The interest rate is 0% for tier-one counties, 1% for tier-two counties, and 2% for tier-three counties. Principal and accrued interest must be paid when the loan is due or more frequently. The maximum duration of a loan is 15 years.

The PCS makes the following changes to the first edition of the bill:

- Deletes all appropriations.
- Adds a section stating the act does not obligate the General Assembly to appropriate funds to implement it.
- Deletes an exemption to the review of loan agreements by the Local Government Commission because G.S. 159-148(b)(1) already exempts contracts between a local government and the State entered into as a condition to the making of loans to the local government.

BILL ANALYSIS: House Bill 108 would establish the Site and Building Development Fund as a non-reverting fund in the Department of Commerce. The Department must use the Fund for loans to cities, counties, and nonprofit economic development corporations for the acquisition and development of qualified business facilities. The Department is also authorized to use the Fund for expenses directly related to the operation of the Fund and administering loans from the Fund.

To qualify for a loan, a nonprofit economic development corporation must be a corporation, exempt from income tax under section 501(c)(3) or 501(c)(6) of the federal Internal Revenue Code, assist local governments in reducing the burden of economic development efforts, be acknowledged through a local government resolution that the corporation is acting in support of the local government, and have a nonbinding pledge by the local government to repay the Fund if the corporation fails to make any payments.

Qualified business facilities are real property, improvements to real property, and planned improvements to real property. Improvements to real property include the following:

- New buildings, renovations to buildings, and upfitting buildings.
- Water lines, sewer lines, and other utility improvements.
- Roads, grading, signage, and other access improvements.
- Measures necessary for permitting, including services.





Research Division (919) 733-2578

House Bill 108

Page 2

 Any other measures necessary for the land to be marketable for immediate use in commercial operations, including necessary services.

To implement the Fund, the Department must contract with another entity with demonstrated experience in site selection services for businesses and in evaluating sites for business recruitment purposes for a development plan. The development plan is a strategic analysis of potential qualified business facilities. The plan must be updated every four years. The consultant contract for the plan is exempted from competitive bidding and contract oversight. The cost of the development plan is an expense related to the Fund and expressly authorized to be paid by the fund.

The Department will develop written guidelines to identify and evaluate qualified business facilities. The Department publically issues written findings addressing any application approved for a loan from the Fund.

The Department issues an application form and prescribes the application process. The Department publishes proposed guidelines on the Department's Web site, provides notice to persons who have requested notice, and accepts written comments on the proposed guidelines. The Department determines the amount of the loan from the Fund, the preferred form and details of the loan participation, and the safeguards to protect the State's investment.

The Department selects loan recipients based on the following factors:

- Consistency with the economic development goals of the State and of the area where the qualified business facility will be located.
- The priority recommendations in the development plan.
- Preference for qualified business facilities located in rural or less developed areas of the State.
- Evaluation of the application to determine if the qualified business facilities are merited and appropriate for the proposed use.
- Necessity of a loan from the Fund for the completion of the qualified business facility.

Loans from the Fund must contain the following terms:

- The loan must be evidenced by a promissory note and secured by a first deed of trust on the qualified business facility.
- The maximum duration of a loan is 15 years.
- The loan is due upon the sale or long-term lease (i.e., lease with a maximum potential term of 3 or more years) of the qualified business facility. Principal and accrued interest must be paid when the loan is due or more frequently.
- The interest rate is 0% for tier-one counties, 1% for tier-two counties, and 2% for tier-three counties, based on the classification assigned to counties by G.S. 143B-437.08.
- The loan agreement must require the local government unit to obtain from any entity leasing or purchasing the qualified business facility the following:
 - An agreement that the entity will not use the qualified business facility for retail, professional office, sporting event, museum, or governmental purposes for at least five years after the lease or purchase.
 - A legal opinion based on a search of public records that the entity leasing or purchasing the qualified business facility has no debts related to unpaid taxes.

House Bill 108

Page 3

The Department at its discretion may release property from the loan if adequate security remains for the outstanding balance of the loan. The Department may use this authority to release property to restructure the terms of the loan and participate in financing transactions involving the qualified business facility.

The Department must submit a written report on the Fund to the Joint Legislative Commission on Governmental Operations and publish this report on its Web site. The Bill requires the report to disclose all activities of the Fund.

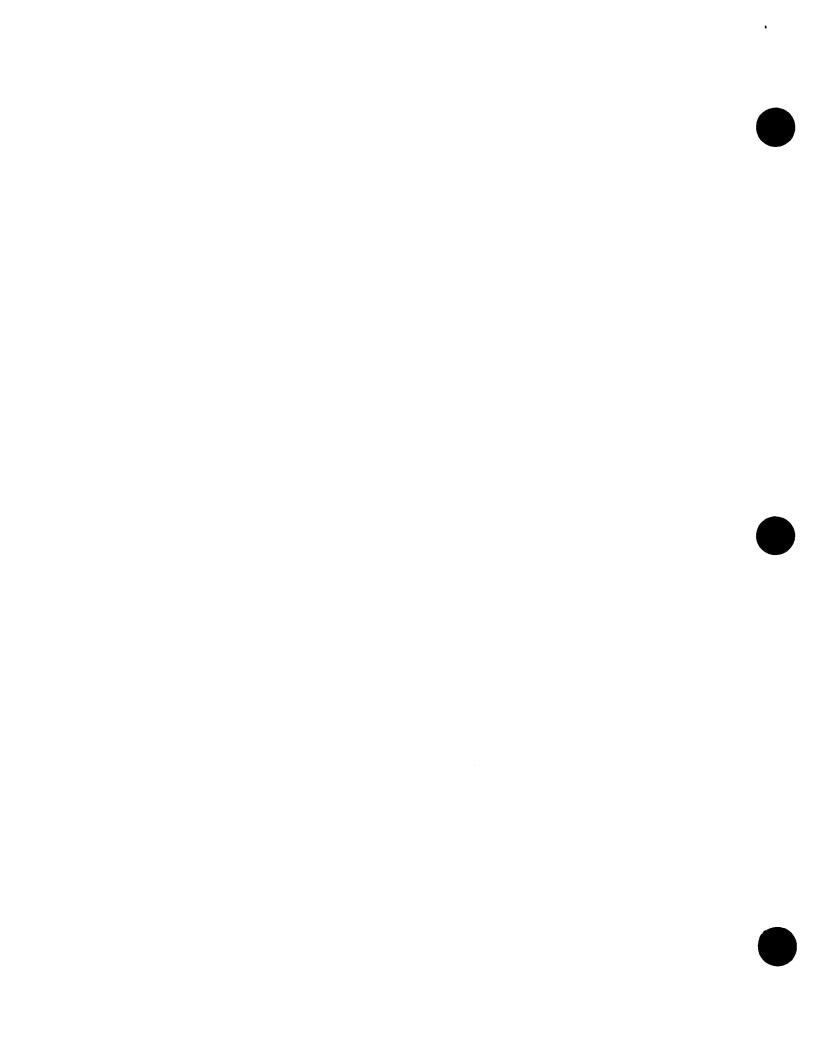
CURRENT LAW AND BACKGROUND: G.S. 143B-437.02 created the Site Infrastructure Development Fund in the Department of Commerce to make grants as follows:

- To a business to enable the business to acquire land, improve land, or both.
- To one or more State agencies or nonprofit corporations to enable the grantees to acquire land, improve land, or both and to lease the property to a business.
- To one or more local government units to enable the units to acquire land, improve land, or both and to lease the property to a business.

To be eligible for a grant, a business must invest at least \$100,000,000 of private funds in the project and the project must employ at least 100 new employees.

The Site Infrastructure Development Fund has been used in one transaction for Merck Pharmaceuticals.

EFFECTIVE DATE: House Bill 108 would be effective when it becomes law. However, the act does not obligate the General Assembly to appropriate funds to implement it.



GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

H

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HOUSE BILL 108 PROPOSED COMMITTEE SUBSTITUTE H108-PCS40116-TM-2

Short Title: S	ite and Building Development Fund.	(Public)
Sponsors:		
Referred to:		
	February 27, 2015	
	A BILL TO BE ENTITLED	
UNITS FOR	CREATE A FUND TO PROVIDE LOANS TO LOCA THE DEVELOPMENT OF SITES AND BUILDINGS.	AL GOVERNMENT
	sembly of North Carolina enacts:	
	TION 1. Article 10 of Chapter 143B of the General States to read:	itutes is amended by
adding a new see		
	1. Site and Building Development Fund. initions. – The following definitions apply in this section:	
(a) <u>Belli</u> (1)	Code. – Defined in G.S. 105-228.90.	
(2)	Department. – The Department of Commerce.	
(3)	Development plan. – A strategic analysis of potentia	al qualified business
	facilities required by this section to be maintained by	
	updated every four years.	
<u>(4)</u>	Fund. – The Site and Building Development Fund established	olished by subsection
	(b) of this section.	
<u>(5)</u>	Local government. – Any of the following:	
	a. A city as defined in G.S. 160A-1.	
	b. A county.	OD 2
(6)	c. A consolidated city-county as defined in G.S. 16 Local government unit. – The term includes a local gov	
<u>(6)</u>	economic development corporation, and any con	
	governments or nonprofit economic development corpor	
(7)	Long-term lease. – A lease agreement with a maximum	
3	three years, including any extensions allowed by the least	
(8)	Nonprofit economic development corporation A cor	-
	of the following requirements:	
	a. Exempt from income tax under section 501(c)(3	3) or 501(c)(6) of the
	Code.	
	b. Established to assist one or more local government	nents in reducing the
	burden of economic development efforts.	
	c. Acknowledged through a resolution of o	ne or more local
	governments that contains all of the following:	C.1 1 1
	1. Statement that the corporation is acting in	
	government in economic development efforts. Nonbinding pledge to repay the Fund if	
	2. Nonbinding pledge to repay the Fund if to make any required loan payments.	the corporation falls
	to make any required roan payments.	



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143 of the General Statutes. Awards. – If the Department approves an application for a qualified business facility, the Department must determine the amount of the loan from the Fund, the preferred form and details of the loan participation, and the safeguards to protect the State's investment.

business facility.

Loan Terms. – Loans from the Fund must meet the following requirements: (h)

Page 2 House Bill 108 H108-PCS40116-TM-2

Development Plan. - The Department must obtain a strategic analysis of potential

qualified business facilities and an update to the analysis every four years. The Department must contract with another entity with demonstrated experience in site selection services for

businesses and in evaluating sites for business recruitment purposes. A contract to obtain services of a consultant under this section is not subject to Article 3 or Article 3C of Chapter

report.

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the qualified business facility, and identification of loans made since the last

	General A	Assemb	ly Of North Carolina	Session 2015
1		(2)	Written findings addressing any application approved f	or a loan from the
2			Fund since the last report, as required by subsection (e) or	f this section.
3		(3)	Detailed information about any defaults and repayment si	nce the last report.
4		$\overline{(4)}$	Information contained in the report required by G.S. 105-	
5		SECT	TION 2. G.S. 150B-1(d) is amended by adding a new subd	ivision to read:
6	"(d)	Exem	otions from Rule Making Article 2A of this Chapter do	es not apply to the
7	following:	:		
8	C			
9		(21)	The Department of Commerce in developing criteria ar	nd guidelines under
10			G.S. 143B-437.021.	
11				
12		SECT	TION 3. The provisions of this act are not subjec	t to the terms of
13	G.S. 160A	-20 .	•	
14		SECT	TION 4. This act does not obligate the General Assembly t	o appropriate funds
15	to impleme	ent it.		
16	•	SECT	TON 5 This act is effective when it becomes law	

Page 4 House Bill 108 H108-PCS40116-TM-2

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

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Short Title:

HOUSE BILL 108

Site and Building Development Fund.

Sponsors: Representatives Stam, Jeter, Waddell, and S. Martin (Primary Sponsors). For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site. Referred to: Commerce and Job Development, if favorable, Appropriations. February 27, 2015 A BILL TO BE ENTITLED AN ACT TO CREATE A FUND TO PROVIDE LOANS TO LOCAL GOVERNMENT UNITS FOR THE DEVELOPMENT OF SITES AND BUILDINGS. The General Assembly of North Carolina enacts: SECTION 1. Article 10 of Chapter 143B of the General Statutes is amended by adding a new section to read: "§ 143B-437.021. Site and Building Development Fund. Definitions. – The following definitions apply in this section: (a) Code. – Defined in G.S. 105-228.90. (1)(2) Department. – The Department of Commerce. (3)Development plan. – A strategic analysis of potential qualified business facilities required by this section to be maintained by the Department and updated every four years. (4) Fund. – The Site and Building Development Fund established by subsection (b) of this section. (5) Local government. – Any of the following: A city as defined in G.S. 160A-1. <u>a.</u> b. A county. A consolidated city-county as defined in G.S. 160B-2. (6)Local government unit. – The term includes a local government, a nonprofit economic development corporation, and any combination of local governments or nonprofit economic development corporations. (7) Long-term lease. – A lease agreement with a maximum duration exceeding three years, including any extensions allowed by the lease agreement. (8) Nonprofit economic development corporation. - A corporation meeting all of the following requirements: Exempt from income tax under section 501(c)(3) or 501(c)(6) of the Code. <u>b.</u> Established to assist one or more local governments in reducing the burden of economic development efforts. Acknowledged through a resolution of one or more local c. governments that contains all of the following: Statement that the corporation is acting in support of the local 1. government in economic development efforts.



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(Public)

Nonbinding pledge to repay the Fund if the corporation fails 1 2 to make any required loan payments. 3 Qualified business facilities. – Real property, improvements to real property, (9)and planned improvements to real property. Improvements to real property 4 5 include the following: 6 New buildings, renovations to buildings, and upfitting buildings. a. Water lines, sewer lines, and other utility improvements. 7 b. Roads, grading, signage, and other access improvements. 8 c. Measures necessary for permitting, including services. 9 d. Any other measures necessary for the land to be marketable for 10 <u>e.</u> immediate use in commercial operations, including necessary 11 12 services. Sale. – Any transfer of ownership, including involuntary transfers. 13 (10)Fund Established. - The Site and Building Development Fund is created as a 14 (b) 15 restricted reserve in the Department. The Fund does not revert but remains available to the Department for the purposes of this section. 16 17 Use of the Fund. – The Department must use the Fund for the following purposes: (c) Loans to local government units for the acquisition and development of 18 (1) qualified business facilities in accordance with this section. 19 Expenses directly related to the operation of the Fund and administering 20 (2)21 loans from the Fund, including the cost of the development plan required by 22 this section. Application. – The Department must require a local government unit to submit an 23 24 application in order for a project to be considered for a loan from the Fund. The Department must prescribe the form of the application, the application process, and the information to be 25 provided, including all information necessary to evaluate the qualified business facility in 26 27 accordance with this section. Selection. - The Department must administer the selection of qualified business 28 facilities to receive loans from the Fund. The Department must develop written guidelines to 29 identify and evaluate qualified business facilities. The Department must issue written findings 30 addressing any application approved for a loan from the Fund. The Department must consider 31 the following factors in approving applications for loans from the Fund: 32 Consistency with the economic development goals of the State and of the 33 (1) area where the qualified business facility will be located. 34 The Department must consider, but is not bound by, the priority 35 (2)recommendations in the development plan. 36 Preference for qualified business facilities located in rural or less-developed 37 (3) areas of the State. 38 Evaluation of the application to determine if the qualified business facilities 39 (4) 40 are merited and appropriate for the proposed use. Necessity of a loan from the Fund for the completion of the qualified 41 (5)42 business facility. 43 Development Plan. - The Department must obtain a strategic analysis of potential (f) qualified business facilities and an update to the analysis every four years. The Department 44 must contract with another entity with demonstrated experience in site selection services for 45 businesses and in evaluating sites for business recruitment purposes. A contract to obtain 46 services of a consultant under this section is not subject to Article 3 or Article 3C of Chapter 47 48 143 of the General Statutes. 49 Awards. - If the Department approves an application for a qualified business facility, the Department must determine the amount of the loan from the Fund, the preferred 50 form and details of the loan participation, and the safeguards to protect the State's investment. 51

- (h) Loan Terms. Loans from the Fund must meet the following requirements:

 (1) The loan must be evidenced by a promissory note and secured by a firm
 - (1) The loan must be evidenced by a promissory note and secured by a first deed of trust on the qualified business facility.
 - (2) The maximum duration of a loan is 15 years.
 - (3) The loan is due upon the sale or long-term lease of the qualified business facility. Principal and accrued interest must be paid when the loan is due or more frequently.
 - (4) The interest rate of a loan is zero percent (0%) for tier one counties, one percent (1%) for tier two counties, and two percent (2%) for tier three counties, based on the classification assigned to counties by G.S. 143B-437.08.
 - (5) The loan agreement must require the local government unit to obtain from any entity leasing or purchasing the qualified business facility the following:
 - a. An agreement that the entity will not use the qualified business facility for retail, professional office, sporting event, museum, or governmental purposes for at least five years after the lease or purchase.
 - b. A legal opinion based on a search of public records that the entity leasing or purchasing the qualified business facility has no debts related to unpaid taxes.
- (i) Multiple Loans. One or more financial institutions may hold a security interest on the qualified business facility with a priority equal to the security interest for the loan from the Fund if there is a written intercreditor agreement between the Department and other equal priority creditors that provides that, in the event of default, any loss is shared among the creditors in proportion to the amount loaned.
- (j) Payments. The Department is responsible for monitoring the loan and administering the repayment. The Department must remit all amounts paid under this section to the Fund.
- (k) Release. The Department at its discretion may release property from the first deed of trust if adequate security remains for the outstanding balance of the loan from the Fund. The Department may use this authority to release property to restructure the terms of the loan and participate in financing transactions involving the qualified business facility.
- (l) <u>Limitation. Nothing in this section constitutes or authorizes a guarantee or assumption by the State of any debt of any business or authorizes the taxing power or the full faith and credit of the State to be pledged.</u>
- (m) Notice of Guidelines. At least 20 days before the effective date of any guidelines, the Department must publish the proposed guidelines on the Department's Web site and provide notice to persons who have requested notice. In addition, the Department must accept written comments on the proposed guidelines during the 15 business days beginning on the first day the Department has completed the notice requirement of this subsection. Amendments to the guidelines to correct spelling, grammatical, or typographical errors do not require notice.
- (n) Reports. On September 1 of each year until the Fund has no assets, the Department must submit a written report on the Fund to the Joint Legislative Commission on Governmental Operations and publish this report on its Web site. This report must at a minimum contain the following:
 - (1) Listing of each outstanding loan, including the date of loan, amount of loan, outstanding amount of loan, interest rate, maturity date, location of qualified business facility acting as security, brief property description, identity of local government unit receiving the loan, status of repayment, current use of the qualified business facility, and identification of loans made since the last report.

	General Assembly of North Carolina Session 2015
1	(2) Written findings addressing any application approved for a loan from the
2	Fund since the last report, as required by subsection (e) of this section.
3	(3) Detailed information about any defaults and repayment since the last report.
4	(4) <u>Information contained in the report required by G.S. 105-277.15A(g).</u> "
5	SECTION 2. G.S. 150B-1(d) is amended by adding a new subdivision to read:
6	"(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the
7	following:
8	•••
9	(21) The Department of Commerce in developing criteria and guidelines under
10	G.S. 143B-437.021.
11	
12	SECTION 3. The provisions of this act are not subject to the terms of
13	G.S. 160A-20.
14	SECTION 4. Loans from the Fund are not subject to review and approval by the
15	Local Government Commission under Article 8 of Chapter 159 of the General Statutes.
16	SECTION 5. There is appropriated from the General Fund to the Site and Building
17	Development Fund in the Department of Commerce the sum of four hundred thousand dollars
18	(\$400,000) for the 2015-2016 fiscal year.
19	SECTION 6. There is appropriated from the General Fund to the Department of
20	Commerce the sum of six hundred thousand dollars (\$600,000) for the 2015-2016 fiscal year to
21	be used to further assess State-owned buildings throughout the State.
22	SECTION 7. This act is effective when it becomes law.

Page 4 H108 [Edition 1]

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

H. B. No. 108		E 3/18/15	
S. B. No.		Amandment No	1
COMMITTEE SUBSTITUTE 4(08 /	C540116-TM-2	Amendment Nd.	(to be filled in by Principal Clerk)
(Rep.) Hilley			
Sen.)			
moves to amend the bill on page	2	, line 	44 through 96
() WHICH CHANGES THE TITLE			
by rewriting those lin	est read:		
-	10		
" husineous and	in evaluating sites	for hunivers	reconstruct purposes.
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	SIGI	VED yvone	Halley
		V	\circ
ADOPTED 1	FAILED	TA	ABLED

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)



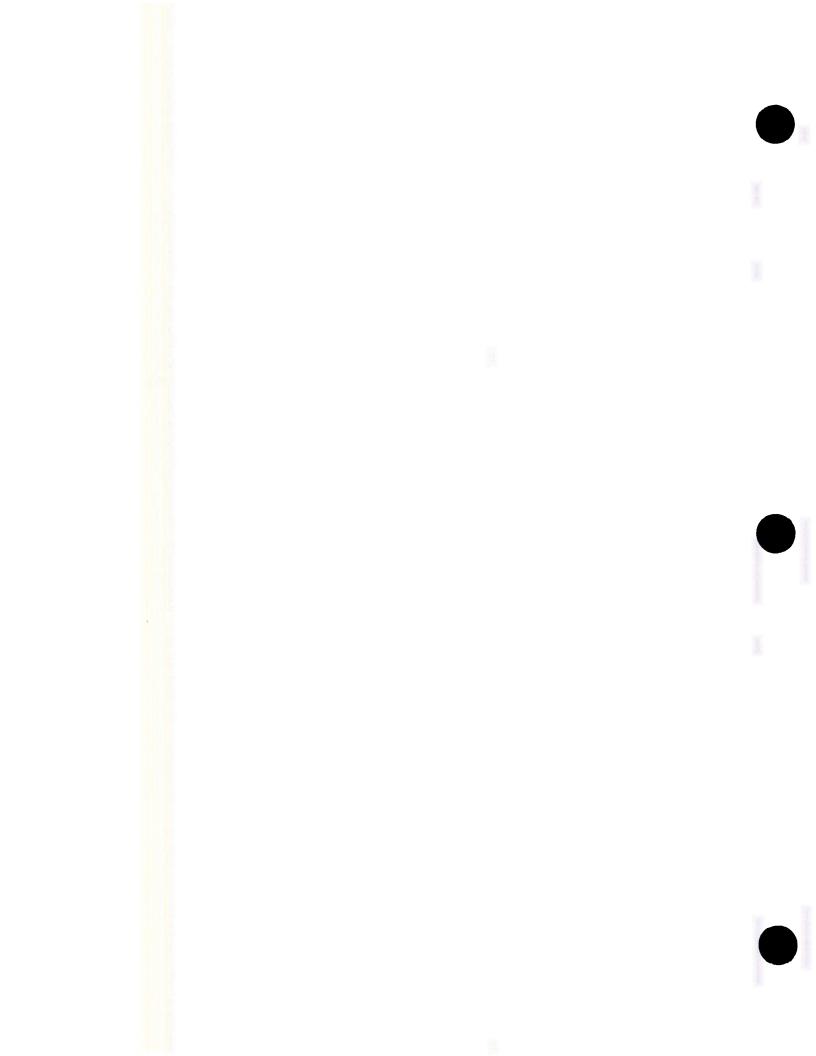


NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

House Bill 108

	AMENDMEN	NT NO.
	(to be filled i	in by
H108-ATM-2 [v.3]	Principal Cl	erk)
		Page 1 of 2
Comm. Sub. [YES]		
Amends Title [YES]	Date	,2015
H108-PCS40116-TM-2		
Representative Millis		
moves to amend the bill on page 1, lines 1-3, read:	which changes the title by r	ewriting the lines to
"A BILL TO	BE ENTITLED	
AN ACT TO CREATE A FUND TO PRO	OVIDE LOANS TO LOCA	L GOVERNMENT
UNITS FOR THE DEVELOPMENT OF S	SITES.";	
And on page 1, line 7, by rewriting the line to		
"\ <u>§ 143B-437.021. Site Development Fund."</u>	;	
And on page 1, line 14, by rewriting the line to		
"(4) Fund. – The Site Development Fund es	tablished by subsection";	
And on page 2, lines 1-10, by rewriting the line	on to road:	
	s. – Real property, improveme	ents to real property
	to real property. Real propert	
	clude buildings. Improveme	-
include the following:	orace carrents. Improvement	into to rear property
	ines, and other utility improve	ements.
	age, and other access improv	
	for permitting, including serv	
d. Services and any	other measures necessary	for the land to be
marketable, excludir	ng buildings.";	
and on page 2, line 12, by rewriting the line to		
"(b) Fund Established. – The Site Developm	nent Fund is created as a".	

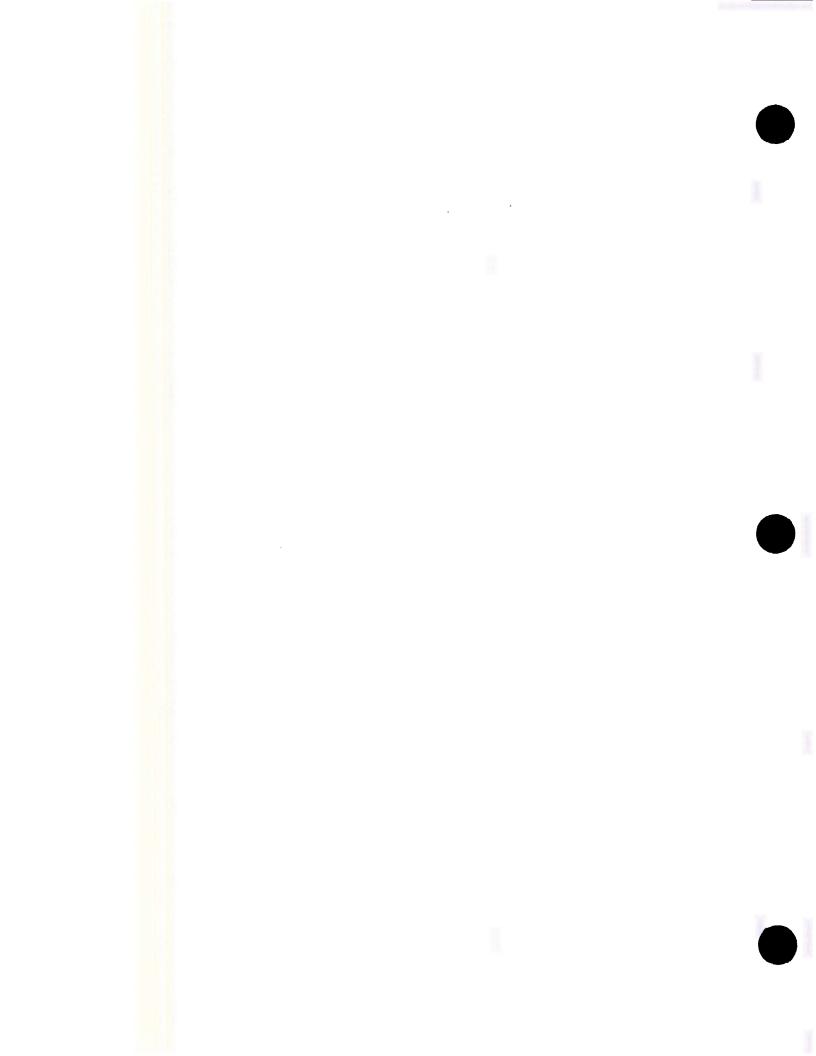




NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

House Bill 108

H108-ATM-2	(to	MENDMENT NO. be filled in by rincipal Clerk)	
	1		Page 2 of 2
SIGNED	Amendment Sponsor		
SIGNED			
	Committee Chair if Senate Committee Amendment		
ADOPTED	FAILED	TABLED	



NORTH CAROLINA GENERAL ASSEMBLY HOUSE OF REPRESENTATIVES

COMMERCE AND JOB DEVELOPMENT COMMITTEE REPORT

Representative Debra Conrad, Co-Chair Representative Michele D. Presnell, Co-Chair Representative Stephen M. Ross, Co-Chair

FAVORABLE COM SUB, UNFAVORABLE ORIGINAL BILL AND RE-REFERRED

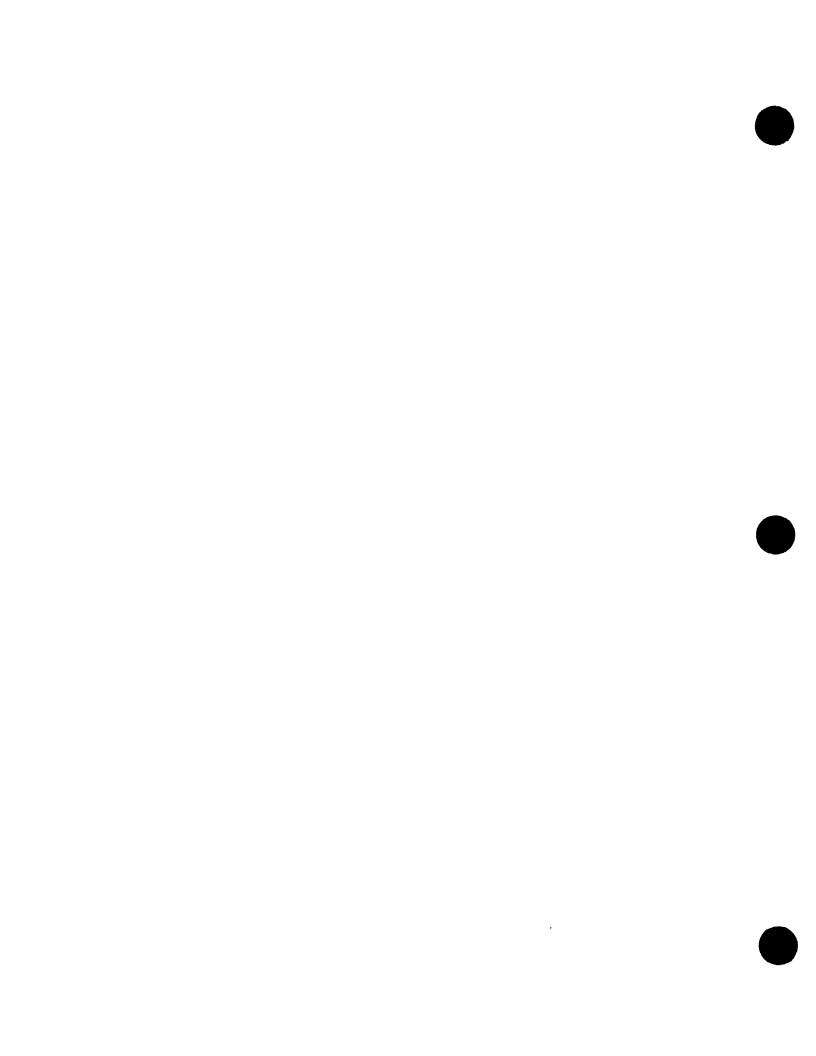
HB 108 Site and Building Development Fund.

Draft Number: H108-PCS40148-TM-4
Serial Referral: APPROPRIATIONS

Recommended Referral: None Long Title Amended: No Floor Manager: Stam

TOTAL REPORTED: 1





House Committee on Commerce and Job Development Wednesday, March 25, 2015 at 11:00 AM Room 643 of the Legislative Office Building

MINUTES

The House Committee on Commerce and Job Development met at 11:00 AM on March 25, 2015 in Room 643 of the Legislative Office Building. Representatives Adams, J. Bell, L. Bell, Boles, Bradford, Brockman, Brody, Bryan, Catlin, Conrad, Davis, Floyd, Fraley, Goodman, C. Graham, G. Graham, Hager, L. Hall, Hamilton, Holley, Horn, Hunter, Malone, S. Martin, McGrady, McNeill, R. Moore, Presnell, Richardson, Robinson, Ross, Shepard, Steinburg, Szoka, Terry, Tine, Torbett, Wray, and Yarborough attended. Karen Cochrane, Jennifer Mundt from the research staff and Greg Roney from the bill drafting staff were in attendance as well. Representatives Brown, Avila, Brawley, Dollar, Jackson, Lewis, Millis, Pierce, Saine, and Schaffer were not in attendance (Attachment I) A Visitor Registration list is attached and made part of these minutes (Attachment II). A copy of the Agenda is also attached (Attachment III)

Representative Debra Conrad, Chair, presided as chair; she called the meeting to order at 11:00am. She introduced the pages (Attachment IV) and the Sergeant of Arms Staff (Attachment V).

Mr. Christopher Chung, CEO of the Economic Development Partnership of North Carolina gave a presentation to the committee. Queries were asked by Representatives Torbett, Bradford, Brody, and Graham.

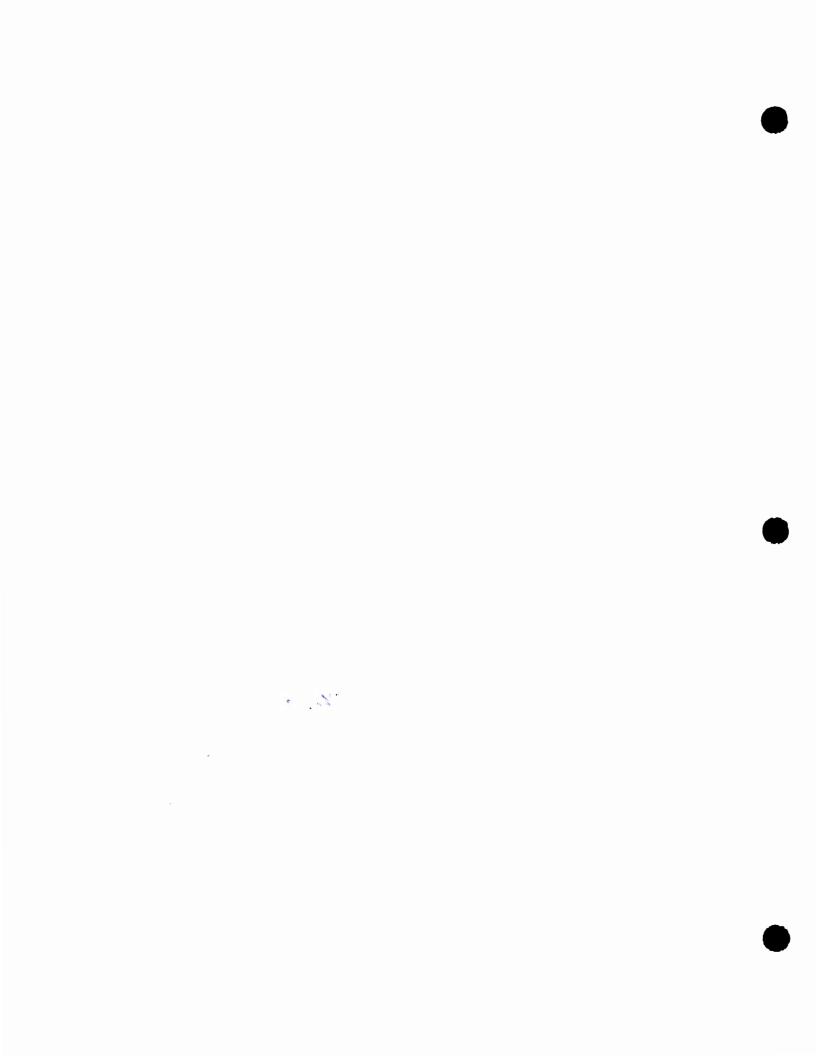
Secretary John Skvarla, Secretary of the NC Department of Commerce gave a presentation to the committee.

The meeting adjourned at 12:00 PM.

Representative Debra Conrad, Chair

Presiding

Clark D Riemer, Committee Clerk



House Committee on Commerce and Job Development Wednesday, March 25, 2015, 11:00 AM 643 Legislative Office Building

AGENDA

Welcome and Opening Remarks

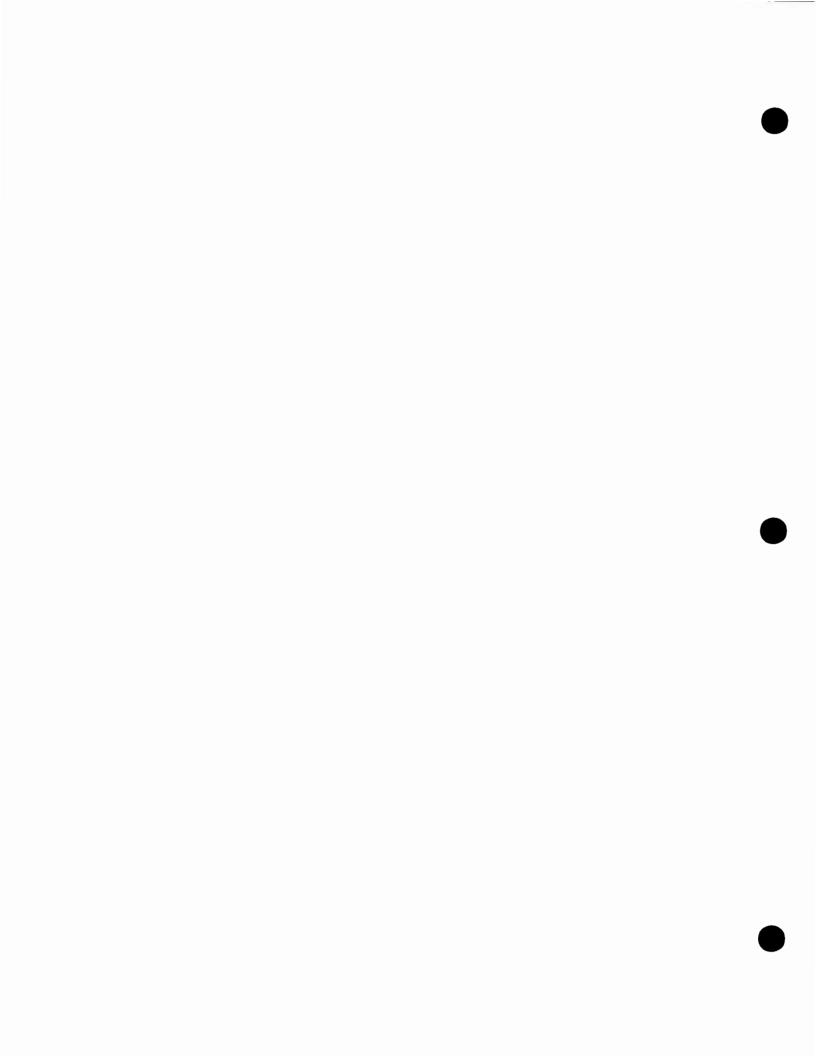
Introduction of Pages

Presentations

Secretary John Skvarla, NC Department of Commerce Christopher Chung, CEO of Economic Development Partnership NC

Other Business

Adjournment



ATTENDANCE

House Committee on Commerce and Job Development 2015-16 Session

DATES	3-16-15	3-25-15							
CONRAD, Debra CO-CHAIR	X	X							
PRESNELL, Michele CO-CHAIR	X	X							
ROSS, Stephen CO-CHAIR	X	X			ļ				
BRADFORD, John VICE-CHAIR	X	X							
BROWN, Brian VICE-CHAIR	X								
FRALEY, John VICE-CHAIR	X	X		,					
GOODMAN, Ken VICE-CHAIR	X	X							
GRAHAM, Charles VICE-CHAIR	X	X					,		
HALL, Larry VICE-CHAIR	X	X							
MARTIN, Susan VICE-CHAIR	X	X							
MOORE, Rodney VICE-CHAIR	X	X							
RICHARDSON, Bobbie VICE-CHAIR	×	X							
ROBINSON, George VICE-CHAIR	X	X	,						
SZOKA, John VICE-CHAIR	X	X							
WRAY, Michael VICE-CHAIR	A	X							
ADAMS, Jay	X	X							
AVILA, Marilyn	X								
BELL, John	X	X							
BELL, Larry	X	X							
BOLES, James	A	X							
BRAWLEY, William	A				,				
BROCKMAN, Cecil	X	X							
BRODY, Mark	A	X							
BRYAN, Rob	X	X							
CATLIN, Rick	X	X							
DAVIS, Ted	X	X							

DOLLAR, Nelson	A					
FLOYD, Elmer	X	X				
GRAHAM, George	×	X				
HAGER, Mike	X	X				
HAMILTON, Susi	X	X				
HOLLEY, Yvonne	X	X				
HORN, Craig	X	X				
HUNTER, Howard	X	X				
JACKSON, Darren	A				·	
LEWIS, David	A					
MALONE, Chris	×	X				
MCELRAFT, Pat	A					
MCGRADY, Chuck	A	X				
McNEILL, Allen	X	\times				
MILLIS, Chris	X					
PIERCE, Garland	A					
SAINE, Jason	A					
SCHAFFER, Jacqueline	×					
SHEPARD, Phillip	X	$X \mid \bot$				
STĖINBURG, Bob	A	X				
TERRY, Evelyn	X	7				
TINE, Paul	X	X				
TORBETT, John	X	X				
YARBOROUGH, Larry	X	\times				

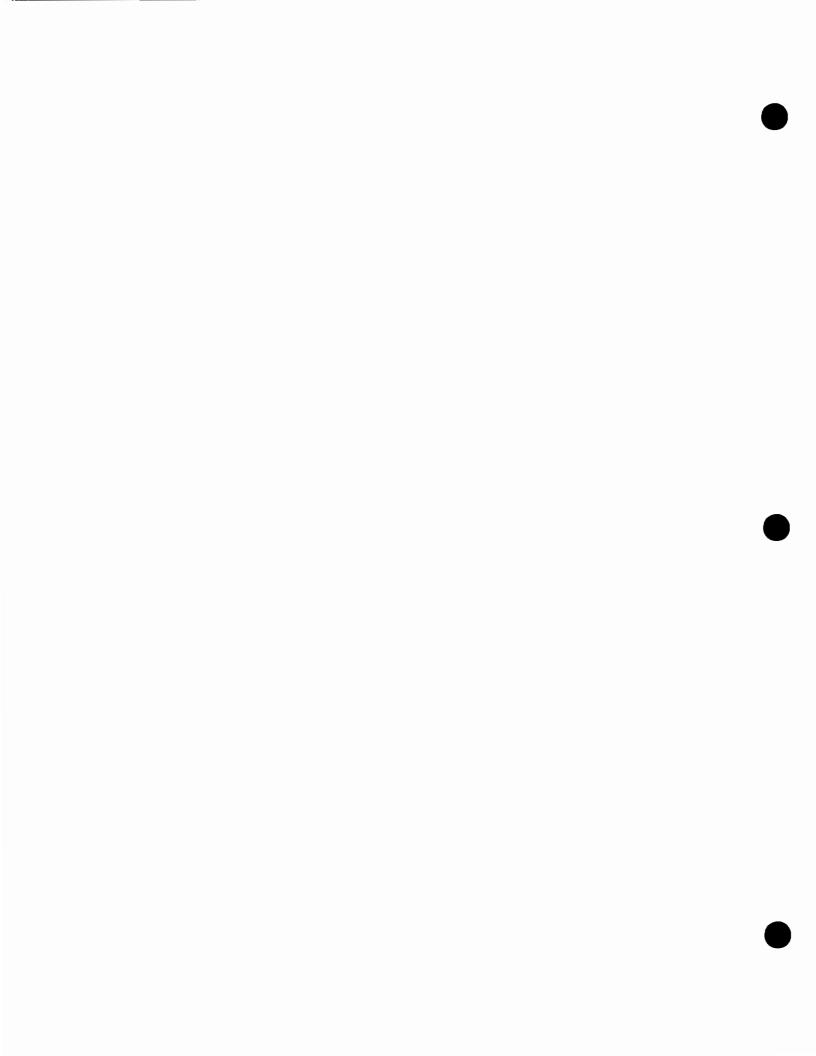
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Wednesday, March 25
APPROPRIATIONS
HEALTH & HUMAN
SERVICES (JOINT)

Room 643

Time 11:00 am

Name	County	Sponsor			
Kenny Luck	Wake	Darren G. Jackson			
Britney McManus	Wake	Bobbie Richardson			
Caroline Norton	Burke	Hugh Blackwell			
Tyrek Rhodes	Wake	Shelly Willingham			



Committee Sergeants at Arms

NAME OF COMMITTE	House Committee on Commerce	and Job Development
DATE: 3-25-15	Room: 643	
	House Sgt-At Arms:	
1. Name: Warren Hawkins		
2. Name: Dough Harris	**************************************	
Name:David Leighton)	_
4. Name:		
5. Name:		· ·
	Senate Sgt-At Arms:	,
. Name:		•
% Name:		-
. Name:		•
. Name:		-
Name:		



House Committee on Commerce and Job Development 3-25-15

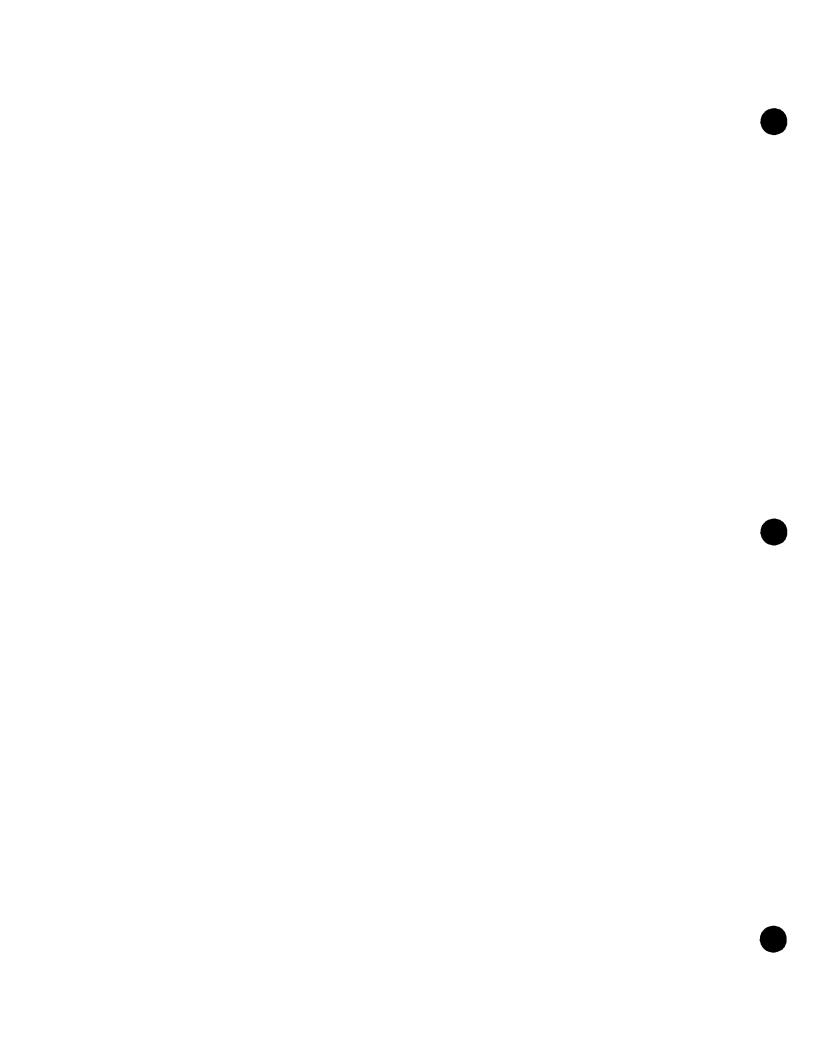
Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

		-		
M	A	M	T	
13	^1	IVA	1.	

FIRM OR AGENCY AND ADDRESS

J GOODMAN	N'C CHAMBER
TEN PERENSON	NESOR
Collee- Fochavek	KL6
Penny by Me	School 7 15.4.
CHolde	NCBOC
Olley Lone	NC DOC
Mie Mile	NOI-OC
Kn Goralo	Commerce
Frances Likes	NCREA - Comperce
ANDY WALSH	5A
James Cronin	Campbell Law



House Committee on Commerce and Job Development 3-25-15

Name of Committee Date

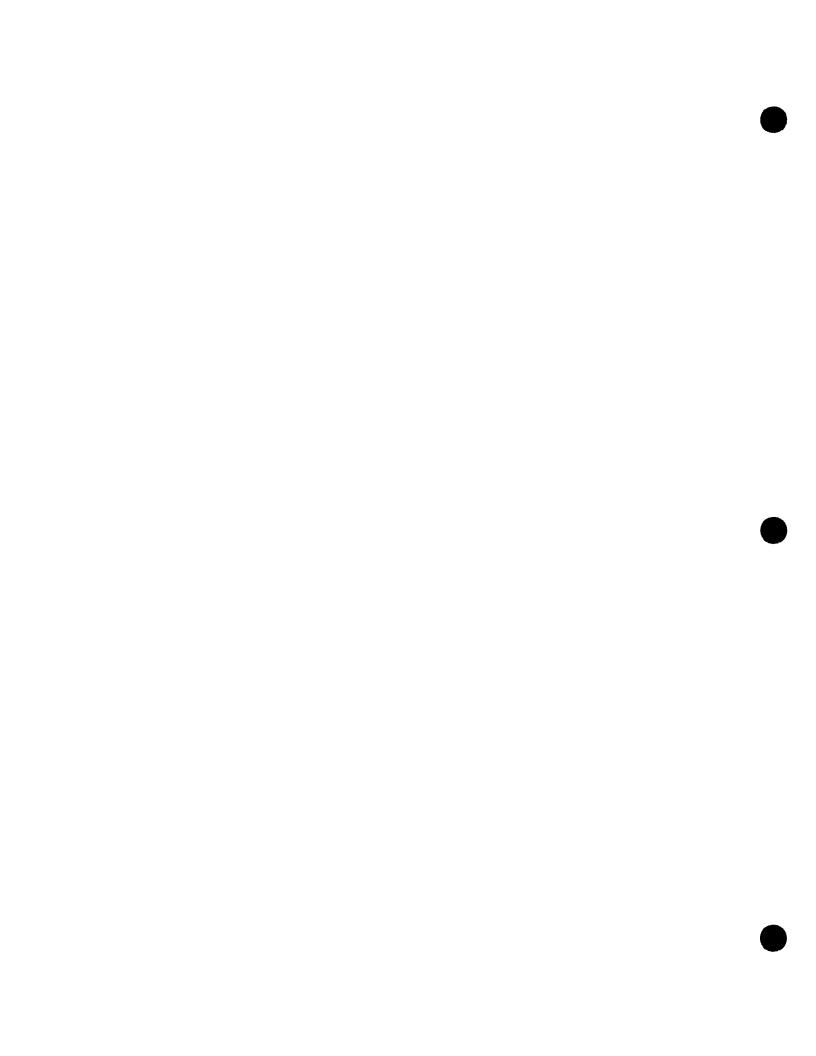
NAME	FIRM OR AGENCY AND ADDRESS
Matt Falward	00
Jennifer Blue	North Carolina Prisoner Ugal Services
PRESTON HOWARD	NCMA
Doughaselo	NESTA
Dane Fentra	. City of Charlottel
	•

IREACH DEVANOS ARMIL

House Committee on Commerce and Job Development 3-25-15

Name of Committee Date

NAME	FIRM OR AGENCY AND ADDRESS
Gregg Thops	NFIR
Greag Thops	zelf
Butch Gunnelle	NC Bev
Phoene Landon	Brooks Pierce



House Committee on Commerce and Job Development Wednesday, April 15, 2015 at 11:00 AM Room 643 of the Legislative Office Building

MINUTES

The House Committee on Commerce and Job Development met at 11:00 AM on April 15, 2015 in Room 643 of the Legislative Office Building. Representatives Adams, Avila, J. Bell, L. Bell, Bradford, Brawley, Brockman, Brody, B. Brown, Bryan, Catlin, Conrad, Davis, Floyd, Fraley, Goodman, C. Graham, G. Graham, Hager, Hamilton, Holley, Horn, Hunter, Malone, S. Martin, McElraft, McNeill, Millis, R. Moore, Pierce, Presnell, Richardson, Robinson, Ross, Schaffer, Shepard, Terry, Tine, Torbett, Wray, and Yarborough attended (Attachment I). A Visitor Registration list is attached and made part of these minutes (Attachment II). A copy of the committee agenda is also attached (Attachment III).

Representative Michele D. Presnell, Chair, presided. She called the meeting to order at 11:00 a.m. She introduced the pages (Attachment IV) and the Sergeant-at-Arms staff (Attachment V).

A Proposed Committee Substitute (PCS) for HB 318 – Protect North Carolina Workers Act was considered (Attachment VI). Representative Larry Bell motioned for the PCS to be before the committee, and the chair called for the ayes and nays. The committee voted in favor of the motion, and the PCS was properly before the committee. Representatives Cleveland, Millis, Whitmire and Conrad presented the bill to the committee.

After discussion by the committee, the following members of the public were recognized to speak for a period not to exceed two minutes: Thomas Kottke, citizen; Fred Branson, citizen; Ron Woodard, NC LISTEN.

Following further discussion by committee members, Representative Shepard motioned for an unfavorable report to the original bill, but a favorable report to the committee substitute with a serial referral to Judiciary IV. The chair called for the ayes and nays, and the committee voted in favor of the motion.

The committee report is attached to and made part of these minutes (Attachment VII).

HB 304 – Revisions to Outdoor Advertising Laws was not considered.

The meeting adjourned at 11:50 a.m.

Representative Michele D. Presnell, Chair

Presiding

John Wall Committee Clerk

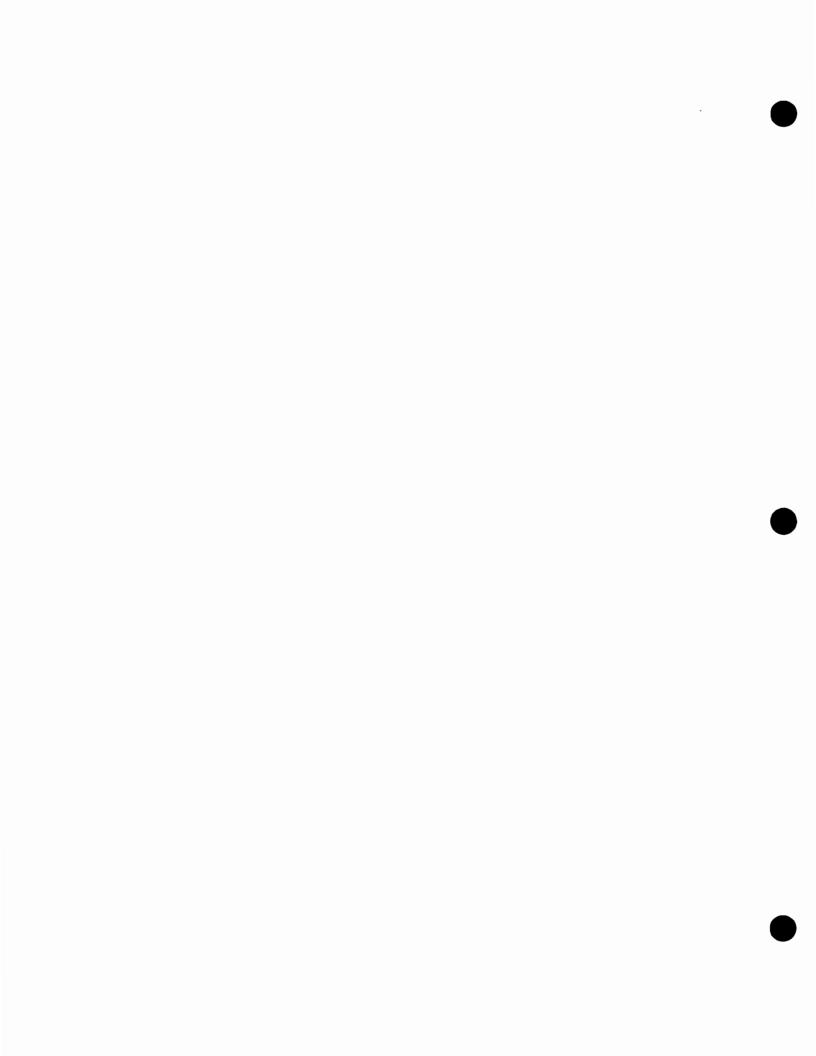
ATTENDANCE

House Committee on Commerce and Job Development 2015-16 Session

DATES	3-16-15	3-25-15	4-15-15							
CONRAD, Debra CO-CHAIR	X	X	χ							
PRESNELL, Michele CO-CHAIR	X	X	4							
ROSS, Stephen CO-CHAIR	X	X	K							
BRADFORD, John VICE-CHAIR	X	X	X							
BROWN, Brian VICE-CHAIR	X		X							
FRALEY, John VICE-CHAIR	x	X	X							
GOODMAN, Ken VICE-CHAIR	X	X	X							
GRAHAM, Charles VICE-CHAIR	X	X								
HALL, Larry VICE-CHAIR	X	X								
MARTIN, Susan VICE-CHAIR	X	X	X							
MOORE, Rodney VICE-CHAIR	X	X	X	, '						
RICHARDSON, Bobbie VICE-CHAIR	X	X	x							
ROBINSON, George VICE-CHAIR	X	X	X							
SZOKA, John VICE-CHAIR	X	X	_		,					
WRAY, Michael VICE-CHAIR	A	X	X							
ADAMS, Jay	X	X	X							
AVILA, Marilyn	X		X							
BELL, John	X	X	X							
BELL, Larry	X	X	x							
BOLES, James	A	X								
BRAWLEY, William	A		X			`				
BROCKMAN, Cecil	X	X	+							
BRODY, Mark	A	X	X	- 1						
BRYAN, Rob	X	X	X							
CATLIN, Rick	X	X	X							
DAVIS, Ted	X	X	K							

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FLOYD, Elmer	
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HAGER, Mike	XXX
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HOLLEY, Yvonne	$\chi \times \chi$
HORN, Craig	XXX
HUNTER, Howard	$\times \times \times$
JACKSON, Darren	A
LEWIS, David	A
MALONE, Chris	$\times \times \times$
MCELRAFT, Pat	AX
MCGRADY, Chuck	$ A \times $
McNEILL, Allen	X X X
MILLIS, Chris	X X
PIERCE, Garland	AK
SAINE, Jason	
SCHAFFER, Jacqueline	× ×
SHEPARD, Phillip	$\times \times \times$
STEINBURG, Bob	AX
TERRY, Evelyn	$\times \times \times$
TINE, Paul	$\times X_{\times}$
TORBETT, John	X X X
YARBOROUGH, Larry	$\times \times \times$



Commerce and Job Development

April 15, 2015

Name of Committee

Date

NAME	FIRM OR AGENCY AND ADDRESS
Sarah Wolfe	MMC
Kerri Burke	MNC
Betsy Barly	CAGC
David Crawford	AIA NC
Jason Joyner	New Frame
Dasid Collas	SEANC
DAMICE Byen	TANIMAN SAIDKE
RON WOODARD	NC LISTEN-MORRISVILLE NC
JAMES JOHNSON	NCFIRE-WATE, N.C
Laura Gatron	Humbers USA
Miriam Chu	Moore TEA Citizens, Pinehurst NO

Commerce and Job Development

April 15, 2015

Name of Committee

NAME

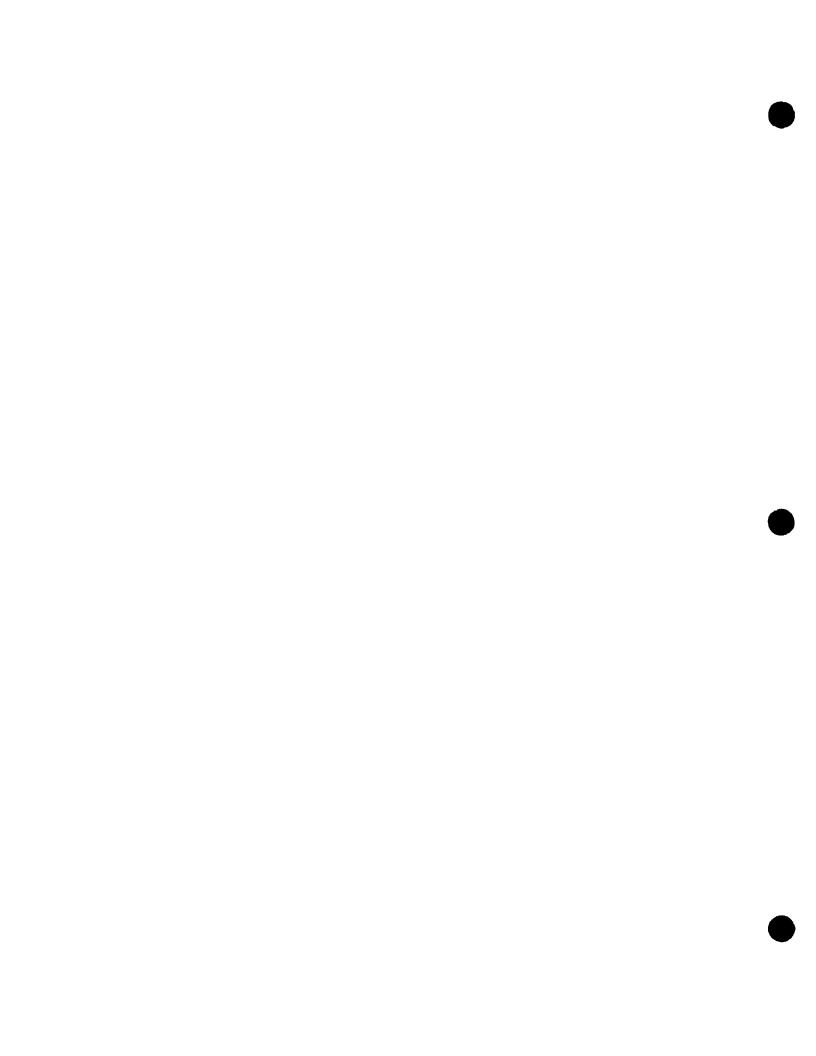
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

FIRM OR AGENCY AND ADDRESS

NAME	FIRM OR AGENCT AND ADDRESS
JG00DMA,V	NO CHAMBER
Dirle Crown	in graffel win puc
Pays of Ollus	Gov's Office
Joy Hills	NEDASES
Awa Bone	Ryp. Chuck Migrady's LA
Austin Print	Perkinson Law
sarah Kura	NCOOL
Jennily flannood	Nebal
addauth	Ne Caplan
Erin Wynia	NCLM

NEDE



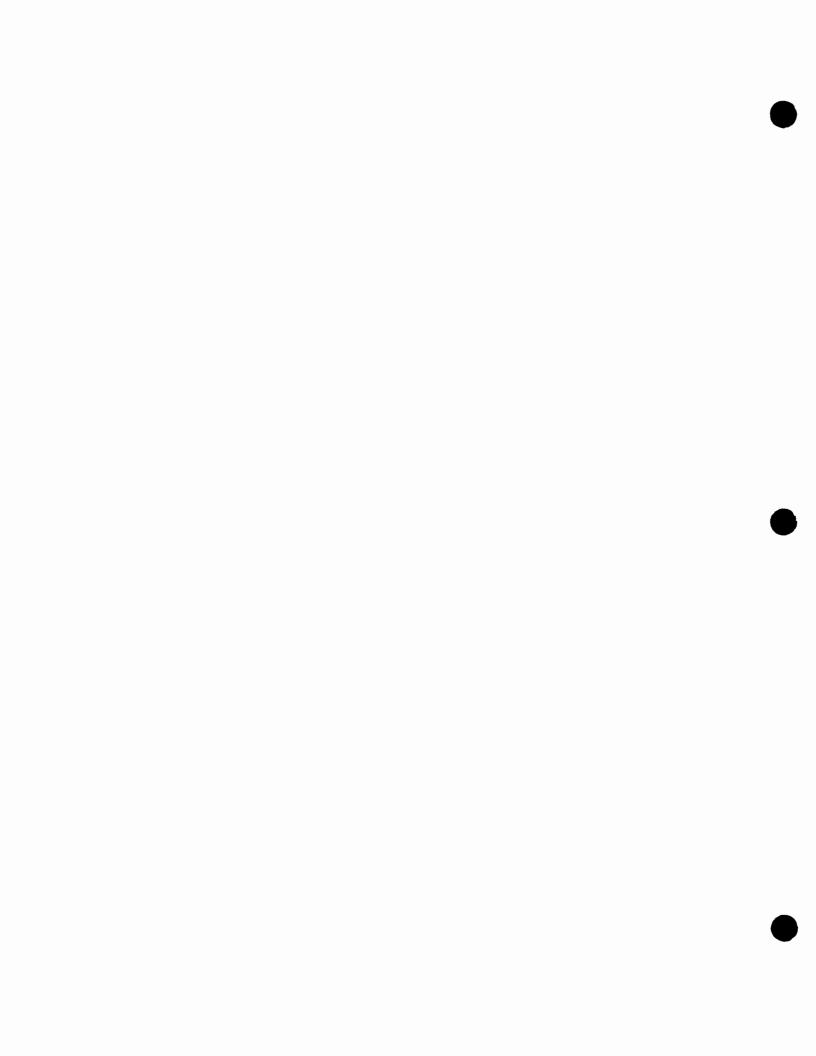
Commerce and Job Development

April 15, 2015

Name of Committee

Date

NAME	FIRM OR AGENCY AND ADDRESS
Dode Renfer	CCR
Alex Knipp	PENC
Toda Balon	NC Advocatos for T-tic
Jake Carshion	NCCC.
Nathan Babard	NC Charles
Paul Shormon	NIFB
JAKE PARKER	NCFB
Susanna Dan's	NCFA
arrando Honaker	TSS
Manay Shorper	Neyechacuser
Gran Saramine	NC Chrman



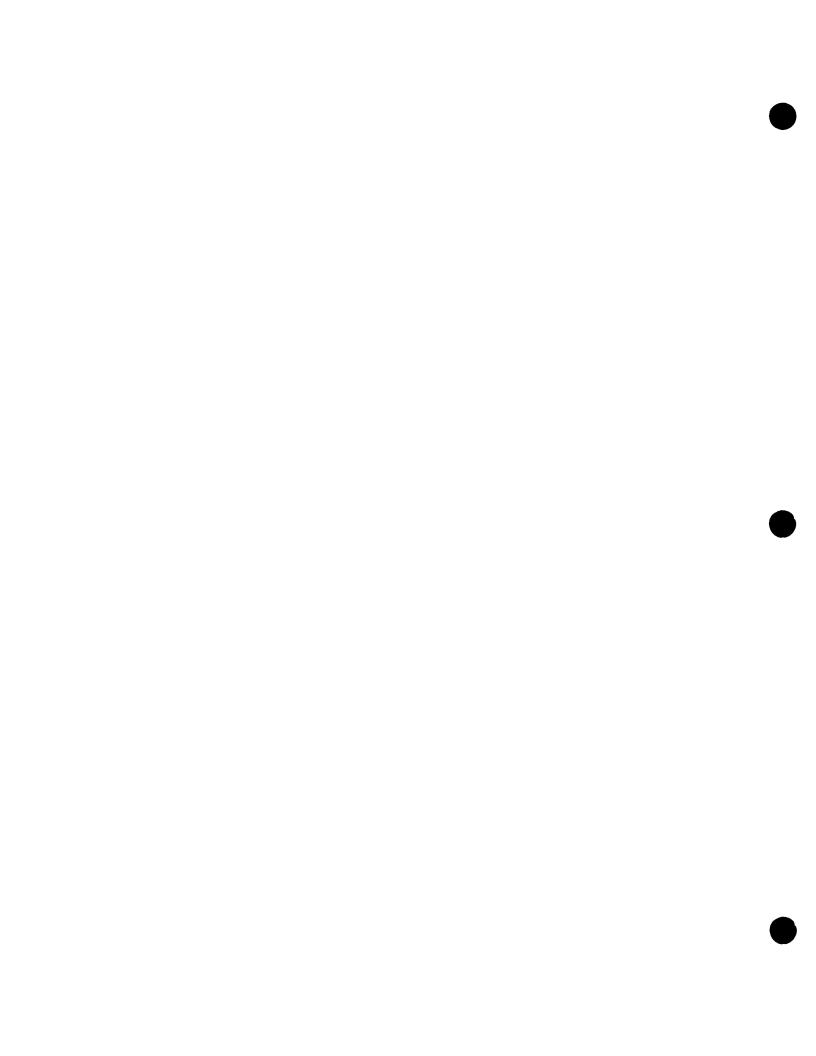
Commerce and Job Development

April 15, 2015

Name of Committee

Date

NAME	FIRM OR AGENCY AND ADDRESS			
JOELANGER	CAROINAL			
Allison Stena				
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PRESTUL HOWARD	l'CMA			
Kelli Wille	Dike Energy			



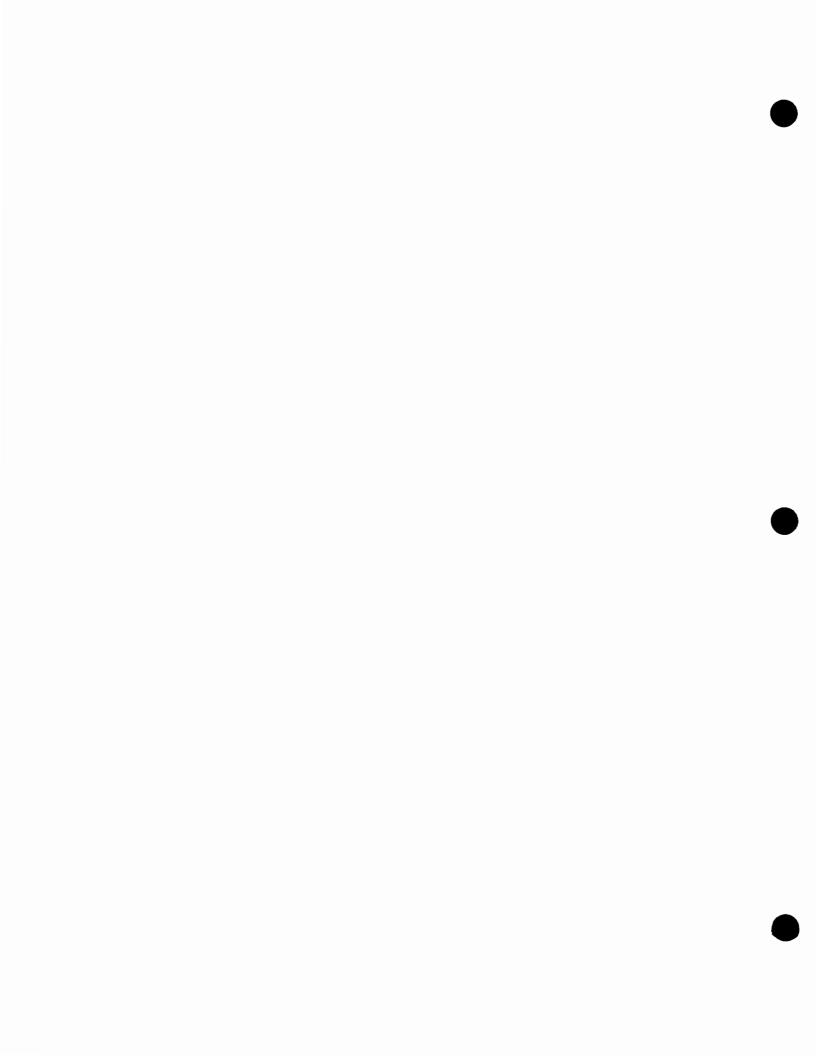
Commerce and Job Development

April 15, 2015

Name of Committee

Date

NAME	FIRM OR AGENCY AND ADDRESS			
Thomas Kottke	Kernersville NC 27284			
FREDEREIN BROWSON	DURHAM, D.C. 27703			
Judy Jenkins	0-Isuka			
Sarah Preston	ACLU-NC			
Wikeday	MEGHANALO			
Chils Agree	265			





2015-2016 House Committee on Commerce and Job Development

Date: April 15, 2015

Room: 643 LOB

Time: 11 a.m.

AGENDA

BILL NO.	SHORT TITLE	SPONSOR
HB 318	Protect North Carolina Workers Act.	Representative Cleveland
		Representative Millis
		Representative Whitmire
		Representative Conrad
HB 304	Revisions to Outdoor Advertising Laws.	Representative Hager
		Representative Collins
		Representative J. Bell
		Representative Hanes

PAGED

Wednesday, April 15

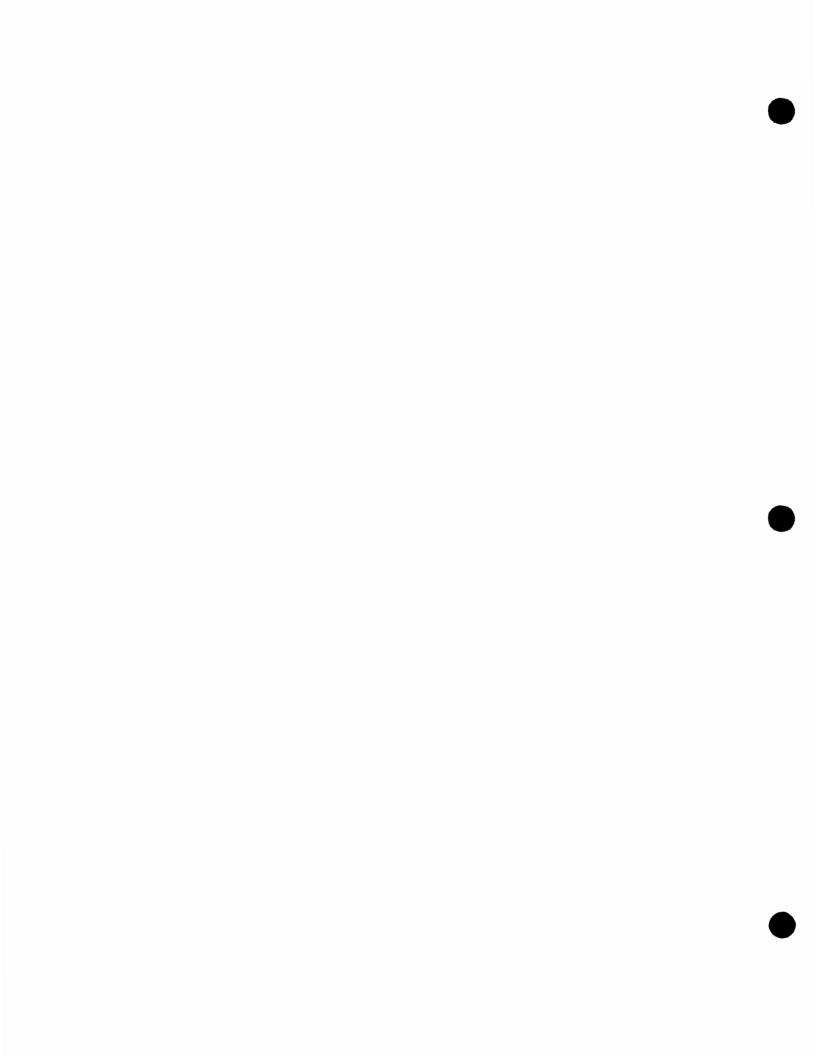
COMMERCE AND
JOB DEVELOPMENT

Room 643

Time 11:00 am

Name	County	Sponsor	
Jillian Lewis	Surry	Sarah Stevens	
Chris McCain 2 Minutes	Alamance	Dennis Riddell	
Speaker homas Ko Ron Wood Fred BRON	the it and it 3	Chambers Commerce	
Trans Cros	n committee 1:	54	

Rep. milis 1 min. remark Lefere vote



Committee Sergeants at Arms

NAME O	F COMMITTEE _	COMM ON COMMERCE AND JOB DEVELOP
DATE: _	04-15-15	Room: 643
		House Set-At Arms:
1. Name:	REGGIE SILLS	
2. Name:	MARVIN LEE	
Name:	TERRY McCRA	W
4. Name:	CHRIS McCRA	CKEN
5. Name:		
		Scnate Sgt-At Arms:
l. Name:		-
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l. Name:		
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GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

H

D

HOUSE BILL 318 PROPOSED COMMITTEE SUBSTITUTE H318-PCS20291-ST-17

	Protect North Carolina Workers Act.	(Public)
Sponsors:		
Referred to:		
	March 23, 2015	
PARTICIPA E-VERIFY WORKERS CHAPTER COMPLIAN THAT CER TO DETE GOVERNM The General As	A BILL TO BE ENTITLED NCREASE THE NUMBER OF EMPLOYERS WHO AN ATE IN THE FEDERAL E-VERIFY PROGRAM; TO THE PROBLEM OF THE PROBLEM OF EMPLOYEES; TO FROM THE DEFINITION OF EMPLOYEE UNDER OF THE GENERAL STATUTES; TO RECOVER IN CERTAIN GOVERNMENTAL CONTRACTS; ATAIN CONSULATE OR EMBASSY DOCUMENTS MARKINE A PERSON'S IDENTIFICATION OR DESIGNATED IN THE PROBLEM OF THE PROB	TO REPEAL THE EXCLUDE FARM R ARTICLE 2 OF QUIRE E-VERIFY AND TO PROVIDE AY NOT BE USED
"§ 64-25. Defin	TION 1. G.S. 64-25 reads as rewritten:	
0	ng definitions apply in this Article:	
(1)	Commissioner. – The North Carolina Commissioner of I	Labor.
(2)	Employ. – Hire an employee.	
(3)	Employee. – Any individual who provides services or la in this State for wages or other remuneration. The term individual whose term of employment is less than nine year. The term does not include a farm worker, an indep an individual who provides domestic service in a p sporadic, irregular, or intermittent.	n does not include ar months in a calendar pendent contractor, or private home that is
(4)	Employer. – Any person, business entity, or other organ business in this State and that employs <u>255</u> or more employs term does not include State agencies, counties, mugovernmental bodies.	ployees in this State
(5)	E-Verify. – The federal E-Verify program operated by Department of Homeland Security and other federal successor or equivalent program used to verify the working hired employees pursuant to federal law.	al agencies, or any
<u>(5a)</u>	Farm worker. – An individual who maintains farms, condoing physical labor or operating machinery under the farmer, rancher, or other agricultural manager. The term perform tasks related to growing and harvesting grain nuts, Christmas trees, and other agricultural crops but downwho merely plant, transplant, or transport trees.	the supervision of a n includes those who is, fruits, vegetables



- Independent contractor. Any individual or entity who carries on independent business, contracts to do a piece of work according to the individual or entity's own means and methods, and is subject to control only as to results. Whether an individual or entity is an independent contractor, regardless of what the individual or entity calls itself, shall be determined on a case-by-case basis. Factors to be considered in that determination include, but are not limited to, whether the individual or entity supplies the tools or materials; makes services available to the general public; works for a number of clients at the same time; has an opportunity for profit or loss as a result of labor or services provided; invests in the facilities for work; directs the order or sequence in which the work is to be done; and determines the hours during which the work is to be done.
- (6) Unauthorized alien. As defined in 8 U.S.C. § 1324a(h)(3)."

SECTION 2.(a) Article 8 of Chapter 143 of the General Statutes is amended to add a new section to read:

"§ 143-133.3. E-verify compliance.

- (a) No board or governing body of the State, or of any institution of the State government, or of any political subdivision of the State, may enter into a contract unless the contractor, and the contractor's subcontractors under the contract, comply with the requirements of Article 2 of Chapter 64 of the General Statutes.
- (b) A board or governing body of the State, or of any institution of the State government, or of any political subdivision of the State, may satisfy the requirements of this section if the contract includes a term requiring the contractor, and the contractor's subcontractors, to comply with the requirements of Article 2 of Chapter 64 of the General Statutes.
 - (c) This section shall not apply to any of the following:
 - (1) Contracts for transportation.
 - (2) Contracts for lodging.
 - (3) Contracts solely for the purchase of goods.
 - (4) Contracts let under G.S. 143-129(e)(9) or (9a)."

SECTION 2.(b) G.S. 160A-20.1(b) is repealed.

SECTION 2.(c) G.S. 153A-449(b) is repealed.

SECTION 3. G.S. 159-28(e) reads as rewritten:

"(e) Penalties. – If an officer or employee of a local government or public authority incurs an obligation or pays out or causes to be paid out any funds in violation of this section, he and the sureties on his official bond are liable for any sums so committed or disbursed. If the finance officer or any properly designated deputy finance officer gives a false certificate to any contract, agreement, purchase order, check, draft, or other document, he and the sureties on his official bond are liable for any sums illegally committed or disbursed thereby. Inclusion of the contract term in accordance with G.S. 143-133.3(b) shall be deemed in compliance with G.S. 143-133.3(a)."

SECTION 4. G.S. 64-27 reads as rewritten:

"§ 64-27. Commissioner of Labor to prepare complaint form.

- (a) Preparation of Form. The Commissioner shall prescribe a complaint form for a person to allege a violation of G.S. 64-26.G.S. 64-26 or G.S. 143-133.3. The form shall clearly state that completed forms may be sent to the Commissioner.
- (b) Certain Information Not Required. The complainant shall not be required to list the complainant's social security number on the complaint form or to have the complaint notarized."

SECTION 5. G.S. 64-28 reads as rewritten:

"§ 64-28. Reporting of complaints.

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- Filing of Complaint. Any person with a good faith belief that an employer is violating or has violated a violation of G.S. 64-26 or G.S. 143-133.3 has occurred may file a complaint with the Commissioner setting forth the basis for that belief. The complaint may be on a form prescribed by the Commissioner pursuant to G.S. 64-27 or may be made in any other form that gives the Commissioner information that is sufficient to proceed with an investigation pursuant to G.S. 64-29. Nothing in this section shall be construed to prohibit the filing of anonymous complaints that are not submitted on a prescribed complaint form.
- False Statements a Misdemeanor. A person who knowingly files a false and or frivolous complaint under this section is guilty of a Class 2 misdemeanor."

SECTION 6. G.S. 64-29 reads as rewritten:

"§ 64-29. Investigation of complaints.

- Investigation. Upon receipt of a complaint pursuant to G.S. 64 28 that an employer is allegedly violating or has allegedly violated G.S. 64-26, filed in accordance with G.S. 64-28, the Commissioner shall investigate whether the employer has in fact violated G.S. 64-26. a violation of G.S. 64-26 or G.S. 143-133.3 has in fact occurred.
- Certain Complaints Shall Not Be Investigated. The Commissioner shall not investigate complaints that are based solely on race, religion, gender, ethnicity, or national origin.
- Assistance by Law Enforcement. The Commissioner may request that the State (c) Bureau of Investigation assist in investigating a complaint under this section.
- Subpoena for Production of Documents. The Commissioner may issue a subpoena for production of employment records that relate to the recruitment, hiring, employment, or termination policies, practices, or acts of employment as part of the investigation of a valid complaint under this section."

SECTION 7. G.S. 64-30 reads as rewritten:

"\\$ 64-30. Actions to be taken; hearing.

If, after an investigation, the Commissioner determines that the complaint is not false and or frivolous:

If the alleged violation is of G.S. 64-26: (1)

- The Commissioner shall hold a hearing to determine if a violation of (1)a. G.S. 64-26 has occurred and, if appropriate, impose civil penalties in accordance with the provisions of this Article.
- If, during the course of the hearing required by subdivision $\frac{(2)b}{(2)}$ (1) sub-subdivision a. of subdivision (1) of this section, the Commissioner concludes that there is a reasonable likelihood that an employee is an unauthorized alien, the Commissioner shall notify the following entities of the possible presence of an unauthorized alien:
 - United States Immigration and Customs Enforcement. a.1.
 - Local law enforcement agencies. b.2.
- (2) If the alleged violation is of G.S. 143-133.3, the Commissioner shall hold a hearing to determine if a violation of the applicable statute has occurred and, if appropriate, shall take action under G.S. 64-33.1."

SECTION 8. The catch line for G.S. 64-31 reads as rewritten:

"§ 64-31. Consequences of first violation.violation of G.S. 64-26."

SECTION 9. The catch line for G.S. 64-32 reads as rewritten:

"§ 64-32. Consequences of second violation.violation of G.S. 64-26."

SECTION 10. The catch line for G.S. 64-33 reads as rewritten:

" § 64-33. Consequences of third or subsequent violation violation of G.S. 64-26."

SECTION 11. Article 2 of Chapter 64 of the General Statutes is amended by adding a new section to read:

"§ 64-33.1. Consequences of violation of G.S. 143-133.3.

For violation of G.S. 143-133.3, the Commissioner shall notify the board or governing body 1 2 of the State, or of any institution of the State government, or of any political subdivision of the 3 State, found to have committed the violation that the board or governing body of the State, or of any institution of the State government, or of any political subdivision of the State, is in 4 violation of the applicable statute. The Department of Labor shall maintain a list of any boards 5 or governing bodies of the State, or of any institutions of the State government, or of any 6 7 political subdivisions of the State, issued notices pursuant to this section and shall make that list 8 available on its Web site." SECTION 12. Chapter 15A of the General Statutes is amended by adding a new 9 10 Article to read: 11 "Article 18. 12 "Identification Documents.

"§ 15A-306. Consulate documents not acceptable as identification.

- The following documents are not acceptable for use in determining a person's actual identity or residency by a justice, judge, clerk, magistrate, law enforcement officer, or other government official:
 - A matricula consular or other similar document, other than a valid passport, (1) issued by a consulate or embassy of another country.
 - An identity document issued or created by any person, organization, county, (2) city, or other local authority, except where expressly authorized to be used for this purpose by the General Assembly.
- No local government or law enforcement agency may establish, by policy or (b) ordinance, the acceptability of any of the documents described in subsection (a) of this section as a form of identification to be used to determine the identity or residency of any person. Any local government policy or ordinance that contradicts this section is hereby repealed."

SECTION 13. G.S. 20-7(b4) reads as rewritten:

- "(b4) Examples of documents that are reasonably reliable indicators of residency include, but are not limited to, any of the following:
 - A pay stub with the payee's address. (1)
 - A utility bill showing the address of the applicant-payor. (2)
 - A contract for an apartment, house, modular unit, or manufactured home (3) with a North Carolina address signed by the applicant.
 - (4) A receipt for personal property taxes paid.
 - (5)A receipt for real property taxes paid to a North Carolina locality.
 - A current automobile insurance policy issued to the applicant and showing (6)the applicant's address.
 - A monthly or quarterly financial statement from a North Carolina regulated (7) financial institution.
 - $\frac{(8)}{}$ A matricula consular or substantially similar document issued by the Mexican Consulate for North Carolina.
 - A document similar to that described in subsection (8) of this section, issued (9)by the consulate or embassy of another country. This subdivision only applies if the Division has consulted with the United State Department of State and is satisfied with the reliability of such document."

SECTION 14. G.S. 58-2-164(c) reads as rewritten:

The insurer and its agent shall also take reasonable steps to verify that the information provided by an applicant regarding the applicant's address and the place the motor vehicle is garaged is correct. The insurer may take its own reasonable steps to verify residency or eligible risk status or may rely upon the agent verification of residency or eligible risk status to meet the insurer's verification obligations under this section. The agent shall retain copies of any items obtained under this section as required under the record retention rules adopted by

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the Commissioner and in accordance with G.S. 58-2-185. The agent may satisfy the requirements of this section by obtaining reliable proof of North Carolina residency from the applicant or the applicant's status as an eligible risk. Reliable proof of residency or eligible risk includes but is not limited to:

- (1) A pay stub with the payee's address.
- (2) A utility bill showing the address of the applicant-payor.
- (3) A lease for an apartment, house, modular unit, or manufactured home with a North Carolina address signed by the applicant.
- (4) A receipt for personal property taxes paid.
- (5) A receipt for real property taxes paid to a North Carolina locality.
- (6) A monthly or quarterly financial statement from a North Carolina regulated financial institution.
- (7) A valid unexpired North Carolina driver's license.
- (8) A matricula consular or substantially similar document issued by the Mexican Consulate for North Carolina.
- (9) A document similar to that described in subdivision (8) of this section, issued by the consulate or embassy of another country that would be accepted by the North Carolina Division of Motor Vehicles as set forth in G.S. 20-7(b4)(9).
- (10) A valid North Carolina vehicle registration.
- (11) A valid military ID.
- (12) A valid student ID for a North Carolina school or university."

SECTION 15. G.S. 108A-55.3(b) reads as rewritten:

- "(b) An applicant may meet the requirements of subsection (a) of this section by providing at least two of the following documents:
 - (1) A valid North Carolina drivers license or other identification card issued by the North Carolina Division of Motor Vehicles.
 - (2) A current North Carolina rent or mortgage payment receipt, or current utility bill in the name of the applicant or the applicant's legal spouse showing a North Carolina address.
 - (3) A valid North Carolina motor vehicle registration in the applicant's name and showing the applicant's current address.
 - (4) A document showing that the applicant is employed in this State.
 - (5) One or more documents proving that the applicant's domicile in the applicant's prior state of domicile has ended, such as closing of a bank account, termination of employment, or sale of a home.
 - (6) The tax records of the applicant or the applicant's legal spouse, showing a current North Carolina address.
 - (7) A document showing that the applicant has registered with a public or private employment service in this State.
 - (8) A document showing that the applicant has enrolled the applicant's children in a public or private school or child care facility located in this State.
 - (9) A document showing that the applicant is receiving public assistance or other services requiring proof of domicile, other than medical assistance, in this State.
 - (10) Records from a health department or other health care provider located in this State showing the applicant's current North Carolina address.
 - (11) A written declaration made under penalty of perjury from a person who has a social, family, or economic relationship with the applicant and who has personal knowledge of the applicant's intent to live in North Carolina

	General Assemb	ly Of North Carolina Session 2015
1 2	•	permanently or for an indefinite period of time or that the applicant is residing in North Carolina to seek employment or with a job commitment.
3	(12)	Current North Carolina voter registration card.
4 5	(13)	A document from the U.S. Department of Veterans Affairs, U.S. Department of Defense, or the U.S. Department of Homeland Security verifying the
6		applicant's intent to live in North Carolina permanently or for an indefinite
7		period of time or that the applicant is residing in North Carolina to seek
8		employment or with a job commitment.
9	(14)	Official North Carolina school records, signed by school officials, or
10	` ,	diplomas issued by North Carolina schools, including secondary schools,
11		community colleges, colleges, and universities verifying the applicant's
12		intent to live in North Carolina permanently or for an indefinite period of
13		time or that the applicant is residing in North Carolina to seek employment
14		or with a job commitment.
15	(15)	A document issued by the Mexican consular or other foreign consulate
16	, ,	verifying the applicant's intent to live in North Carolina permanently or for
17		an indefinite period of time or that the applicant is residing in North Carolina
18		to seek employment or with a job commitment."
19	SECT	TION 16. This act becomes effective October 1, 2015, and applies to contracts
20	entered into on or	after that date.

Page 6 House Bill 318 H318-PCS20291-ST-17

Attachment VII

NORTH CAROLINA GENERAL ASSEMBLY **HOUSE OF REPRESENTATIVES**

COMMERCE AND JOB DEVELOPMENT COMMITTEE REPORT

Representative Debra Conrad, Co-Chair Representative Michele D. Presnell, Co-Chair Representative Stephen M. Ross, Co-Chair

FAVORABLE COM SUB, UNFAVORABLE ORIGINAL BILL AND RE-REFERRED

HB **318**

Protect North Carolina Workers Act.

Draft Number:

H318-PCS20291-ST-17

Serial Referral:

JUDICIARY IV

Recommended Referral: None Long Title Amended:

Yes

Floor Manager:

Cleveland

TOTAL REPORTED: 1



House Committee on Commerce and Job Development Wednesday, April 22, 2015 at 11:00 AM Room 643 of the Legislative Office Building

MINUTES

The House Committee on Commerce and Job Development met at 11:00 AM on April 22, 2015 in Room 643 of the Legislative Office Building. Representatives Adams, Avila, J. Bell, L. Bell, Boles, Bradford, Brawley, Brockman, Brody, B. Brown, Bryan, Catlin, Conrad, Davis, Floyd, Fraley, Goodman, G. Graham, Hager, Hamilton, Holley, Hunter, Malone, S. Martin, McGrady, McNeill, Millis, R. Moore, Pierce, Presnell, Richardson, Robinson, Ross, Saine, Shepard, Steinburg, Szoka, Terry, Tine, Torbett, Wray, and Yarborough attended.

Representative Stephen M. Ross, Chair, presided.

HB 567 NC Aircraft Repair Act was presented by Representatives Saine. After a brief discussion, Representative Robinson motioned for a favorable report with a serial referral to the House Committee on Transportation. The motion passed.

Representative Saine presented the next bill, **HB 779 IT Procurement/Promote Competition.** Representative Saine presented an amendment before the committee and was motioned by Representative Avila. The amendment was adopted and rolled into a Post Committee Substitute. Representative L Bell motioned for an unfavorable to the original bill and favorable to the Post Committee Substitute.

Representatives Hurley presented **HB 594 Clarify Sale of Antique & Specialty Vehicles.** Representative Brown motioned for a favorable report. The motioned passed.

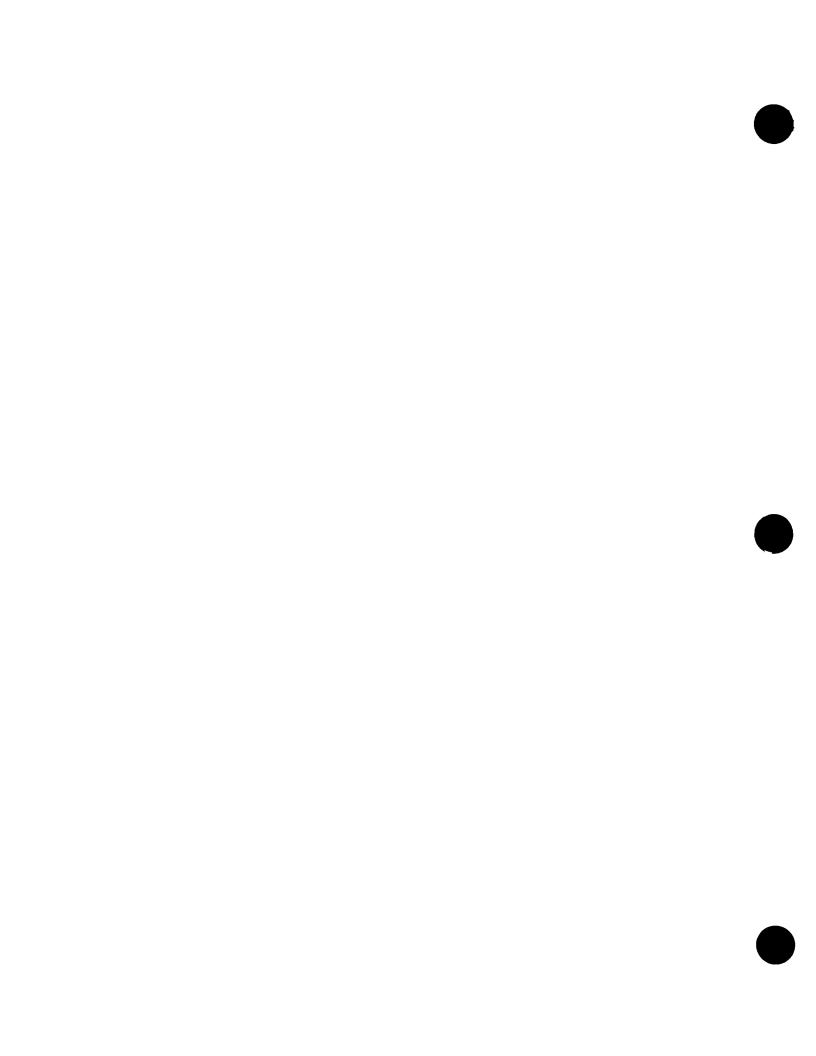
Representative Martin presented **HB 438 Modify Utility Account.** Representative Martin motioned for an amendment to be added to the bill. The motion passed and the amendment was rolled into a Proposed Committee Substitute. Representative Szoka motioned for unfavorable to the original bill and favorable to the Proposed Committee Substitute. Division was called. The final vote was 13 in favor of the motion and 19 against. The motion did not pass.

The committee did not have enough time to hear HB 564 Exempt Motorcoach Manufacturer & Distributor.

The meeting adjourned at 11:52am.

Representative Stephen M. Ross, Chair

Presiding



House Committee on Commerce and Job Development Wednesday, April 22, 2015, 11:00 AM 643 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

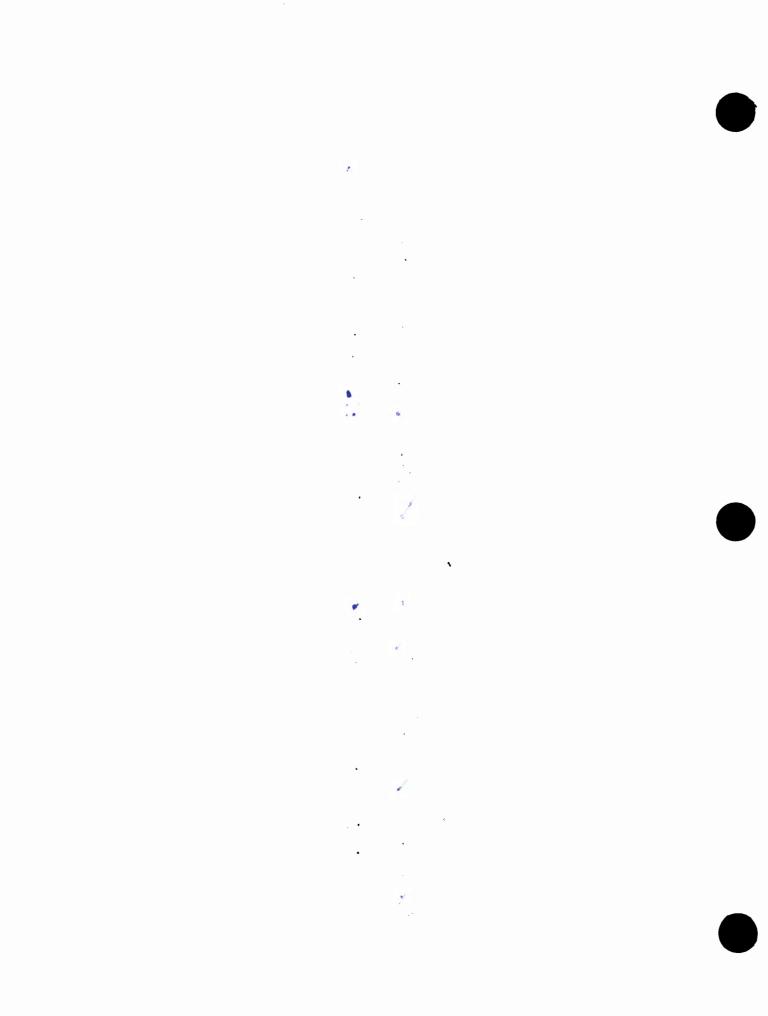
BILL NO.	SHORT TITLE	SPONSOR
HB 567	NC Aircraft Repair Act.	Representative Saine
		Representative Hager
HB 438	Modify Utility Account.	Representative S. Martin
		Representative Conrad
		Representative Presnell
		Representative L. Johnson
HB 564	Exempt Motorcoach Manufacturer &	Representative Faircloth
	Distributor.	Representative Hardister
		Representative Blust
		Representative Brockman
HB 594	Clarify Sale of Antique & Specialty	Representative Hurley
	Vehicles.	Representative Boles
HB 779	IT Procurement/Promote Competition.	Representative Saine

Adjournment

ATTENDANCE

House Committee on Commerce and Job Development 2015-16 Session

DATES	3-16-15	3-25-15	4-15-15	4-22-15	4-22-15					
CONRAD, Debra CO-CHAIR	X	X	χ	X	X					
PRESNELL, Michele CO-CHAIR	X	X	4	X	×					
ROSS, Stephen CO-CHAIR	X	X	X	×	X					
BRADFORD, John VICE-CHAIR	X	X	X	7	X					
BROWN, Brian VICE-CHAIR	X		X	X	X					
FRALEY, John VICE-CHAIR	Y	X	X	X	×					
GOODMAN, Ken VICE-CHAIR	X	X	X	×	X					
GRAHAM, Charles VICE-CHAIR	X	X		X	MAIN					
HALL, Larry VICE-CHAIR	X	X		X						
MARTIN, Susan VICE-CHAIR	X	X	X	X	X					
MOORE, Rodney VICE-CHAIR	X	X	X	X	×					
RICHARDSON, Bobbie VICE-CHAIR	X	X	x	X						
ROBINSON, George VICE-CHAIR	X	X	X	X	X					
SZOKA, John VICE-CHAIR	X	X		X	,					
WRAY, Michael VICE-CHAIR	A	X	X	X	X					
ADAMS, Jay	X	X	X	X	×					
AVILA, Marilyn	X		X	×	X					
BELL, John	X	X	X	X	X					
BELL, Larry	X	X	x							
BOLES, James	A	X		X						
BRAWLEY, William	A		X	X		`				
BROCKMAN, Cecil	X	X	+	X	X					
BRODY, Mark	A	X	X	X						
BRYAN, Rob	X	X	X	X						
CATLIN, Rick	X	X	X	X						
DAVIS, Ted	X	X	X	X						

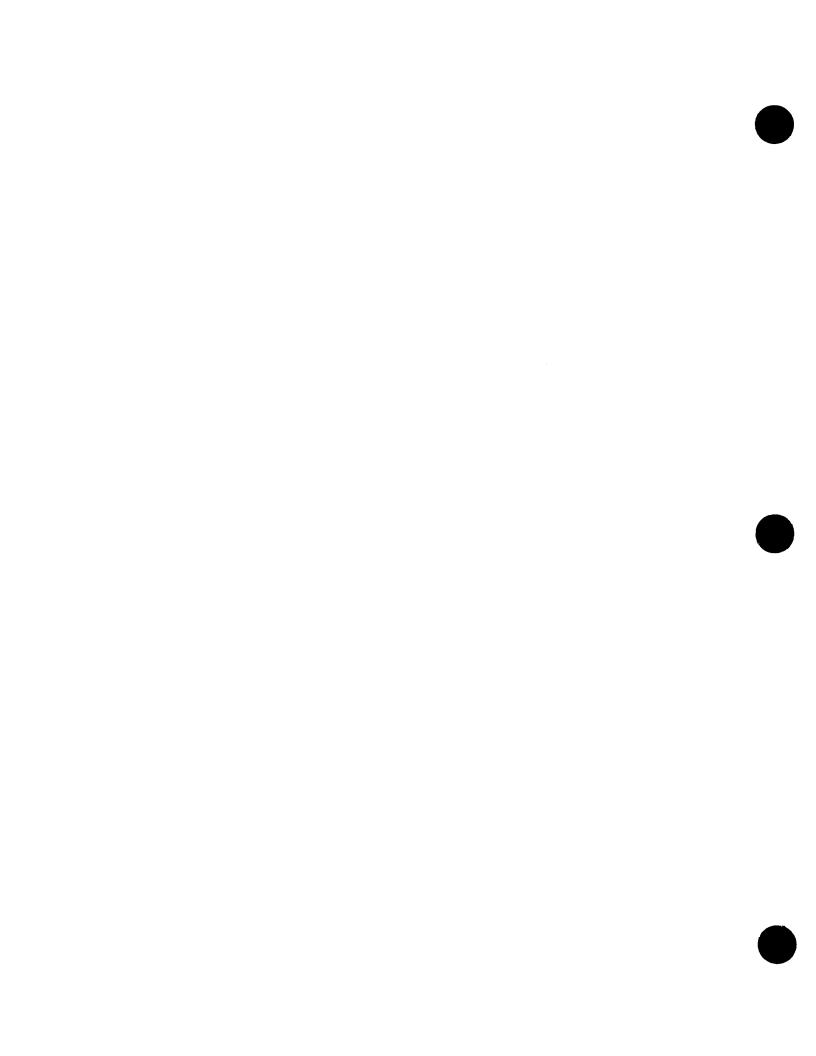


DOLLAR, Nelson	A	A,	A	X							
FLOYD, Elmer	X	X	x	X							
GRAHAM, George	X	X	7	X	X						
HAGER, Mike	X	X	X	×							
HAMILTON, Susi	X	X	X	X							
HOLLEY, Yvonne	X	X	X	X							
HORN, Craig	X	X	X		X						
HUNTER, Howard	X	X	X	X							
JACKSON, Darren	A										
LEWIS, David	A					/					
MALONE, Chris	×	X	X	X	M						
MCELRAFT, Pat	A		X								
MCGRADY, Chuck	A	X		X							
McNEILL, Allen	X	X	x	X							
MILLIS, Chris	X		X	X							
PIERCE, Garland	A		*	X							
SAINE, Jason	A			X							
SCHAFFER, Jacqueline	×		X								
SHEPARD, Phillip	X	X	X	×	X						
STEINBURG, Bob	A	X		X	X						
TERRY, Evelyn	X	X	X	X							
TINE, Paul	X	X	X	X	X						
TORBETT, John	X	X	X	×	X						
YARBOROUGH, Larry	X	1×	x	X	X	Mu					

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Committee Sergeants at Arms

NAME OF COMMUTEE	House Committee on Commerce and Job Development
DATE: 4-22-2015	Room: 643
	House Sgt-At Arms:
1. Name: Warren Hawkins	
4. Name: Cory Bryson	
5. Name:	•
	Senate Sgt-At Arms:
Name:	•
% Name:	
i. Name:	
. Name:	
lame:	



Wednesday, April 22
COMMERCE AND
JOB DEVELOPMENT

Room 643 Time 11:00 am

Name	County	Sponsor
Pira Apputhurai	Mecklenburg	William Brawley
Alina Cardwell	Alamance	Dennis Riddell

		_

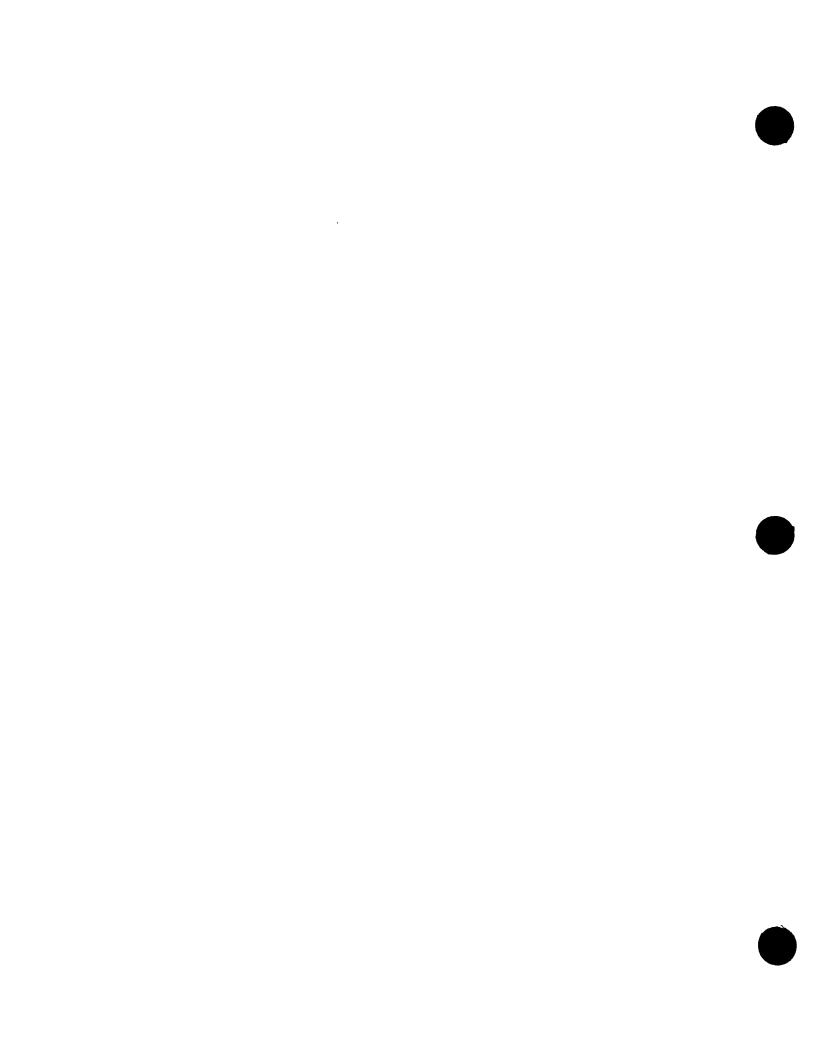
House Committee on Commerce and Job Development

4-22-2015

Name of Committee

Date

NAME	FIRM OR AGENCY AND ADDRESS
Denise Denkowski	NCPC
Margaret Mason	NCPC
Margaret Mason Charles Hill	NCPC
Angre Hushes	NCPC
Jewa B Clark	UNC DEPT GOV.
Steve Epstein	Poyner Sprvill LLP
KeniBuske	NKWO.
nataur Englis	Charlactechareber
M Sillian D Toma	r MWCLCC
Prian newald	wm.
Denn Jerryon	P. w. c -



House Committee on Commerce and Job Development

4-22-2015

Name of Committee

Date

NAME	FIRM OR AGENCY AND ADDRESS
John Haomai	NCDept & Commerce
Auce Miller	NeDoe
SOEY Phills	Par
Butch Gunnells	NC Bev
Torya HoArn	TIT
Michael Houser	THCG
I'M KENT	NC BEER & DINE
Kelli la lug	Dille Energy
Dana Sips	SeA.
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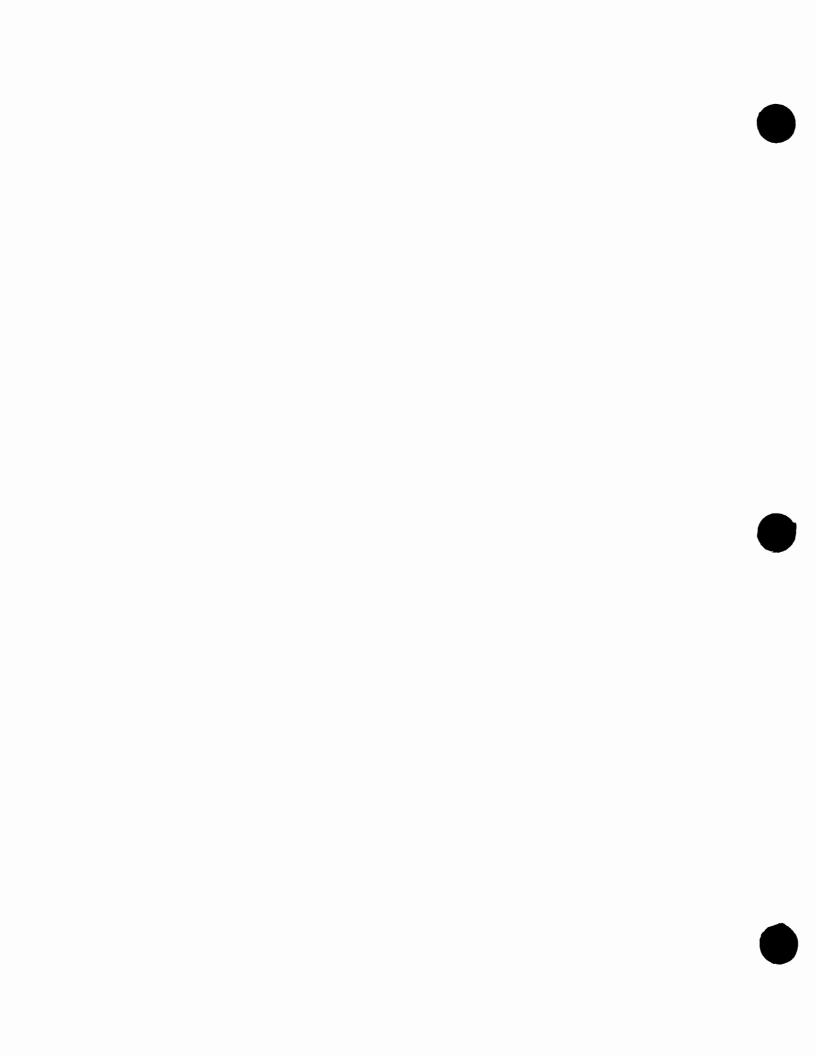
House Committee on Commerce and Job Development

4-22-2015

Name of Committee

Date

NAME	FIRM OR AGENCY AND ADDRESS
Whitney Christenser	Ward & Shirn PA
Angre Harris	Ward & Smith PA
Kara Wishaar	SA
Cancar Dhine	MVA
Mig Bailey	· Electri Cities
Jeff Moure	Communes/DWS
Darrell Hester, mi	Live Oak Uphtuluslay / NC Medical Society
Day Miskin	PS6,
John Corcella	OTIS
Ich Poliate	NCAMA
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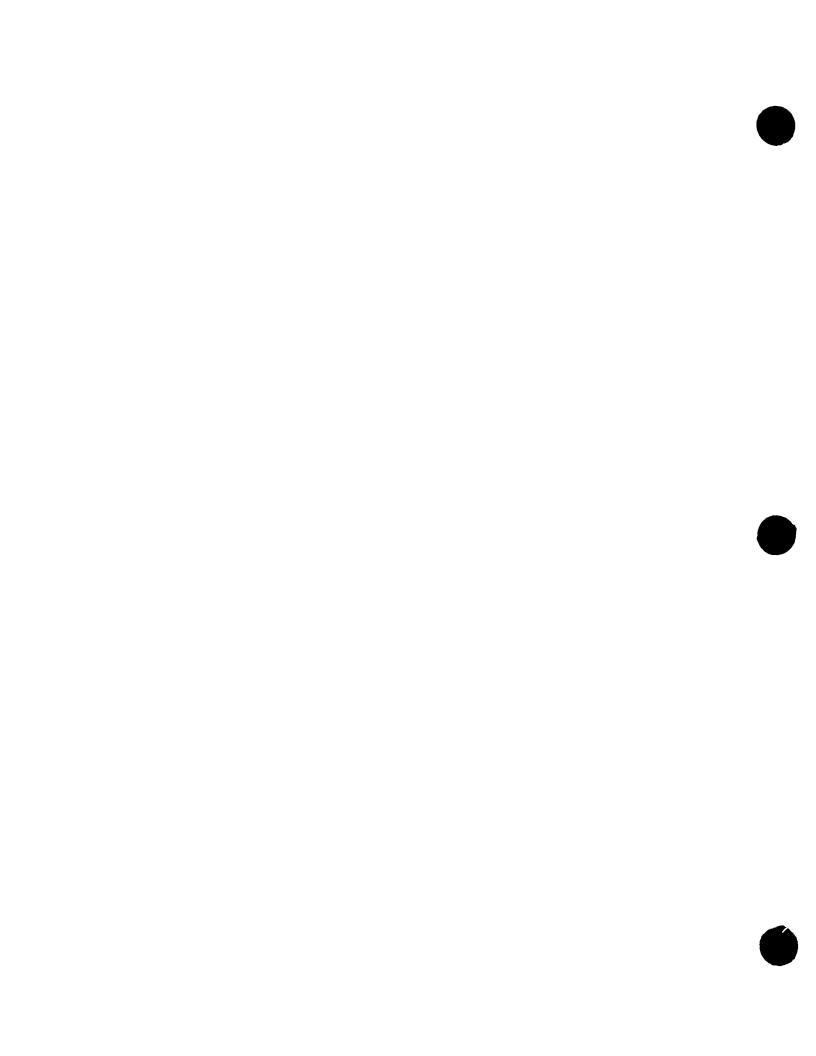
House Committee on Commerce and Job Development

Name of Committee

Date

4-22-2015

NAME	FIRM OR AGENCY AND ADDRESS	
Ed Sangha	NAP	
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JACK GOOT	NSS	
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HOUSE BILL 567: NC Aircraft Repair Act

2015-2016 General Assembly

Committee: House Commerce and Job Development, if

Date:

April 21, 2015

favorable, Transportation Reps. Saine, Hager Introduced by:

Prepared by: Karen Cochrane-Brown

First Edition Analysis of:

Committee Counsel

SUMMARY: House Bill 567 amends the Aircraft Labor and Storage Liens law to create regulations regarding written estimates and disclosures of other charges for the repair of aircrafts. The bill also would prevent an aircraft repair shop that violates any of the regulations from perfecting a lien on the repaired aircraft.

CURRENT LAW: Under current law, a person who expends labor, skill, or materials on an aircraft or has furnished storage for an aircraft has a perfected lien on the aircraft. The amount of the lien is the contract price for the work or storage, and in the absence of a contract, the lien is for the reasonable worth of the service.

The law establishes the process for filing a notice of lien and gives the lien priority over other perfected and unperfected security interests in the aircraft. Upon payment, the lienor must release possession of the aircraft and file a notice of satisfaction of lien with the clerk of court. The law also provides a process for the enforcement of the lien by sale of the aircraft.

BILL ANALYSIS: House Bill 567 requires that an aircraft repair shop provide a written repair estimate to the customer before beginning any work on an aircraft if the work will cost in excess of \$350. Calculation of the cost must include all charges for parts and labor, any necessary diagnostic work and disassembly, any taxes, and other supplies or overhead. The customer may waive the right to an estimate in writing.

If the repair shop charges a fee to prepare the estimate, it must disclose the amount of the fee to the customer and obtain written authorization to proceed. In the event the estimate was only for diagnostic work or the needed repairs exceed the written estimate by more than 10%, or there was an implied partial waiver for diagnostic work, the repair shop must notify the customer of the estimated cost of additional work, and the customer must orally or in writing, authorize, modify, or cancel the work order.

Upon completion of the repair work, the repair shop must provide the customer with a legible copy of an invoice that details information of the work performed and contains an itemized description and the cost of all labor, parts, and merchandise supplied.

The repair shop must conspicuously post a sign, at least 24 inches on each side, informing customers of their right to a written estimate and their right to the return or inspection of all parts replaced during the repair work.

The bill contains a list of prohibited acts and practices that constitute a violation of the Article if done by a repair shop, including:

O. Walker Reagan Director



Research Division (919) 733-2578

House Bill 567

Page 2

- Requiring a customer to waive the rights under the Article as a precondition to the repair.
- Charging more than 10% over the amount authorized by the customer.
- Refusing to return the aircraft because the customer refused to pay more than 10% over the amount authorized.
- Charging for work that has not been authorized by the customer.
- Making certain misrepresentations about work or the need for work.
- Fraudulently altering documents or misusing a customer's credit card.
- Making untrue, deceptive, or misleading statements about the Article.
- Making fraudulent promises to induce a customer to authorize work.
- Substituting used parts for new replacement parts without notice to the owner.
- Causing or allowing a customer to sign an estimate that does not state the type of repair work requested by the customer.
- Refusing to give the customer a copy of any document requiring a signature upon completion or cancellation of the work.

A customer injured by a violation of the act may bring an action in court.

An aircraft repair shop that violates any provision of the act shall not have a perfected lien on the aircraft owned by the customer injured as a result of the violation.

EFFECTIVE DATE: The act becomes effective January 1, 2016, and applies to aircraft repairs requested and performed on or after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

H

HOUSE BILL 567

Short Title.	Ne Alleran Repair Act. (Fublic
Sponsors:	Representatives Saine and Hager (Primary Sponsors). For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.
Referred to:	Commerce and Job Development, if favorable, Transportation.
	April 6, 2015
	A BILL TO BE ENTITLED
AN ACT TO	REGULATE THE REPAIR OF AIRCRAFTS.
The General	Assembly of North Carolina enacts:
SI	ECTION 1. Article 5 of Chapter 44A of the General Statutes reads as rewritten: "Article 5.
	"Aircraft Labor and Storage Liens.Storage.
"§ 44A-50. I	
	n this Article, the following terms mean:
(1)	
	component, or accessory, whether affixed to or separate from the aircraft.
(2)	Aircraft repair shop Any person who, for compensation, engages of
	attempts to engage in the maintenance, modification, or repair of aircrafts
	owned by other persons.
(3)	Aircraft repair work All maintenance of, modifications to, and repairs to
	aircrafts and the diagnostic work incident to the maintenance, modifications
	and repairs.
(4)	
	aircraft repair work on an aircraft owned by that person or any other person
	designated by that person as having authority to authorize aircraft repair
	work.
<u>(5)</u>	
	aircraft repair shop and performs aircraft repair work.
	(6) Lienor. – A person entitled to a lien under this Article.
(3)	O(7) Owner. – As the term is defined in G.S. 44A-1(3) for an aircraft, or any
	person authorized by an owner, as defined in G.S. 44A-1(3), to perform
	contract, or arrange for the provision of labor, skill, materials, or storage
(4)	with respect to any aircraft.
(4)	(8) Person. – Any individual, corporation, association, partnership, whether
(0)	limited or general, limited liability company, or other entity.
<u>(9)</u>	
	amount in excess of the written repair estimate that the aircraft repair shop
	has been authorized to charge pursuant to subsections (a) or (b) of
(1)	G.S. 44A-51.2. Written renair actimate. A written form setting forth the estimated east of
(10	Written repair estimate. – A written form setting forth the estimated cost of aircraft repair work, including any diagnostic work
	ALICIAN TEDAH WOLK DICHOHO MIV HIZOHOSHC WOLK



"§ 44A-51. Written repair estimate and disclosure statement required.

Requirement. – When any customer requests an aircraft repair shop to perform aircraft repair work that will cost in excess of three hundred fifty dollars (\$350.00) to the customer, the shop shall prepare and provide to the customer a written repair estimate before commencing any aircraft repair work. In determining under this section whether the cost of the aircraft repair work exceeds three hundred fifty dollars (\$350.00), the cost shall consist of the cost of parts and labor necessary for the aircraft repair work, any charges for necessary diagnostic work and disassembly, any taxes, any other supplies or overhead, and any other extra services that are incidental to the aircraft repair work. The written repair estimate shall also include a statement allowing the customer to indicate whether replaced parts should be saved for inspection or returned and a statement indicating the daily charge for storing the customer's aircraft after the customer has been notified that the aircraft repair work has been completed.

(b) Waiver. – An aircraft repair shop is not required to provide a written repair estimate if the customer waives in writing his or her right to receive a written repair estimate. A customer may waive his or her right to receive any written repair estimates from an aircraft repair shop for a period of time specified by the customer in the waiver.

(c) Construction. – Nothing in this section shall be construed to require an aircraft repair shop to give a written repair estimate if the aircraft repair shop does not agree to perform the requested aircraft repair work.

"§ 44A-51.1. Charges for preparing written repair estimate; requirement of waiver of rights prohibited.

Before proceeding with preparing a written repair estimate, an aircraft repair shop shall do the following:

- (1) Disclose to the customer the amount, if any, of the charge for preparing the written repair estimate.
- (2) Obtain a written authorization from the customer to prepare a written repair estimate if there is a charge for that written repair estimate.

"§ 44A-51.2. Notification of charges in excess of written repair estimate; prohibited charges; refusal to return aircraft prohibited; inspection of parts.

- (a) Requirement. In the event that any of the following applies, the customer shall be promptly notified by telephone, mail, or other means of the additional aircraft repair work and the estimated cost of the additional aircraft repair work, and the customer shall, orally or in writing, authorize, modify, or cancel the order for aircraft repair work:
 - (1) The written repair estimate contains only an estimate for diagnostic work necessary to estimate the cost of the aircraft repair work and such diagnostic work has been completed.
 - (2) A determination is made by an aircraft repair shop that the actual charges for the aircraft repair work will exceed the written repair estimate by more than ten percent (10%).
 - (3) An implied partial waiver exists for diagnostic work and the diagnostic work has been completed.
- (b) Cancellation. If a customer cancels the order for aircraft repair work or, after diagnostic work is performed, decides not to have the aircraft repair work performed, and if the customer authorizes the aircraft repair shop to reassemble the aircraft, the shop shall expeditiously reassemble the aircraft to a condition reasonably similar to the condition in which it was received by the aircraft repair shop.

After cancellation of the aircraft repair work or a decision by the customer not to have aircraft repair work performed after diagnostic work has been completed, the shop may charge for and the customer is obligated to pay the cost of aircraft repair work that was actually completed and that was authorized by the written repair estimate, as well as the cost of

H567 [Edition 1]

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diagnostic work and teardown, the cost of parts and labor to replace items that were destroyed by teardown, and the cost to reassemble the component or the aircraft. A customer shall not be obligated to pay these costs if the customer was not notified of these possible costs in the written repair estimate or at the time the customer authorized the aircraft repair shop to reassemble the aircraft.

Aircraft Parts. – Upon request made at the time the aircraft repair work is authorized by the customer, the customer is entitled to inspect parts removed from the customer's aircraft or, if the shop has no warranty arrangement or exchange parts program with a manufacturer, supplier, or distributor, have them returned to the customer. An aircraft repair shop may discard parts removed from a customer's aircraft or sell them and retain the proceeds for the shop's own account if the customer fails to take possession of the parts at the aircraft repair shop within two business days after taking delivery of the repaired aircraft.

"§ 44A-51.3. Invoice required of aircraft repair shop.

The aircraft repair shop shall provide each customer, upon completion of any aircraft repair work, with a legible copy of an invoice for such repair. The invoice shall include the following information:

> A statement indicating what was done to correct the problem or a description (1)of the service provided.

- An itemized description of all labor, parts, and merchandise supplied and the (2)costs of all labor, parts, and merchandise supplied. No itemized description is required to be provided to the customer for labor, parts, and merchandise supplied when a third party has indicated to the aircraft repair shop that the repairs will be paid for under a service contract, under a mechanical breakdown contract, or under a manufacturer's warranty, without charge to the customer.
- A statement identifying any replacement part as being used, rebuilt, or (3)reconditioned, as the case may be.

"\$ 44A-51.4. Required disclosure; signs; notice to customers.

A sign, at least 24 inches on each side, shall be posted in a manner conspicuous to the public. The sign shall contain all of the following information:

- That the consumer has a right to receive a written repair estimate, or to (1) waive receipt of that written repair estimate, if the cost of repairs will exceed three hundred fifty dollars (\$350.00).
- (2) That the consumer may request, at the time the aircraft repair work is requested, the return or inspection of all parts that have been replaced during the aircraft repair work.

"§ 44A-51.5. Prohibited acts and practices.

It shall be a violation of this Article for any aircraft repair shop or employee of an aircraft repair shop to do any of the following:

- Require a customer to waive the rights provided to the customer in this (1) Article as a precondition to the repair of the customer's aircraft by the aircraft repair shop or to impose or threaten to impose any charge which is clearly excessive in relation to the work involved in preparing the written repair estimate for the purpose of inducing the customer to waive the rights provided to the customer in this Article.
- Charge more than ten percent (10%) over the total amount authorized by a (2)customer for aircraft repair work.
- (3)Refuse to return a customer's aircraft because the customer refused to pay more than ten percent (10%) over the total amount authorized by the customer for aircraft repair work.

Cause or allow a customer to sign any written repair estimate that does not (13)state the type of aircraft repair work requested by the customer.

Refuse to give to a customer a copy of any document requiring the (14)customer's signature upon completion or cancellation of the aircraft repair

"§ 44A-51.6. Remedies.

Any customer injured by a violation of this Article may bring an action in the appropriate court for relief. The prevailing party in that action may be entitled to damages plus court costs and reasonable attorneys' fees. The customer may also bring an action for injunctive relief in the appropriate court. A violation of this Article is not punishable as a crime; however, this Article does not limit the rights or remedies which are otherwise available to a consumer under any other law.

"\$ 44A-55. Persons entitled to a lien on an aircraft.

Any person who has expended labor, skill, or materials on an aircraft or has furnished storage for an aircraft at the request of its owner has a perfected lien on the aircraft beginning on the date the expenditure of labor, skill, or materials or the storage commenced, for the contract price for the expenditure of labor, skill, or materials or for the storage, or, in the absence of a contract price, for the reasonable worth of the expenditure of labor, skill, or materials, or of the storage. The lien under this section survives even if the possession of the aircraft is surrendered by the lienor.

Any aircraft repair shop that violates any of the provisions of G.S. 44A-51 through G.S. 44A-51.5 shall not have a perfected lien on any aircraft owned by a customer injured as a result of the violation. **

SECTION 2. This act becomes effective January 1, 2016, and applies to aircraft repairs requested and performed on or after that date.

H567 [Edition 1] Page 4

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GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

H

HOUSE BILL 779 PROPOSED COMMITTEE SUBSTITUTE H779-PCS20322-RO-6

D

Short Title:	IT Procurement/Promote Competition.	(Public)
Sponsors:		
Referred to:		

April 15, 2015

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A BILL TO BE ENTITLED

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AN ACT TO PROMOTE INFORMATION TECHNOLOGY COST SAVINGS THROUGH COMPETITION.

awarded a contract based upon the value of their products and services, resulting in competitive

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The General Assembly of North Carolina enacts:

6 7 SECTION 1. G.S. 147-33.95 is amended by adding a new subsection to read:
"(e1) The purpose of this subsection is to allow multiple vendors to compete and be

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pricing, transparency, administrative savings, expedited procurement, and flexibility for State agencies and other users. Therefore, the acquisition of computers, computer-related devices, and networking equipment and services shall be conducted using multiple award schedule contracts, whenever the hardware and related services are available from multiple manufacturers, suppliers, or vendors. No later than October 1, 2015, the Office of Information Technology Services shall issue requests for proposals for multiple award schedule contracts for computers, computer-related devices, and networking equipment and services that are available from multiple manufacturers, suppliers, and vendors. The Office of Information

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Technology Services shall evaluate the responses and award contracts to qualified responders. Contracts awarded under this subsection shall be for a term of not less than two years, with the option to renew for one additional year, with annual product and services updates. The Office of Information Technology Services shall not enter into single manufacturer contracts for the

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acquisition of computers, computer-related devices, and networking equipment and services whenever the hardware and related services are available from multiple manufacturers,

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<u>For the purposes of this section, a "multiple award service contract" means a contract that allows multiple vendors to be awarded a contract for their information technology goods and services based on their qualifications."</u>

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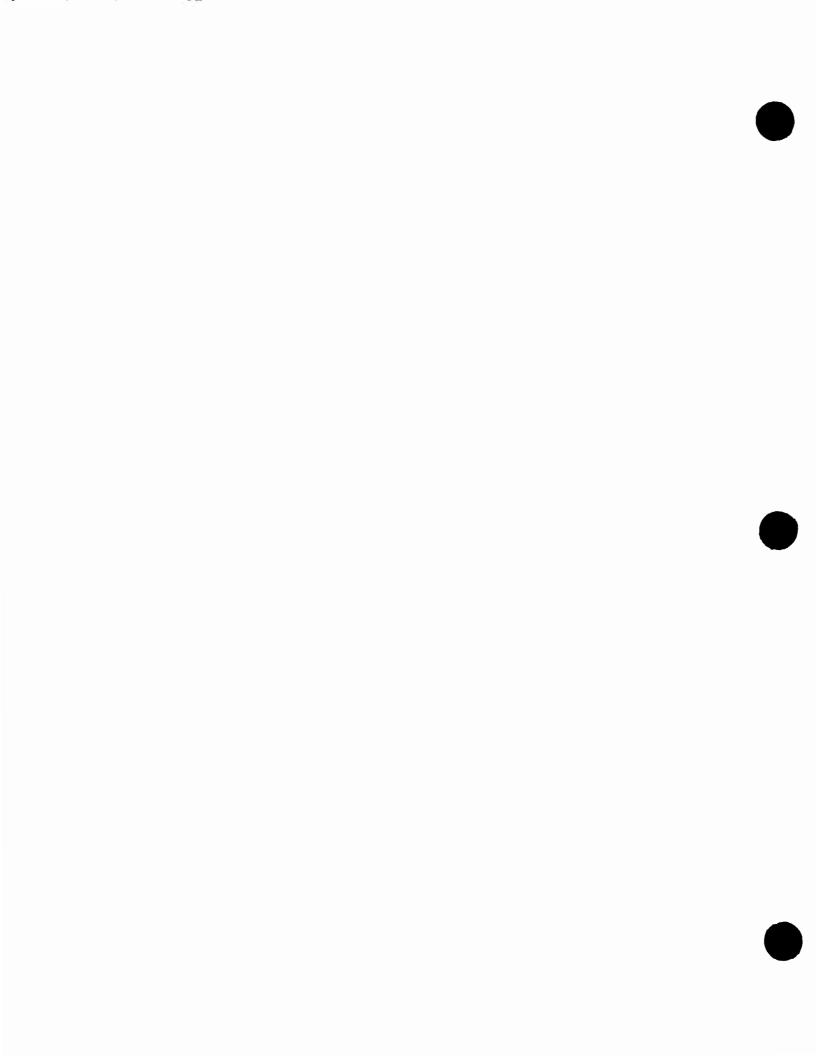
SECTION 2. The provisions of G.S. 147-33.95(e1), as enacted by this act, do not apply to contracts awarded to multiple manufacturers, suppliers, or vendors that have been awarded under a competitive bidding process within the 24 months immediately preceding the day this act becomes law.

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





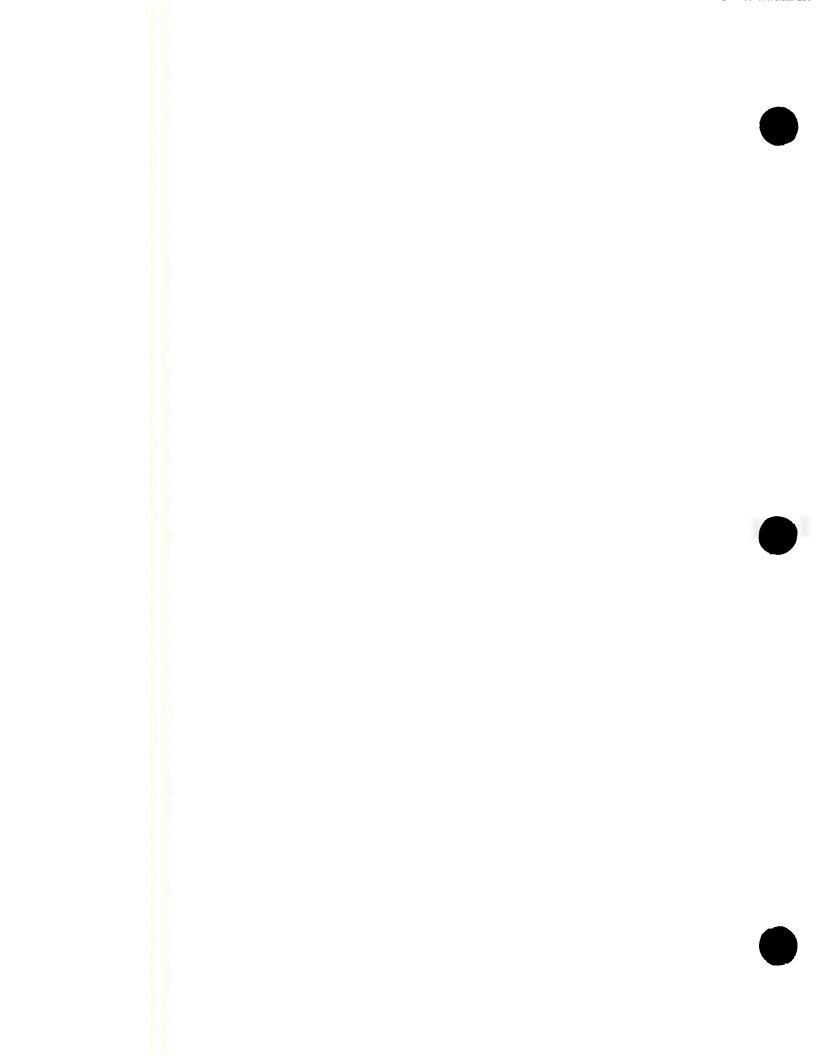


NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

House Bill 779

		(to b	NDMENT NOe filled in by	
	H779-ARO-20 [v.1]	Prin	ncipal Clerk)	
			Page 1 of 1	
	Amends Title [NO] First Edition	Date	,2015	
	Representative Saine			
moves to amend the bill on page 1, lines 15 – 16, by rewriting the lines to read: "available from multiple manufacturers, suppliers, and vendors. The Office of Inform Technology Services shall evaluate the responses and award contracts to qualified respond				
	Committee Chair if Senar	te Committee Amendment		
	ADOPTED FAI	LED	TARLED	







HOUSE BILL 594: Clarify Sale of Antique & Specialty Vehicles

2015-2016 General Assembly

Committee: House Commerce and Job Development Date: April 21, 2015

Introduced by: Reps. Hurley, Boles Prepared by: Karen Cochrane-Brown

Analysis of: First Edition Committee Counsel

SUMMARY: House Bill 594 amends the law governing supplemental temporary licenses for the sale of antique and specialty vehicles to require that the dealer do the following:

- Have a \$50,000 surety bond.
- Give at least 60 days advance notice to the local DMV.
- Post conspicuous signage identifying the dealer.
- Have at least 3 licensed salespeople on site.
- Advertise the event as an "antique" or "collectors" vehicle sale.

The bill also amends the definition of "specialty motor vehicle" to include vehicles that are at least 10 years old and for which no more than 15,000 vehicles were sold during the model year.

CURRENT LAW: Under current law, a licensed motor vehicle dealer can apply to the Commissioner of Motor Vehicles for a supplemental temporary license to sell antique motor vehicles and specialty motor vehicles, off-premises, for a period of up to 10 days.

To obtain the temporary license, the applicant must meet a number of requirements, including; be a licensed motor vehicle dealer, notify the local DMV office, display a sign at the location identifying the dealer, keep and maintain required records, provide staff at the location for the duration of the sale, meet local permitting requirements, and have written permission from the property owner.

BILL ANALYSIS: House Bill 594 adds to the list of requirements for obtaining a temporary license to sell antique and specialty vehicles. The bill would require that the dealer also obtain a surety bond in the amount of \$50,000, from a North Carolina surety company. The dealer must also give the local DMV office at least 60 days' notice of the date and location of the sale and post signs in a conspicuous location. The bill adds a requirement that the dealer have at least 3 licensed salespersons on site and that the event must be advertised as an antique or collectors vehicle sale.

The bill also amends the definition of the term "specialty motor vehicle to include vehicles that are at least 10 years old and for which no more than 15,000 vehicles were sold during the model year. Currently, the term only includes vehicles that are at least 3 years old and for which no more than 5,000 vehicles were sold during the model year.

O. Walker Reagan
Director



Research Division (919) 733-2578

House Bill 594

Page 2

EFFECTIVE DATE: This act is effective when it becomes law and applies to applications received on or after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

H

HOUSE BILL 594

Short Title: Clarify Sale of Antique & Specialty Vehicles. (Public)

Sponsors: Representatives Hurley and Boles (Primary Sponsors).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Commerce and Job Development.

April 9, 2015

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE REQUIREMENTS THAT MUST BE MET TO OBTAIN A TEMPORARY SUPPLEMENTAL LICENSE FOR THE SALE OF ANTIQUE MOTOR VEHICLES AND SPECIALTY MOTOR VEHICLES AND TO EXPAND THE DEFINITION OF A "SPECIALTY MOTOR VEHICLE."

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-292.1 reads as rewritten:

"§ 20-292.1. Supplemental temporary license for sale of antique and specialty vehicles.

Any dealer licensed as a motor vehicle dealer under this Article may apply to the Commissioner and receive, at no additional charge, a supplemental temporary license authorizing the off-premises sales of antique motor vehicles and specialty motor vehicles for a period not to exceed 10 consecutive calendar days. To obtain a temporary supplemental license for the off-premises sale of antique motor vehicles and specialty motor vehicles, the applicant shall:shall meet all of the following requirements:

- (1) Be licensed as a motor vehicle dealer under this Article. Article and have a surety bond in the amount of fifty thousand dollars (\$50,000) from a surety company licensed to do business in North Carolina.
- (2) Notify the applicable local office of the Division Division, at least 60 days in advance, of the specific dates and location for which the license is requested.
- (3) Display a sign at the licensed location elearly identifying the dealer.posted in a conspicuous location that allows the public to clearly identify the dealer.
- (4) Keep and maintain the records required for the sale of motor vehicles under this Article.
- (5) Provide staff to work at the temporary location for the duration of the off-premises sale.
- (6) Meet any local government permitting requirements.
- (7) Have written permission from the property owner to sell at the location.
- (8) Have a minimum of three salespersons licensed under this Article on site at the time of the off-premises sale.
- (9) Advertise the event as an "antique" or "collectors" vehicle sale.

For purposes of this section, the term "antique motor vehicle" shall mean any motor vehicle for private use manufactured at least 25 years prior to the current model year, and the term "specialty motor vehicle" shall mean any model or series of motor vehicle for private use manufactured at least (i) three years prior to the current model year of which no more than 5,000 vehicles were sold within the United States during the model year the vehicle was



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General Assembly of North Carolina	
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Session 2015

manufactured.manufactured or (ii) at least 10 years prior to the current model year of which no
more than 15,000 vehicles were sold within the United States during the model year the vehicle
was manufactured.

This section does not apply to a nonselling motor vehicle show or public display of new motor vehicles."

SECTION 2. This act is effective when it becomes law and applies to applications for licenses received on or after that date.

Page 2 H594 [Edition 1]



HOUSE BILL 438: Modify Utility Account

2015-2016 General Assembly

Committee: House Commerce and Job Development Date: April 22, 2015
Introduced by: Reps. S. Martin, Conrad, Presnell, L. Johnson Prepared by: Greg Roney

Analysis of: First Edition Committee Counsel

SUMMARY: House Bill 438 would authorize the following grants from the Industrial Development Fund Utility Account (Utility Account) for high school educational programs developed in collaboration with industries and offering associate degrees in a field relevant to the industry:

- Maximum of \$500,000 per year for applied technology equipment and renovations of school property.
- Unlimited grants to city and county governments for programs that increase job opportunities for participants.

CURRENT LAW: G.S. 143B-437.01 establishes the Industrial Development Fund Utility Account (Utility Account). The Utility Account makes grants to local governments in tier 1 or 2 counties to create jobs. Primarily, the Fund is used for construction of or improvements to new or existing water, sewer, gas, telecommunications, high-speed broadband, electrical utility distribution lines or equipment, or transportation infrastructure for existing or new or proposed buildings.

G.S. 143B-437.56(d) funds the Utility Account by withholding a percentage of every grant under the Job Development Investment Grant Program (JDIG) when the county where the project is located is tier 2 or 3 as follows:

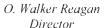
- For tier 3 area, 25% of the JDIG grant is payable to the Utility Account.
- For tier 2 area, 15% of the JDIG grant is payable to the Utility Account.

BILL ANALYSIS: House Bill 438 would expand the use of the Utility Account to include grants to local governments in tier 1 or 2 counties for work-based experience programs. Work-based experience programs are high school educational programs where students take classes developed in collaboration with certain industries, using equipment provided by the industry, and offering associate degrees in a field relevant to the industry upon graduation from high school.

A maximum of \$500,000 per year may be used for applied technology equipment and renovations of school property for work-based experience programs.

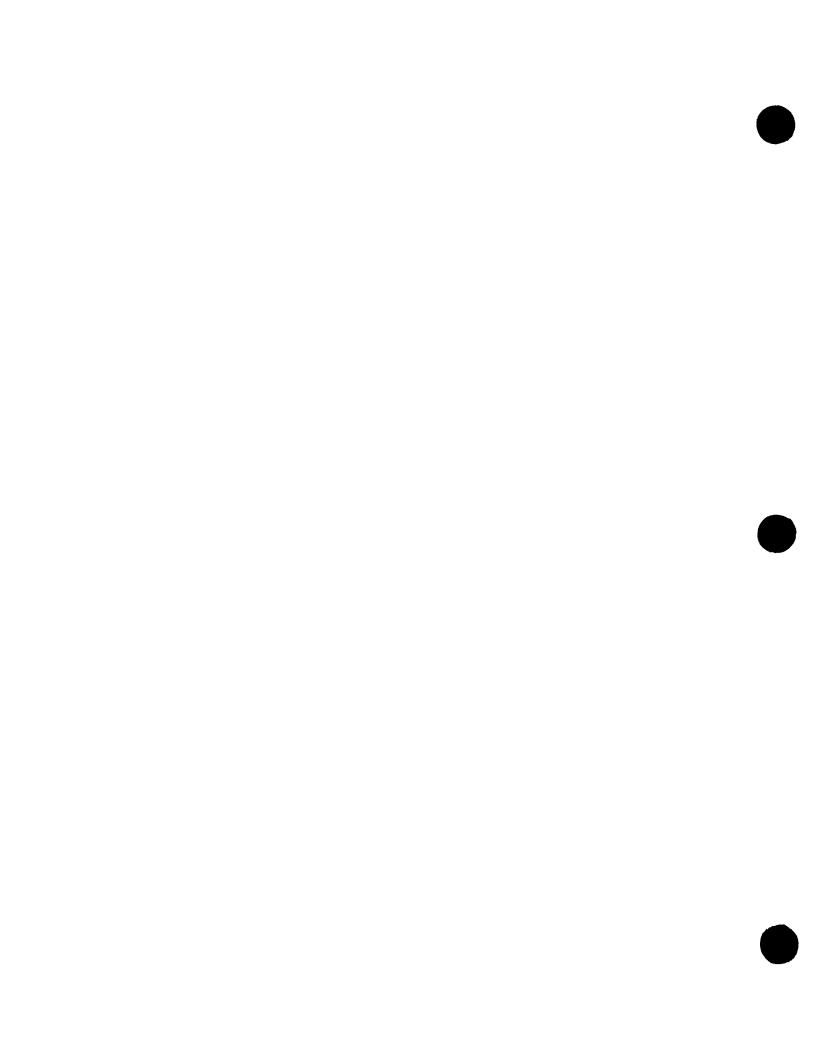
An unlimited amount may be used for work-based experience programs that increase job opportunities for participants.

EFFECTIVE DATE: House Bill 438 would be effective when it becomes law.





Research Division (919) 733-2578



GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

HOUSE BILL 438

(D. 1.1°)

Short Title: Modify Utility Account.

(Public)

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Sponsors:

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18 19 Representatives S. Martin, Conrad, Presnell, and L. Johnson (Primary Sponsors).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Public Utilities.

April 2, 2015

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE USES OF FUNDS FROM THE UTILITY ACCOUNT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143B-437.01 reads as rewritten:

"§ 143B-437.01. Industrial Development Fund Utility Account.

- (a) Creation and Purpose of Fund. There is created in the Department of Commerce a special account to be known as the Industrial Development Fund Utility Account ("Utility Account") to provide funds to assist the local government units of the most economically distressed counties in the State in creating jobs. The Department of Commerce shall adopt rules providing for the administration of the program. Those rules shall include the following provisions, which shall apply to each grant from the account:
 - (1) The funds shall be used for construction of or improvements to new or existing water, sewer, gas, telecommunications, high-speed broadband, electrical utility distribution lines or equipment, or transportation infrastructure for existing or new or proposed buildings. To be eligible for funding, the water, gas, telecommunications, high-speed broadband, electrical utility lines or facilities, or transportation infrastructure shall be located on the site of the building or, if not located on the site, shall be directly related to the operation of the job creation activity. To be eligible for funding, the sewer infrastructure shall be located on the site of the building or, if not located on the site, shall be directly related to the operation of the job creation activity, even if the sewer infrastructure is located in a county other than the county in which the building is located.
 - (1b) Up to five hundred thousand dollars (\$500,000) per year of the funds may be used for applied technology equipment and renovations of school property for work-based experience programs.
 - (2) The funds shall be used by the city and county governments for (i) projects that are reasonably anticipated to result in the creation of new jobs.jobs or (ii) work-based experience programs that increase job opportunities for participants. There shall be no maximum funding amount per new job to be created or per project.
 - (7) Priority for the use of funds shall be given to eligible industries.
 - (a1) Definitions. The following definitions apply in this section:



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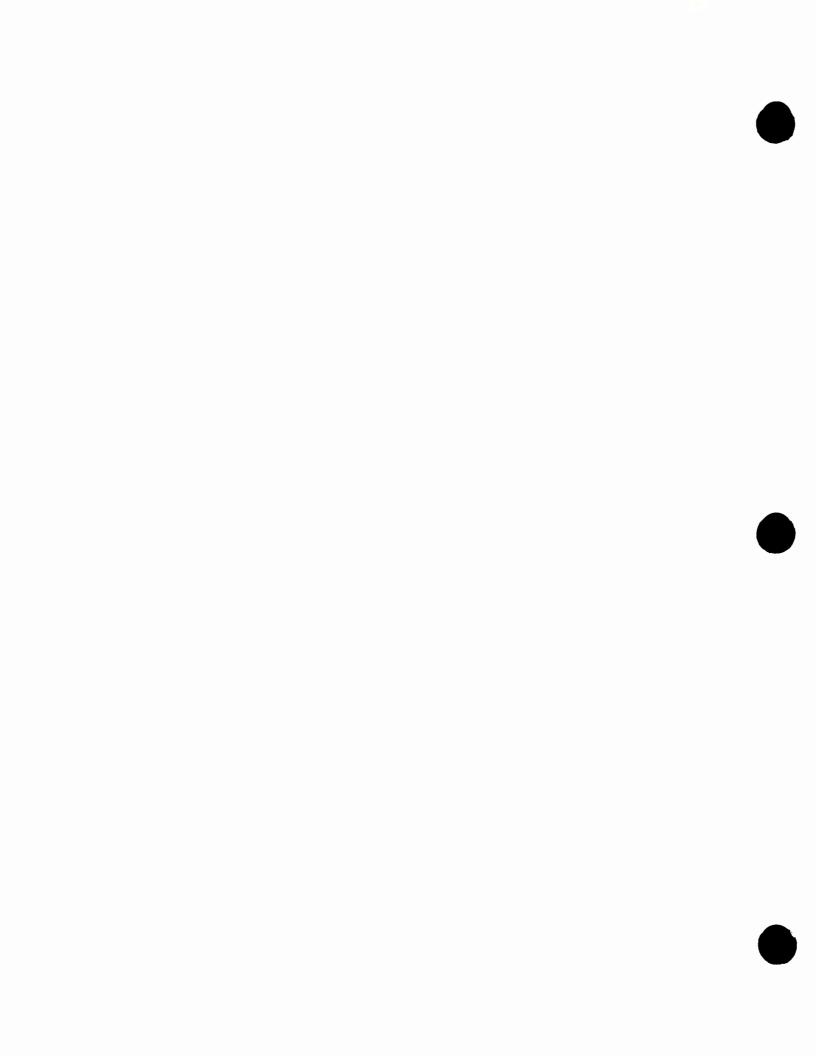
General.	Asseml	oly of North Carolina Session 2015
	(1)	Air courier services. — The furnishing of air delivery of individually addressed letters and packages for compensation, in interstate commerce, except by the United States Postal Service.
	(2a)	Company headquarters. – A corporate, subsidiary, or regional managing office, as defined by NAICS in United States industry 551114, that is responsible for strategic or organizational planning and decision making for the business on an international, national, or multistate regional basis.
	(5)	Eligible industry. – A company headquarters or a person engaged in the business of air courier services, information technology and services,
		manufacturing, or warehousing and wholesale trade.
	(6)	Information technology and services. – An industry in one of the following,
	. ,	as defined by NAICS:
		a. Data processing industry group 518.
		b. Software publishers industry group 5112.
		c. Computer systems design and related services industry group 5415.
		d. An Internet activity included in industry group 519130.
	(8)	Manufacturing An industry in manufacturing sectors 31 through 33, as
		defined by NAICS, but not including quick printing or retail bakeries.
	(10)	W 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1
	(10)	Warehousing. – An industry in warehousing and storage subsector 493 as defined by NAICS.
	(11)	Wholesale trade. – An industry in wholesale trade sector 42 as defined by
	(11)	NAICS.
	(12)	Work-based experience programs. – High school educational programs in
	(12)	which high school students take classes (i) developed in collaboration with
		and using equipment provided by eligible industries and (ii) for which the
		students receive an associate degree in a field relevant to the eligible
		industry upon graduation from high school.
	SECT	Γ ION 2. This act is effective when it becomes law.

Page 2 H438 [Edition 1]

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No.	20		
H. B. No	3 Z	DATE	
S. B. No	-	Amendment No	
COMMITTEE SUE	BSTITUTE		(to be filled in by Principal Clerk)
Rep.)	Martin		
Sen.)			
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GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

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HOUSE BILL 564

Short Title:	Exempt Motorcoach Manufacturer & Distributor.	Public
Sponsors:	Representatives Faircloth, Hardister, Blust, and Brockman (Primary Spons For a complete list of Sponsors, refer to the North Carolina General Assembly Web S	,
Referred to:	Commerce and Job Development, if favorable, Transportation.	
	April 6, 2015	
	A BILL TO BE ENTITLED	
AN ACT	TO EXEMPT MANUFACTURERS AND DISTRIBUTORS	OF
MOTOR	COACHES FROM THE PROHIBITION ON OWNING, OPERATING	G, OR
CONTRO	OLLING A MOTOR VEHICLE DEALERSHIP IN THIS STATE.	
The General	Assembly of North Carolina enacts:	
S	ECTION 1. G.S. 20-286 is amended by adding a new subdivision:	
"((9a) Motorcoach A commercial bus designed or used to transport pass	engers
	for compensation with (i) a gross vehicle weight rating of at least ?	26,000
	pounds; (ii) a seating capacity of 16 or more designated positions, inc	luding
	the driver; and (iii) no less than two rows of passenger seats rearward	of the
	driver's seating position that are forward-facing or can be conver	ted to
	forward-facing without the use of tools."	
S	ECTION 2. G.S. 20-305.2(b) reads as rewritten:	
"(b) Si	ubsection (a) of this section does not apply to manufacturers or distributors	of (i)
trailers or ser	mitrailers that are not recreational vehicles as defined in G.S. 20-4.01.G.S. 2	0-4.01
or (ii) motoro	coaches "	

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





HOUSE BILL 564: Exempt Motorcoach Manufacturer & Distributor

2015-2016 General Assembly

Analysis of:

Committee: House Commerce and Job Development, if

Date:

April 22, 2015

favorable, Transportation

First Edition

Introduced by: Reps. Faircloth, Hardister, Blust, Brockman

Prepared by: Jennifer Mundt

Committee Staff

SUMMARY: House Bill 564 would exempt manufacturers and distributors of motorcoaches from the prohibition on owning, operating, or controlling a motor vehicle dealership in this State.

CURRENT LAW: The unfair methods of competition statute in the Motor Vehicle Dealers and Manufacturers Licensing Law (Law) (G.S. 20-305.1) provides that it is unlawful for any motor vehicle manufacturer, factory branch, distributor, distributor branch, or subsidiary thereof, to directly or indirectly through any subsidiary or affiliated entity, own any ownership interest in, operate, or control any motor vehicle dealership in this State. Under current law, there is an exemption to this prohibition for manufacturers or distributors of trailers or semitrailers that are not recreational vehicles.

BILL ANALYSIS: House Bill 564 would exempt manufacturers and distributors of motorcoaches from the prohibition on owning, operating, or controlling any motor vehicle dealership in North Carolina.

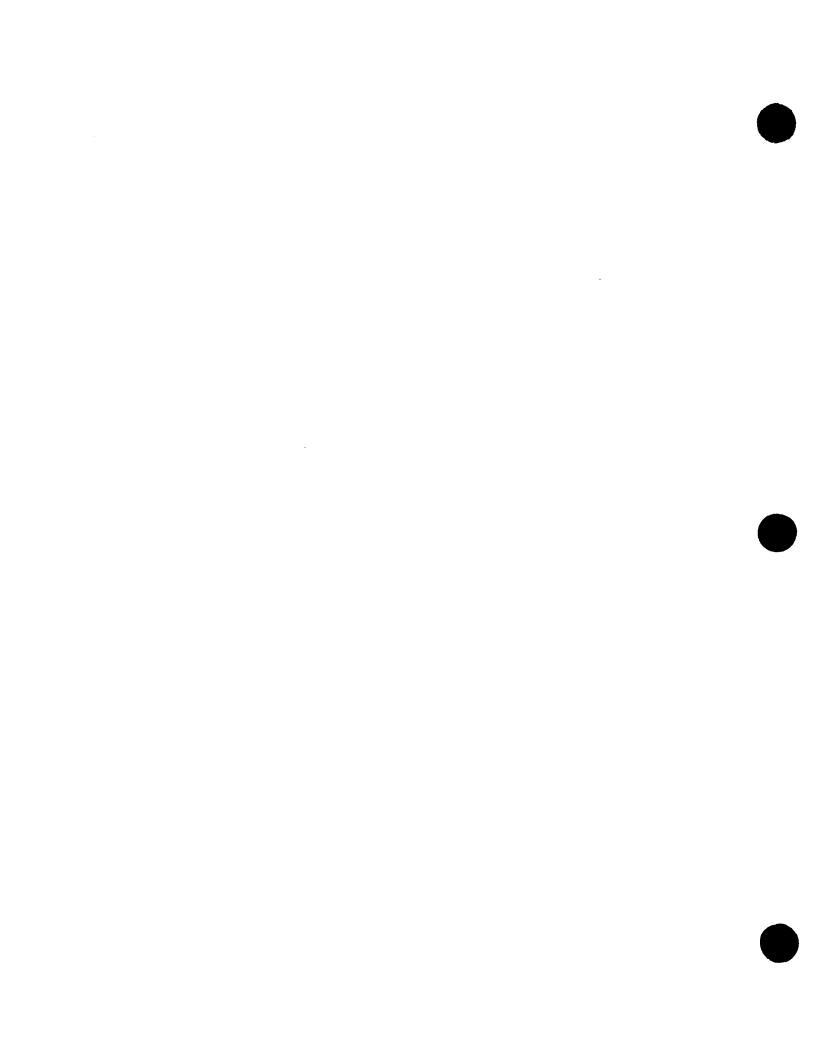
The bill would amend the Law to define the term "motorcoach" to mean a commercial bus designed or used to transport passengers for compensation with (i) a gross vehicle weight rating of at least 26,000 pounds; (ii) a seating capacity of 16 or more designated positions, including the driver; and (iii) no less than two rows of passenger seats rearward of the driver's seating position that are forward facing or can be converted to forward facing without the use of tools.

EFFECTIVE DATE: This act is effective when it becomes law.





Research Division (919) 733-2578



NORTH CAROLINA GENERAL ASSEMBLY HOUSE OF REPRESENTATIVES

COMMERCE AND JOB DEVELOPMENT COMMITTEE REPORT

Representative Debra Conrad, Co-Chair Representative Michele D. Presnell, Co-Chair Representative Stephen M. Ross, Co-Chair

FAVORABLE

HB 594 Clarify Sale of Antique & Specialty Vehicles.

Draft Number: None
Serial Referral: None
Recommended Referral: None
Long Title Amended: No
Floor Manager: Ross

FAVORABLE AND RE-REFERRED

HB 567 NC Aircraft Repair Act.

Draft Number: None

Serial Referral: TRANSPORTATION

Recommended Referral: None Long Title Amended: No Floor Manager: Ross

FAVORABLE COM SUB, UNFAVORABLE ORIGINAL BILL

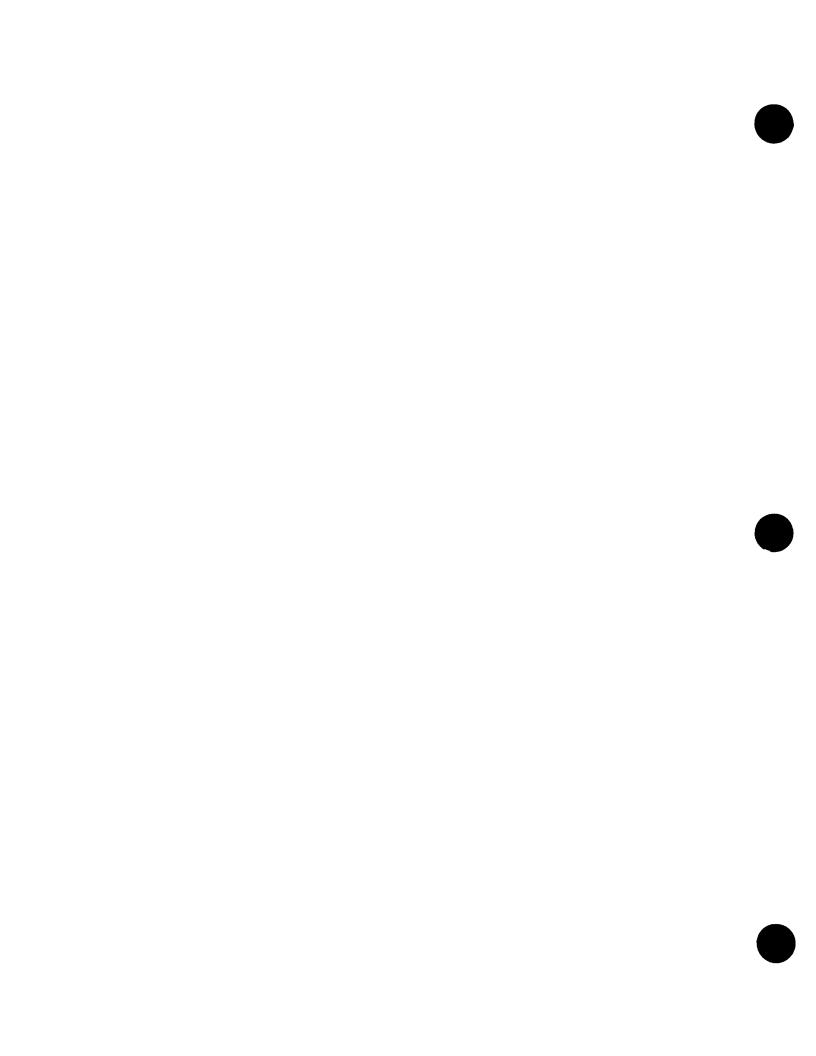
HB 779 IT Procurement/Promote Competition.

Draft Number: H779-PCS20322-RO-6

Serial Referral: None Recommended Referral: None Long Title Amended: No Floor Manager: Ross

TOTAL REPORTED: 3





House Committee on Commerce and Job Development Wednesday, April 22, 2015 at 2:00 PM Room 643 of the Legislative Office Building

MINUTES

The House Committee on Commerce and Job Development met at 2:00 PM on April 22, 2015 in Room 643 of the Legislative Office Building. Representatives Adams, Avila, J. Bell, Bradford, Brockman, B. Brown, Conrad, Fraley, Goodman, G. Graham, Horn, Malone, S. Martin, R. Moore, Presnell, Robinson, Ross, Shepard, Steinburg, Tine, Torbett, Wray, and Yarborough attended.

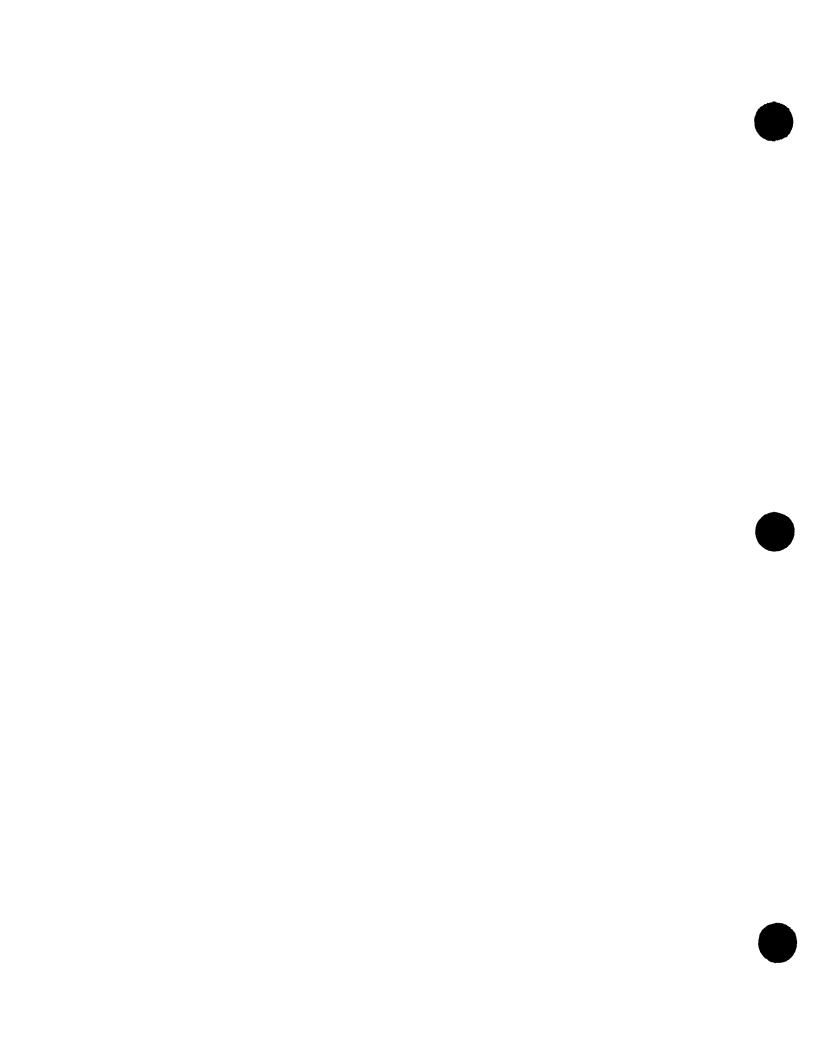
Representative Stephen M. Ross, Chair, presided. Representative Faircloth and Representative Hardister presented HB 564 Exempt Motorcoach Manufacturer & Distributor. (Representatives Faircloth, Hardister, Blust, Brockman). The Chair recognized two members of the public. Robert Glasier from the North Carolina Automobile Dealers Association and Steven Epstein from Poyner Spruill both spoke on the bill for 3 minutes each. The committee discussed the bill and asked the public speakers several questions. Vice Chair Representative Wray called for a roll call vote but the motion was not sustained. Representative Goodman motioned for a favorable report with a serial referral to the House Committee on Transportation. Division was called by Representative Yarborough. The Chair moved for a vote by show of hands. The final vote was 16 in favor and 7 against. HB 565 Exempt Motor coach Manufacturer & Distributor was given a favorable report with a serial referral to the House Committee on Transportation.

With no other business, the meeting adjourned at 2:45pm.

Representative Stephen M. Ross, Chair

Presiding

aura Spratley, Committee Clerk



House Committee on Commerce and Job Development Wednesday, April 22, 2015, 2:00 PM 643 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO. SHORT TITLE

HB 564 Exempt Motorcoach Manufacturer &

Distributor.

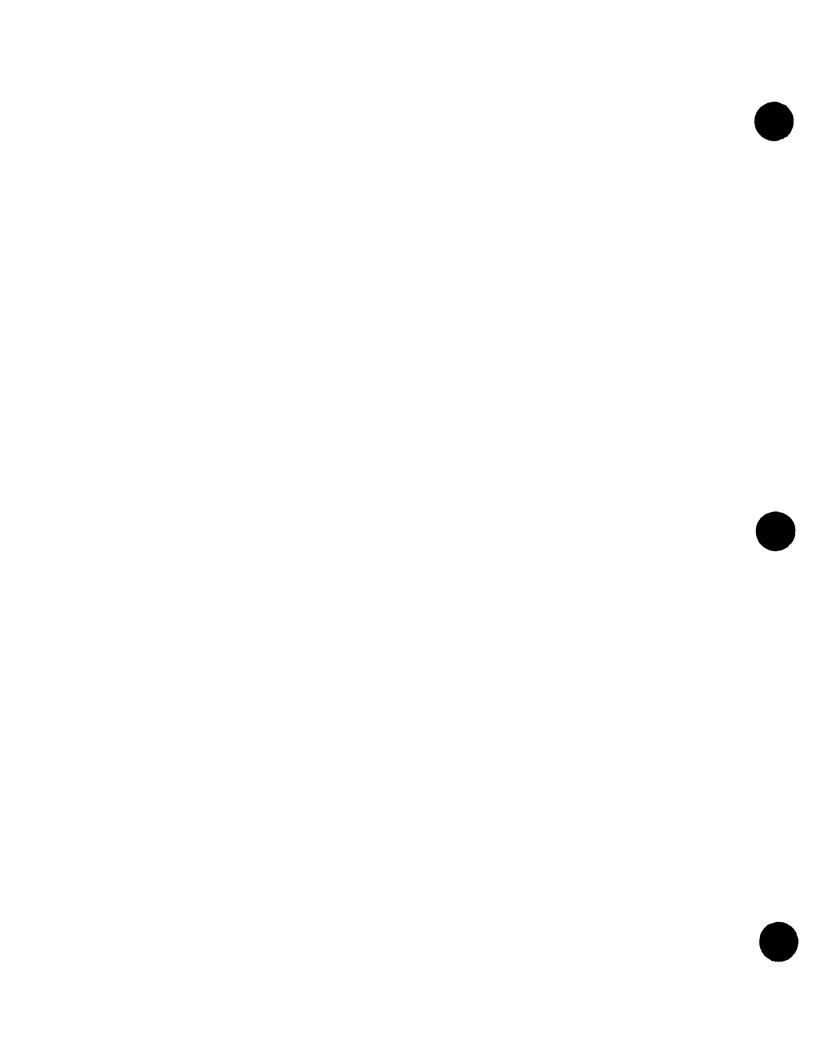
SPONSOR

Representative Faircloth Representative Hardister Representative Blust Representative Brockman

Presentations

Other Business

Adjournment



GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

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HOUSE BILL 564

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(Public) Short Title: Exempt Motorcoach Manufacturer & Distributor. Sponsors: Representatives Faircloth, Hardister, Blust, and Brockman (Primary Sponsors). For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site. Referred to: Commerce and Job Development, if favorable, Transportation. April 6, 2015 A BILL TO BE ENTITLED ACT **EXEMPT MANUFACTURERS** AND DISTRIBUTORS OF AN TO MOTORCOACHES FROM THE PROHIBITION ON OWNING, OPERATING, OR CONTROLLING A MOTOR VEHICLE DEALERSHIP IN THIS STATE. The General Assembly of North Carolina enacts: **SECTION 1.** G.S. 20-286 is amended by adding a new subdivision: "(9a) Motorcoach. - A commercial bus designed or used to transport passengers for compensation with (i) a gross vehicle weight rating of at least 26,000 pounds; (ii) a seating capacity of 16 or more designated positions, including the driver; and (iii) no less than two rows of passenger seats rearward of the driver's seating position that are forward-facing or can be converted to forward-facing without the use of tools." SECTION 2. G.S. 20-305.2(b) reads as rewritten: Subsection (a) of this section does not apply to manufacturers or distributors of (i) trailers or semitrailers that are not recreational vehicles as defined in G.S. 20-4.01.G.S. 20-4.01 or (ii) motorcoaches."

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





HOUSE BILL 564: Exempt Motorcoach Manufacturer & Distributor

2015-2016 General Assembly

Introduced by:

Analysis of:

Committee: House Commerce and Job Development, if

Date:

April 22, 2015

favorable, Transportation

First Edition

Reps. Faircloth, Hardister, Blust, Brockman

Prepared by: Jennifer Mundt

Committee Staff

SUMMARY: House Bill 564 would exempt manufacturers and distributors of motorcoaches from the prohibition on owning, operating, or controlling a motor vehicle dealership in this State.

CURRENT LAW: The unfair methods of competition statute in the Motor Vehicle Dealers and Manufacturers Licensing Law (Law) (G.S. 20-305.1) provides that it is unlawful for any motor vehicle manufacturer, factory branch, distributor, distributor branch, or subsidiary thereof, to directly or indirectly through any subsidiary or affiliated entity, own any ownership interest in, operate, or control any motor vehicle dealership in this State. Under current law, there is an exemption to this prohibition for manufacturers or distributors of trailers or semitrailers that are not recreational vehicles.

BILL ANALYSIS: House Bill 564 would exempt manufacturers and distributors of motorcoaches from the prohibition on owning, operating, or controlling any motor vehicle dealership in North Carolina.

The bill would amend the Law to define the term "motorcoach" to mean a commercial bus designed or used to transport passengers for compensation with (i) a gross vehicle weight rating of at least 26,000 pounds; (ii) a seating capacity of 16 or more designated positions, including the driver; and (iii) no less than two rows of passenger seats rearward of the driver's seating position that are forward facing or can be converted to forward facing without the use of tools.

EFFECTIVE DATE: This act is effective when it becomes law.







Research Division (919) 733-2578

NORTH CAROLINA GENERAL ASSEMBLY HOUSE OF REPRESENTATIVES

COMMERCE AND JOB DEVELOPMENT COMMITTEE REPORT

Representative Debra Conrad, Co-Chair Representative Michele D. Presnell, Co-Chair Representative Stephen M. Ross, Co-Chair

FAVORABLE AND RE-REFERRED

HB 564 Exempt Motorcoach Manufacturer & Distributor. None

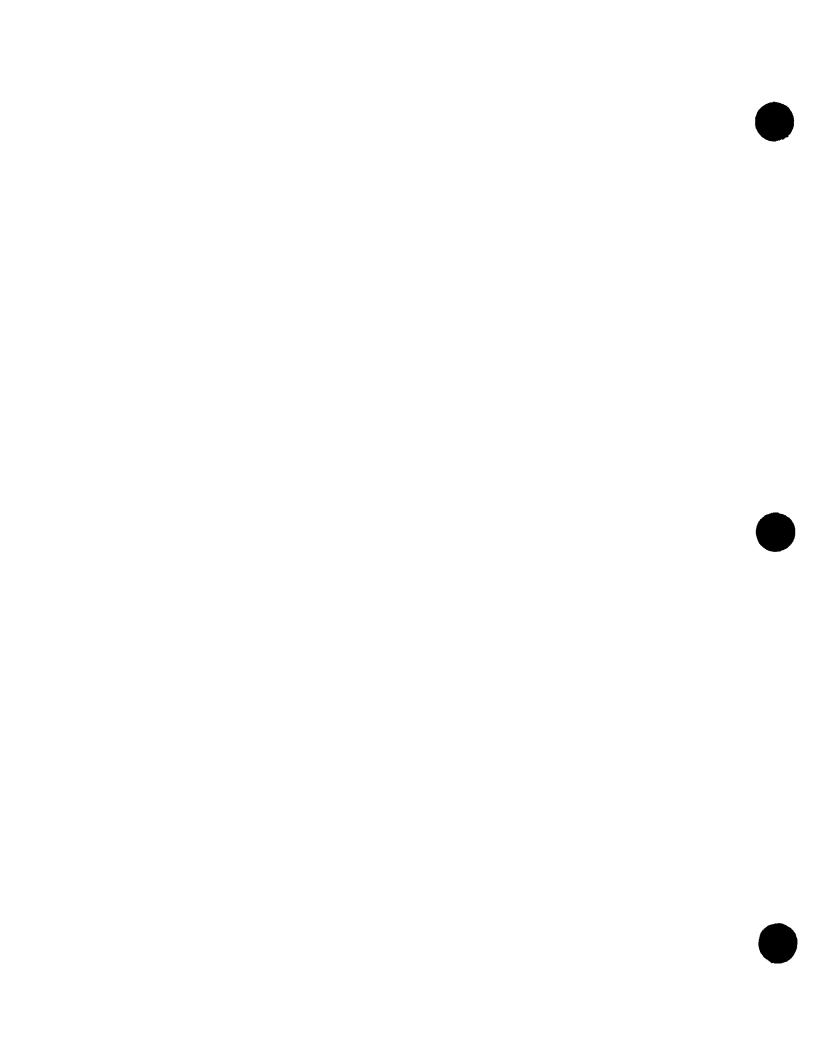
Draft Number:

Serial Referral: TRANSPORTATION

Recommended Referral: None Long Title Amended: No Floor Manager: Ross

TOTAL REPORTED: 1





House Committee on Commerce and Job Development Wednesday, April 29, 2015 at 11:00 AM Room 643 of the Legislative Office Building

MINUTES

The House Committee on Commerce and Job Development met at 11:00 AM on April 29, 2015 in Room 643 of the Legislative Office Building Representatives Adams Avila I. Bell

Bradford, Brawley, Brody, Conrad, Dollar, Fraley, Goodman, C. Graham, G. Graham, Hager, Hamilton, Holley, Horn, Hunter, Malone, S. Martin, McNeill, R. Moore, Presnell, B. Richardson, Ross, Steinburg, Terry, and Yarborough attended.
Representative Debra Conrad, Chair, presided.
The following bills were considered:
HB 898 Incentives-Based Recipient Education Reqs. (Representatives Hardister, Dobson, Meyer) was pulled from the committee.
HB 623 Device & Medical Equipmt Permit Requirements. (Representative Dobson) was displaced.
HB 890 Attract Nat'l HQs to NC. (Representatives Hanes, Jeter, R. Moore) was displaced.
The meeting adjourned at 11:30am

Clark Riemer, Committee Clerk

Representative Debra Conrad, Chair

Presiding

-	

House Committee on Commerce and Job Development Wednesday, April 29, 2015, 11:00 AM 643 Legislative Office Building

CHAIR'S AGENDA

Welcome and Opening Remarks

Representative Debra Conrad, Co-Chair Committee on Commerce and Job Development

Introduction of Pages and Sgt At Arms

Bills

BILL NO. SHORT TITLE

Incentives-Based Recipient

Education Reqs.

- Introduce PCS

SERIAL REFERRAL TO

EDUCATION - UNIVERSITIES

Pulled from committee

Device & Medical Equipmt Permit

Requirements.

- Introduce PCS

Displaced

HB 890 Attract Nat'l HQs to NC.

SERIAL REFERRAL TO

FINANCE

Representative Dobson

Representative Hardister

John Hoomani - Dept Commerce

Michael pickereli - Human

Robetions

Comission

Representative Dobson Representative Meyer

SPONSOR

Representative Hanes Representative Jeter Representative R. Moore

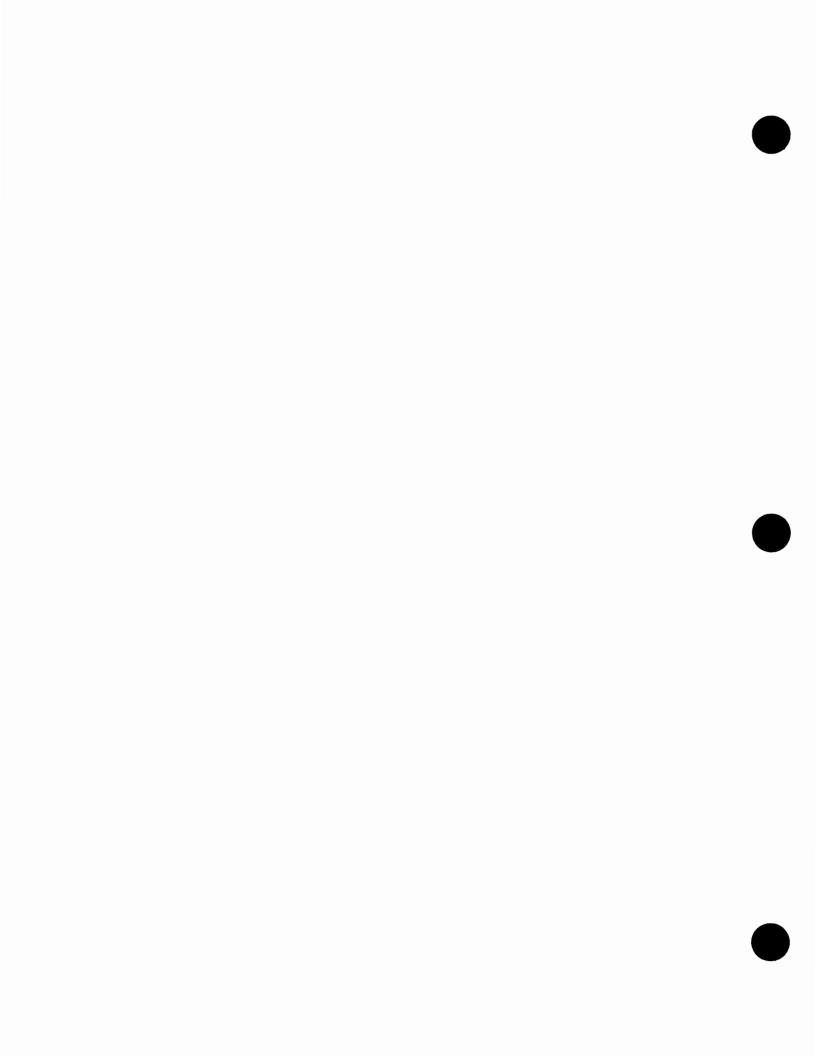
Adjournment

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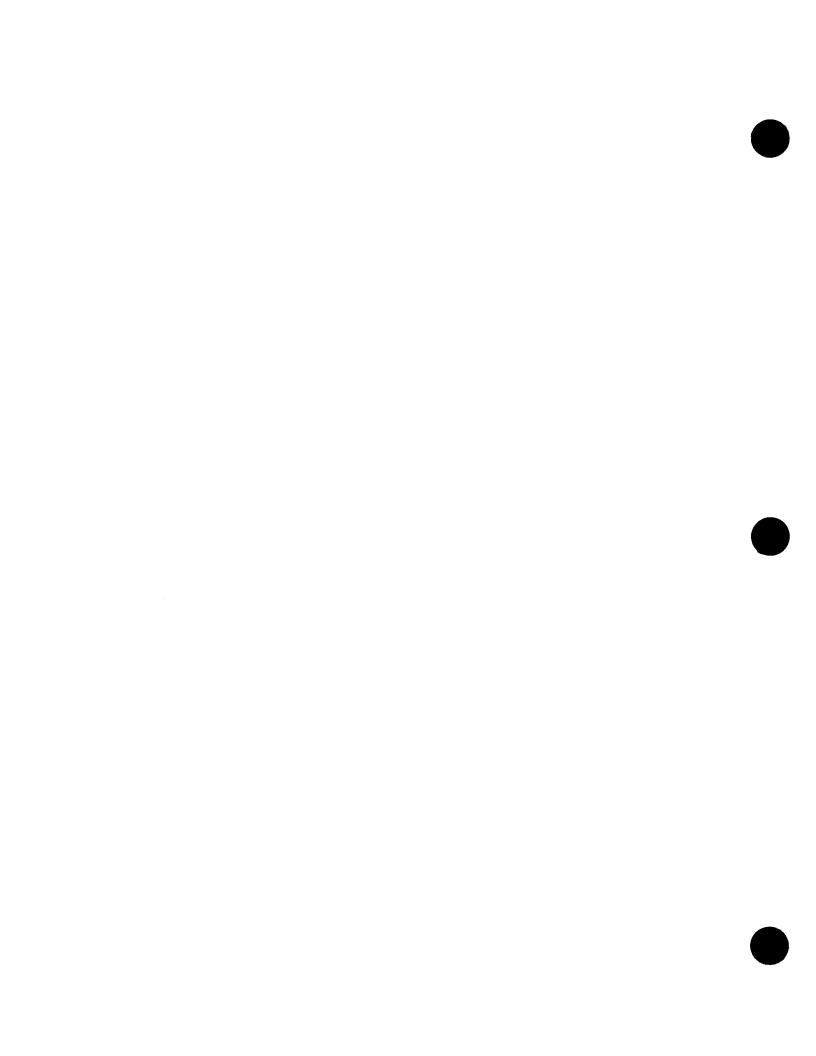
ATTENDANCE

House Committee on Commerce and Job Development 2015-16 Session

DATES	3-16-15	3-25-15	4-15-15	4-22-15	4-22-15	4-49-15				
CONRAD, Debra CO-CHAIR	X	X	χ	X	X	×				
PRESNELL, Michele CO-CHAIR	X	X	4	X	×	X				
ROSS, Stephen CO-CHAIR	X	X	K	×	1	X				
BRADFORD, John VICE-CHAIR	X	X	X	1	X	X				
BROWN, Brian VICE-CHAIR	X		X	X	X	X				
FRALEY, John VICE-CHAIR	X	X	X	X	X	X				
GOODMAN, Ken VICE-CHAIR	X	X	X	X	X	X				
GRAHAM, Charles VICE-CHAIR	X	X		X	KI	X				
HALL, Larry VICE-CHAIR	X	X		X						
MARTIN, Susan VICE-CHAIR	X	X	X	X	X	X				
MOORE, Rodney VICE-CHAIR	X	X	X	X	×	X				
RICHARDSON, Bobbie VICE-CHAIR	X	X	x	X		X				
ROBINSON, George VICE-CHAIR	X	X	X	X	X	1				
SZOKA, John VICE-CHAIR	X	X	/	X	,			1		
WRAY, Michael VICE-CHAIR	A	X	X	X	X					
ADAMS, Jay	X	X	X	X	X	X				
AVILA, Marilyn	X		X	X	X	X				
BELL, John	X	X	X	X	X					
BELL, Larry	X	X	X	X		X				
BOLES, James	A	X		X						
BRAWLEY, William	A		X	X		X	,			
BROCKMAN, Cecil	X	X	4	X	X					
BRODY, Mark	A	X	X	X		X				
BRYAN, Rob	X	X	X	X						
CATLIN, Rick	X	X	X	X						
DAVIS, Ted	X	X	K	X		,				



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HAGER, Mike	X	X	X	X		*				
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HOLLEY, Yvonne	X	X	X	X		X				
HORN, Craig	X	X	X		X	X				
HUNTER, Howard	X	X	X	X		X				
JACKSON, Darren	A									
LEWIS, David	A									
MALONE, Chris	X	X	X	X	M	X				
MCELRAFT, Pat	A		X							
MCGRADY, Chuck	A	X		X						
McNEILL, Allen	X	X	X	X		X				
MILLIS, Chris	X		X	X						
PIERCE, Garland	A		*	X		X				
SAINE, Jason	A			X						
SCHAFFER, Jacqueline	×		X							
SHEPARD, Phillip	X	X	X	×	X					
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YARBOROUGH, Larry	X	X	X	X	X					



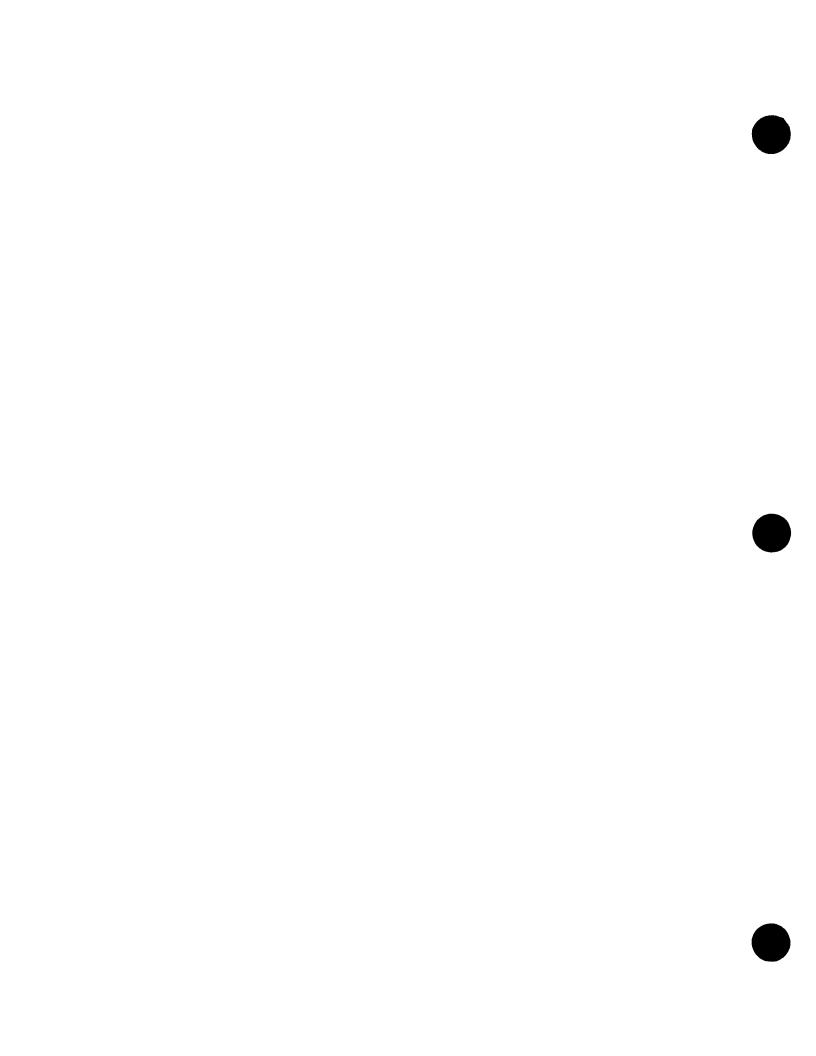
House Comm. on Commerce and Job Dev. 04/29/15

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

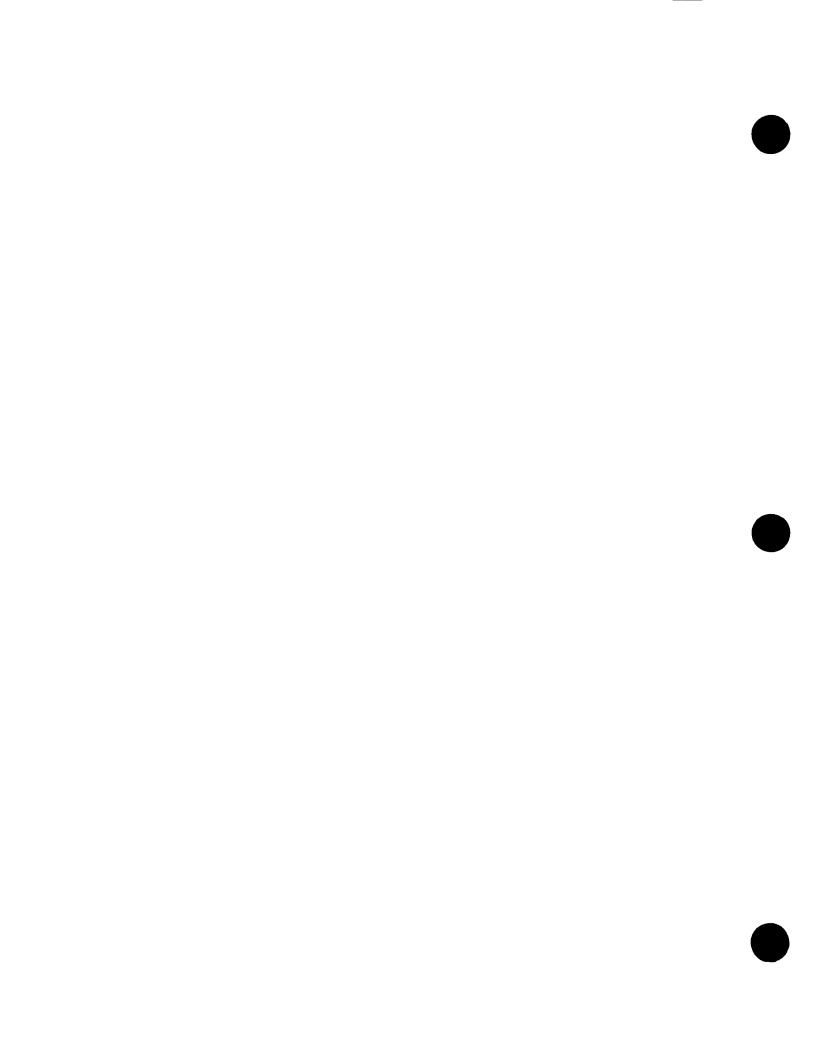
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Michael Picheelli	NC HRC
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Jelieia Gray- Watson	NCDPT/CTE
meredith Preloh	Lowes
Jogo Mome	Commerce /DWS



House Comm. on Commerce and Job Dev. 04/29/15

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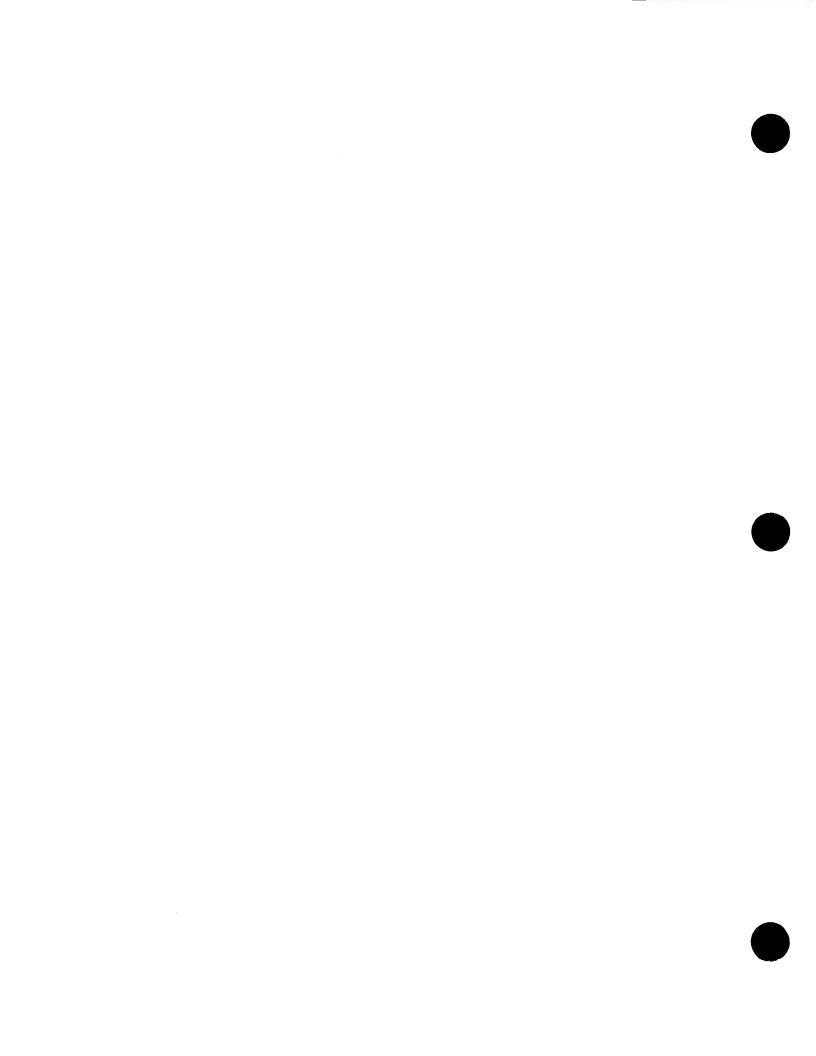
House Comm. on Commerce and Job Dev. 04/29/15 Name of Committee

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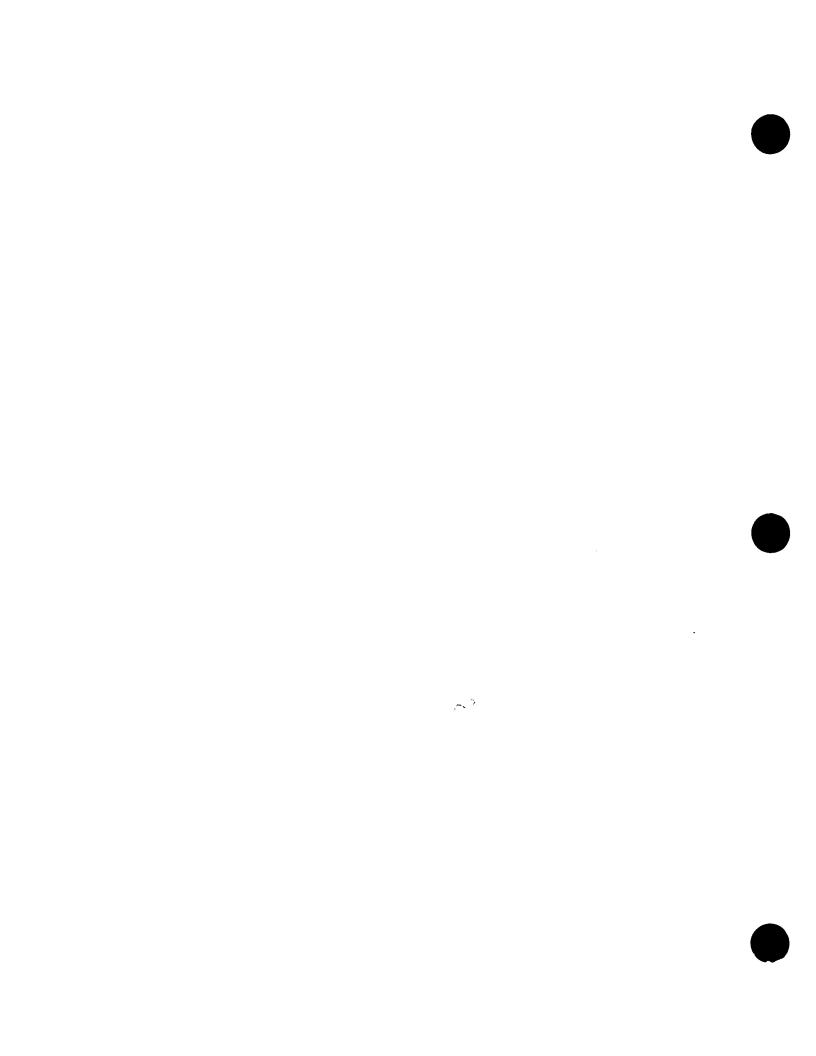
Julia adams Scheurch	LOO, HARD, NEARF, ISNC
TRACY CO LVAPA	AHHC
Brad Heath	Family Medical Supply, Inc.
B-eth Bowen	NC ASSn. for Medical Equipmet Su
Edgar Miller	.CTNC
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House Comm. on Commerce and Job Dev. 04/29/15 Name of Committee Date

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House Committee on Commerce and Job Development Wednesday, May 6, 2015 at 11:00 AM Room 643 of the Legislative Office Building

MINUTES

The House Committee on Commerce and Job Development met at 11:00 AM on May 6, 2015 in Room 643 of the Legislative Office Building. Representatives Adams, Avila, J. Bell, L. Bell, Boles, Bradford, Brockman, Brody, B. Brown, Bryan, Catlin, Conrad, Floyd, Fraley, G. Graham, Hager, L. Hall, Holley, Horn, Malone, S. Martin, McNeill, Pierce, Presnell, Richardson, Robinson, Ross, Shepard, Steinburg, Szoka, Terry, Tine, Torbett, and Yarborough attended (Attachment I). A Visitor Registration list is attached and made part of these minutes (Attachment II). A copy of the committee agenda is also attached (Attachment III).

Representative Michele D. Presnell, Chair, presided. She called the meeting to order at 11:00 a.m. She introduced the pages (Attachment IV) and the Sergeant-at-Arms staff (Attachment V).

Senate Bill 105 – Include No. Veterans Employed/Annual Report was considered (Attachment VI). Senator Harry Brown presented the bill to the committee.

After discussion from members, Connie Wilson, representing the Employers Coalition of North Carolina, was recognized to speak.

Following further discussion, Representative Horn offered an amendment. Following discussion on the amendment, Representative Horn withdrew the amendment.

Following further discussion on the bill, Representative Hager made a motion for a favorable report. Representative S. Martin seconded the motion. The chair called for the ayes and nays, and the committee voted in favor of the motion.

A Proposed Committee Substitute (PCS) for House Bill 482 was brought before the committee for discussion only (Attachment VII). Representative B. Brown motioned for the bill to be before the committee, and the chair called for the ayes and nays. The committee voted in favor of the motion, and the PCS was properly before the committee.

Members discussed the PCS. No action was taken.

House Bill 680 was not considered.

The committee report is attached and made part of these minutes (Attachment VIII).

The meeting adjourned at 11:50 a.m.

Representative Michele D. Presnell, Chair

Presiding

John Wall Committee Cierk

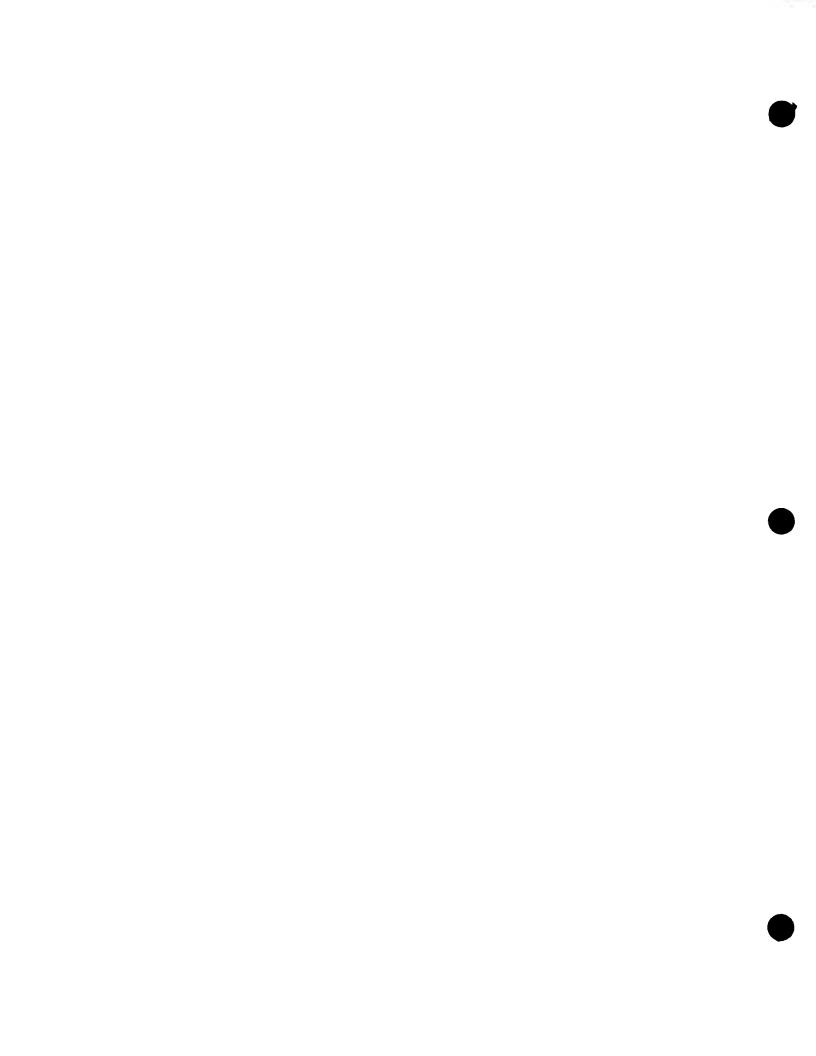
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ATTENDANCE

House Committee on Commerce and Job Development

2015-16 Session

DATES	3-16-15	3-25-15	4-151-15	4-22-15	4-22-15	4-29-5	シーはしい				
CONRAD, Debra CO-CHAIR	X	X	χ	X	X	×	X				
PRESNELL, Michele CO-CHAIR	X	X	4	X	×	X	X				
ROSS, Stephen CO-CHAIR	X	X	K	×	X	X	X				
BRADFORD, John VICE-CHAIR	X	X	X	1	X	X	X				
BROWN, Brian VICE-CHAIR	X		X	X	X	X	X				
FRALEY, John VICE-CHAIR	X	X	X	X	X	X	X				
GOODMAN, Ken VICE-CHAIR	X	X	X	X	X	X					
GRAHAM, Charles VICE-CHAIR	X	X		X	IKI	X					
HALL, Larry VICE-CHAIR	X	X		X		·	X				
MARTIN, Susan VICE-CHAIR	X	X	X	X	X	X	X.				
MOORE, Rodney VICE-CHAIR	X	X	X	X	X	X					
RICHARDSON, Bobbie VICE-CHAIR	X	X	x	X		X	×				
ROBINSON, George VICE-CHAIR	X	X	X	X	X	f	×				
SZOKA, John VICE-CHAIR	X	X	,	X	,		X				
WRAY, Michael VICE-CHAIR	A	X	X	X	X						
ADAMS, Jay	X	X	X	X	×	X	X				
AVILA, Marilyn	X		X	X	X	X	X				
BELL, John	X	X	X	XX	X		4				
BELL, Larry	X	X	x			X	X				
BOLES, James	A	X		X			X				
BRAWLEY, William	A		X	X		X					
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BRODY, Mark	A	X	X	X		X	X				
BRYAN, Rob	X	X	X	X			X				
CATLIN, Rick	X	X	X	X	Y		X				
DAVIS, Ted	X	X	X	X							



DOLLAR, Nelson	A	A,	A	X		X							
FLOYD, Elmer	X	X	x.	X			X						
GRAHAM, George	X	X	7	X	X	X	X						
HAGER, Mike	X	X	X	×		1	X						
HAMILTON, Susi	X	X	N	X		X		_					
HOLLEY, Yvonne	X	X	X	X		X	X				_		
HORN, Craig	X		X		X	X	K	_	-		-	-	
HUNTER, Howard	X	X	X	X		X			-	-	-		
JACKSON, Darren	A							_			-		
LEWIS, David	A	,			N. K.	/.		-		-	-		
MALONE, Chris	×	X	X	X	M	X	X	-					
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SAINE, Jason	A			X									
SCHAFFER, Jacqueline	*	V	X						-	-			
SHEPARD, Phillip	X	X	X	×	X	Xla	X	_		-			
STEINBURG, Bob	A	X	. /	X	X	No.	X	-	-	-			
TERRY, Evelyn	X	7	X	X	>/	XXX	N		-	-			
TINE, Paul	X	X	X	X	X		7			-			
TORBETT, John	X	1	X	X	X	3	X	+		-			
YARBOROUGH, Larry	X	X	X	X	X	a X	X						

House Comm. on Commerce and Job Dev.

05/06/15

Name of Committee

Date

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House Comm. on Commerce and Job Dev.

05/06/15 Date

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Caroline Wombie	Treasurer
Mike Corporter	NCHBA
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Jeff Moore	Commerce
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House Comm. on Commerce and Job Dev. 05/06/15

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Jenni Harris	UNCW- Wilmington NC 25403
Will Pary Here	NCHFA
Dall BURTON	LAHITMAN MASONRY PALEISAP
Canl Brooke	NC Justice Center Raleigh
Todd Barlow	.NC Advocates for Justice
KEONAKO JERNIGAN	THE JERNIGHD LAW FIRM
CHRISTINE RYAN	DEPT OF LABOR
Jane Gilchrist	NCDOL
Jennifer Harganiel	NCDOL :
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House Comm. on Commerce and Job Dev.

05/06/15

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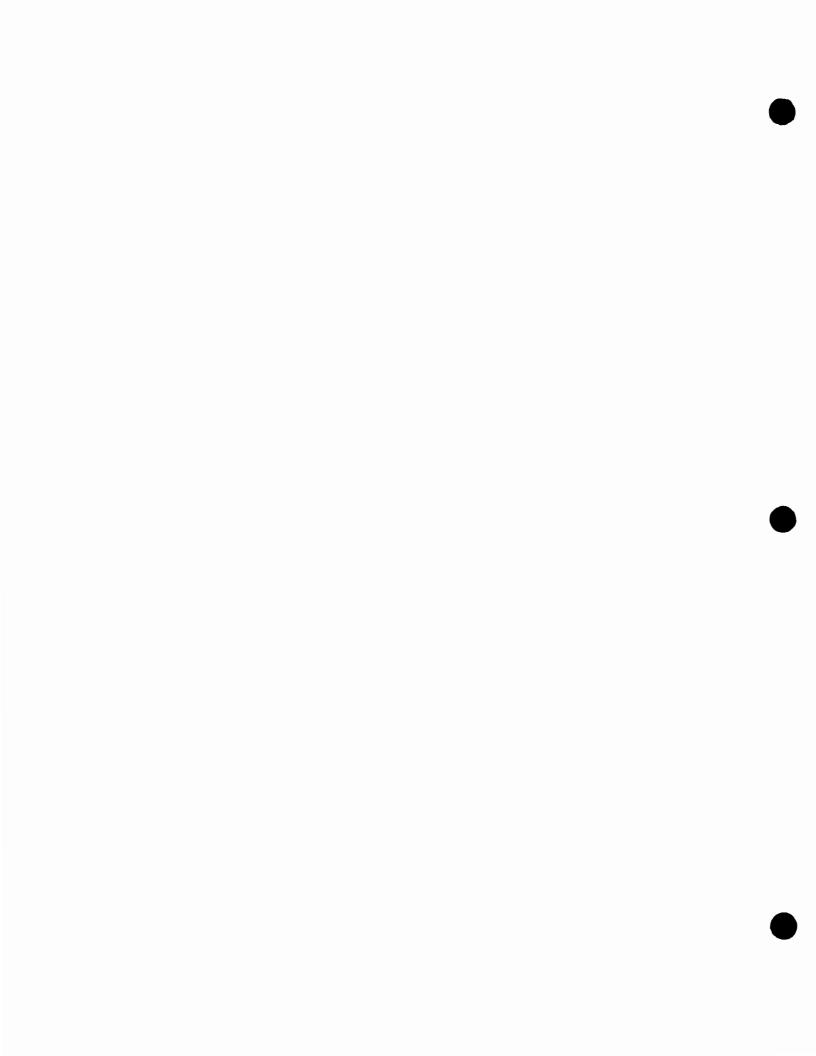
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House Comm. on Commerce and Job Dev. 05/06/15 Name of Committee Date

NAME	FIRM OR AGENCY AND ADDRESS
Edith Davis	NC Reinourance Facility
Tim Lucas	NC Rute Bureau
Robint Paschal	Young Moone
Bitsy Baily	CHICC
ann	.505
Kelly Thomas	DMV
Sawan McCind	Applachian State
Day Misken	PSG
Rochelle Sparre	CFSA:
Mether Fanna	NC DOT-17
Scott Jones	Whitsett Fire Dept.



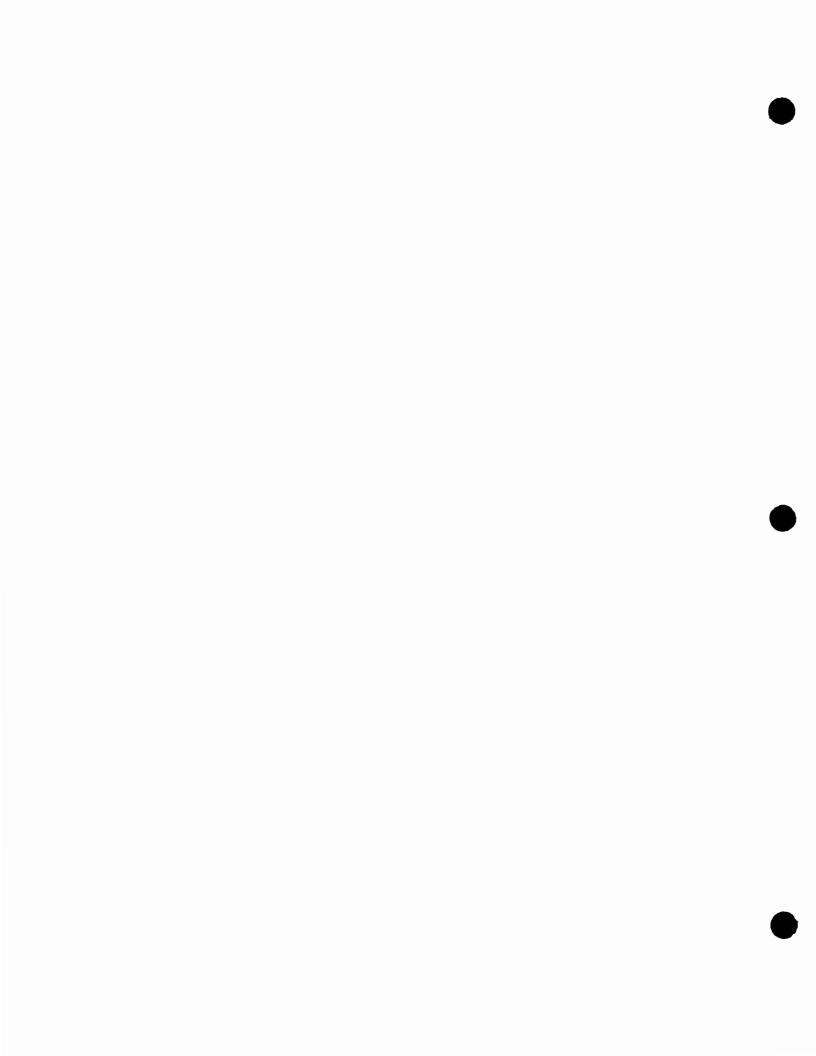
House Comm. on Commerce and Job Dev.

05/06/15

Name of Committee

Date

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Chame W. Sa-	ECNC
Nathan Batts	NCBA



House Comm. on Commerce and Job Dev.

05/06/15

Name of Committee

Date

NAME	FIRM OR AGENCY AND ADDRESS
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Grega Ro-pro	NFIB
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Michelle Brooks	E.C.U.
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2015-2016 House Committee on Commerce and Job Development

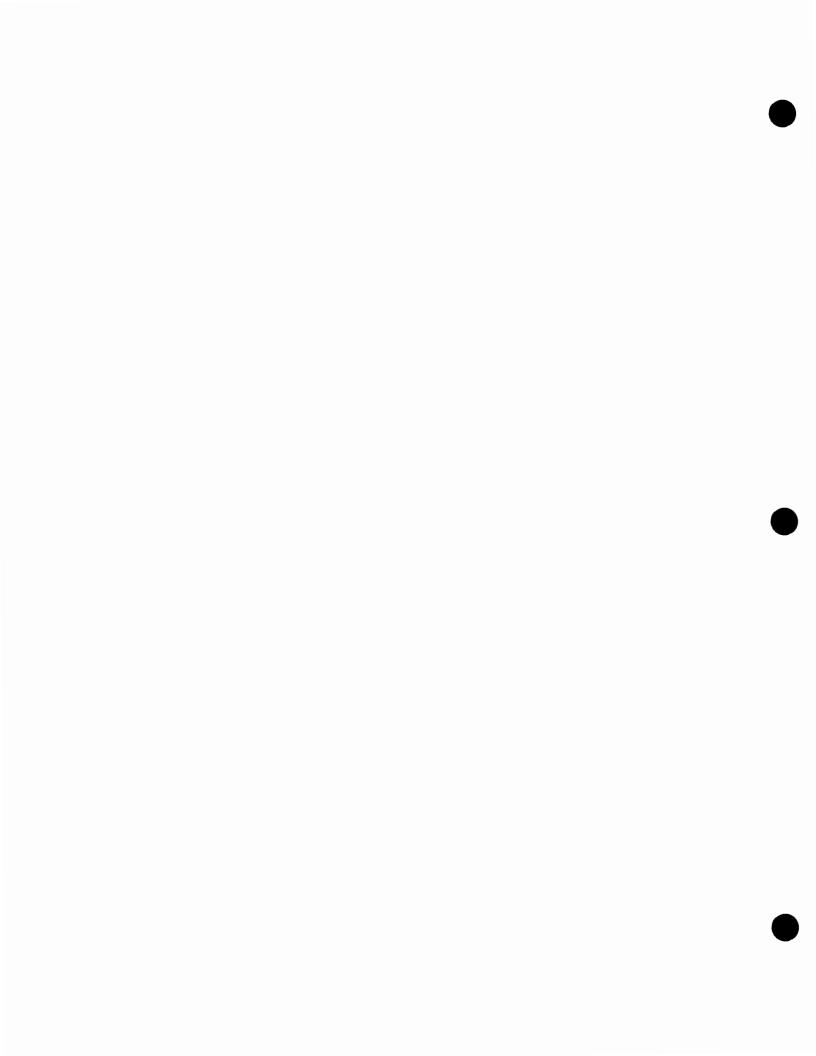
Date: May 5, 2015

Room: 643 LOB

Time: 11 a.m.

AGENDA

BILL NO.	SHORT TITLE	SPONSOR
SB 105	Include No. Veterans Employed/Annual Report.	Senator Brown
		Senator Meredith
HB 680	Regulate Transportation Network Companies.	Representative Brawley
		Representative Bradford
		Representative Saine
		Representative Hanes
HB 482	Employee Fair Classification Act.	Representative Pendleton
		Representative Blust
		Representative Szoka
		Representative Bishop



Attachment IV

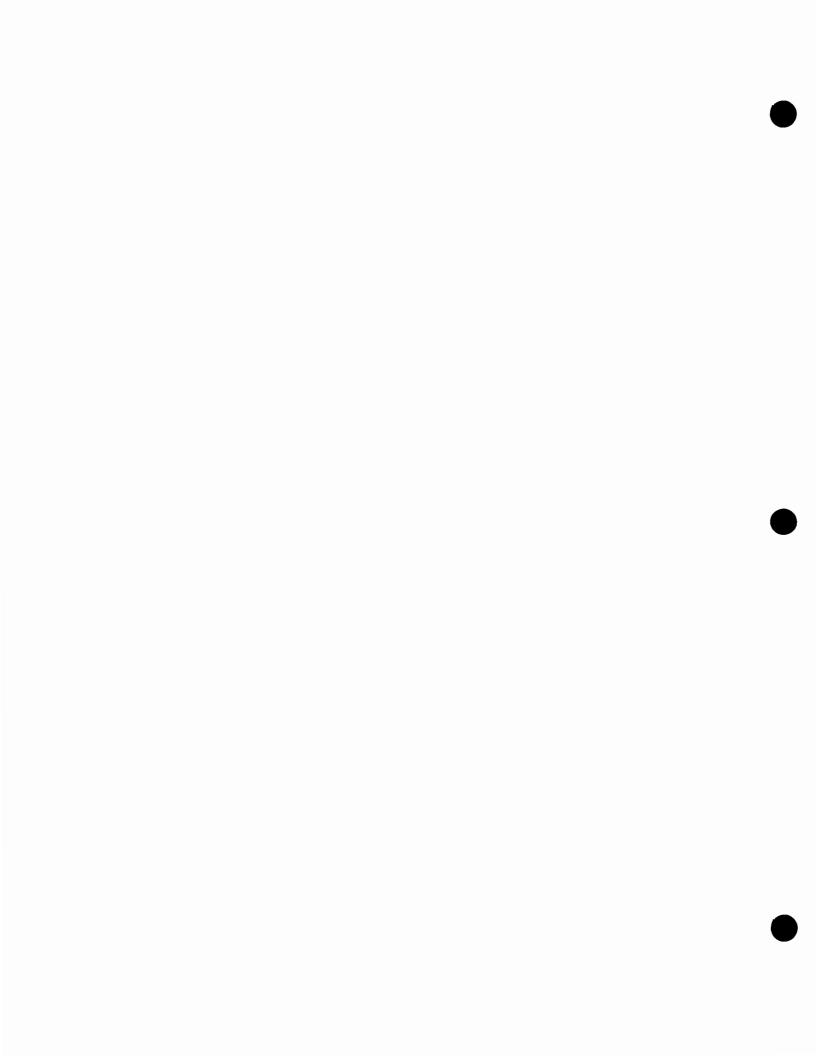
Wednesday, May 6

COMMERCE AND
JOB DEVELOPMENT

Room 643

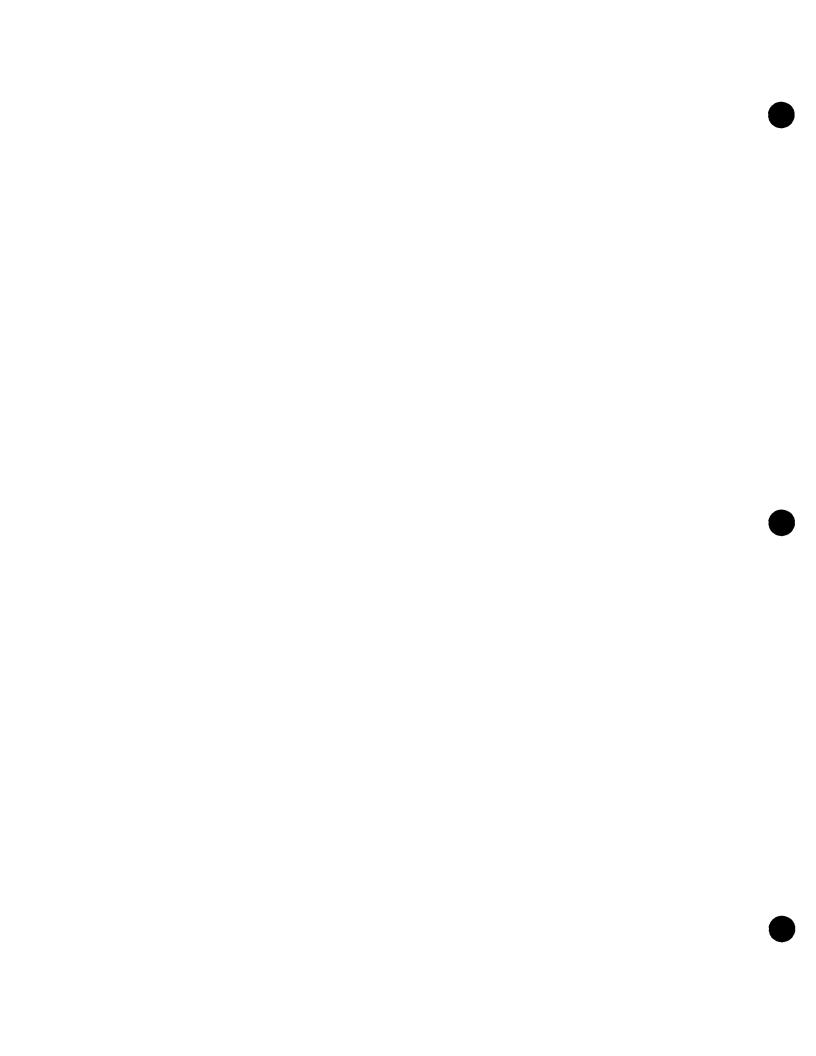
Time 11:00 am

Name	County	Sponsor	
Sophie Ketron	Wake	Jacqueline Michelle Schaffer	
Cody Moore	Northampton	Michael H. Wray	
Julia Southern	Surry	Sarah Stevens	
Charity Tomes	Hoke	Mark Brody	



Committee Sergeants at Arms

NAME OF COMMITTEE_	House Comm. on C	Commerce and Job Dev
DATE: <u>05/06/15</u>	Room:	643
	House Sgt-At Arms:	
1. Name: Young Bae		
2. Name: Bill Morris		
Name: Jim Moran		
4. Name: Cory Bryso	n	
5. Name:		
	Schate Sgt-At Arms:	
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GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

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SENATE BILL 105

Workforce and Economic Development Committee Substitute Adopted 3/25/15

Short Ti	tle: In	clude No. Veterans Employed/Annual Report.	(Public)
Sponsors	s:		
Referred	to:		
		February 23, 2015	
		A BILL TO BE ENTITLED	
AN AC	T TO R	EQUIRE THAT INFORMATION ABOUT THE NUMBER	OF VETERANS
EMF	PLOYED	BY A CORPORATION OR A LIMITED LIABILITY	COMPANY BE
INC	LUDED	IN ANNUAL REPORTS SUBMITTED BY THOSE CORP	ORATIONS.
The Gen		embly of North Carolina enacts:	
		FION 1. G.S. 55-16-22 reads as rewritten:	
"§ 55-16	5-22. Ar	inual report.	
(-2)	T1	and a second was a second by this and it is a fame in a	ntly proceeded by
(a3)		annual report required by this section shall be in a form joing Revenue and the Secretary of State. The Secretary of Revenue are secretary of Revenue and the Secretary of State.	
		to file an annual report. The Secretary of State shall prescrib	
		I report electronically and shall provide this form by elect	
		all set forth all of the following:	Torne means. The
amuam	(1)	The name of the corporation and the state or country und	er whose law it is
	(1)	incorporated.	or whose law is is
	(2)	The street address, and the mailing address if different	it from the street
	(-)	address, of the registered office, the county in which its i	
		located, and the name of its registered agent at that office	
		statement of any change of such registered office or re	
		both.	
	(3)	The address and telephone number of its principal office.	
	(4)	The names, titles, and business addresses of its principal of	
	(4a)	Repealed by Session Laws 1997-475, s. 6.1, effective Janu	ary 1, 1998.
	(5)	A brief description of the nature of its business.	
	<u>(6)</u>	The number of full-time equivalent employees employed	-
TC 41 .	C	in this State during the period covered by the report who as	
		on contained in the most recently filed annual report ha	
		that effect may be made instead of setting forth the inform	iation required by
	ions (2)	through (5) of this subsection.	
(i)	The f	following definitions apply in this section:	
	(1)	The number of full-time equivalent employees A number	r equal to the total
		number of hours worked during a particular year by	
		employer who are veterans, divided by 52, and then divide	d again by 40.
	(2)	Qualifying service. – Any of the following:	



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annual report has not changed, the limited liability company may certify in its annual report

as provided in the foreign LLC's certificate of authority.

The address and telephone number of its principal office.

A brief description of the nature of its business.

Qualifying service. – Any of the following:

The name of the limited liability company and, in the case of a foreign LLC,

any different name that the foreign LLC is authorized under Article 3 of

Chapter 55D of the General Statutes to use to transact business in this State,

In the case of a foreign LLC, the name of the jurisdiction under whose law

The street address, and the mailing address if different from the street

address, of the limited liability company's registered office in the State, the

county in which the registered office is located, the name of its registered

agent at that office, and a statement of any change of the registered office or

The names, titles, and business addresses of the limited liability company's

The number of full-time equivalent employees employed by the limited

liability company in this State during the period covered by the report who

The number of full-time equivalent employees. – A number equal to the total

number of hours worked during a particular year by employees of the

employer who are veterans, divided by 52, and then divided again by 40.

that the information has not changed in lieu of restating the information.

the foreign LLC is organized.

principal company officials.

The following definitions apply in this section:

registered agent.

are veterans.

The following information must be included in each annual report:

Session 2015

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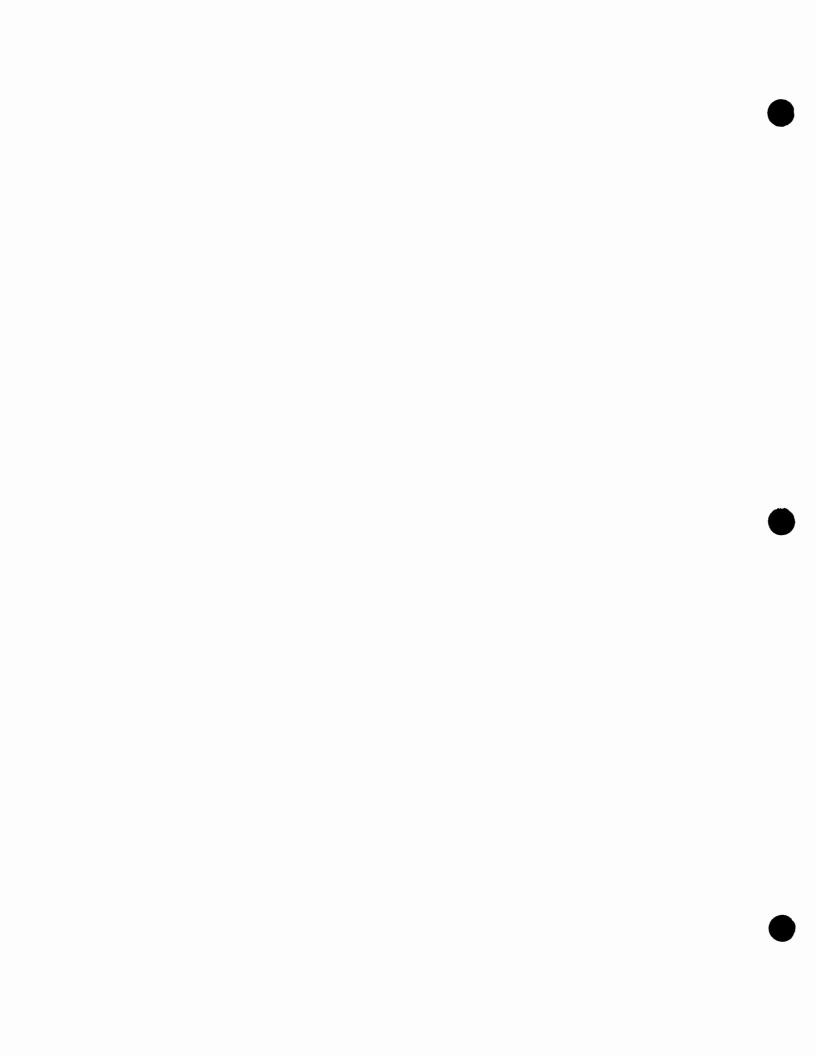
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reports submitted on or after that date.

S105 [Edition 2] Page 3



GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

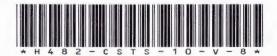
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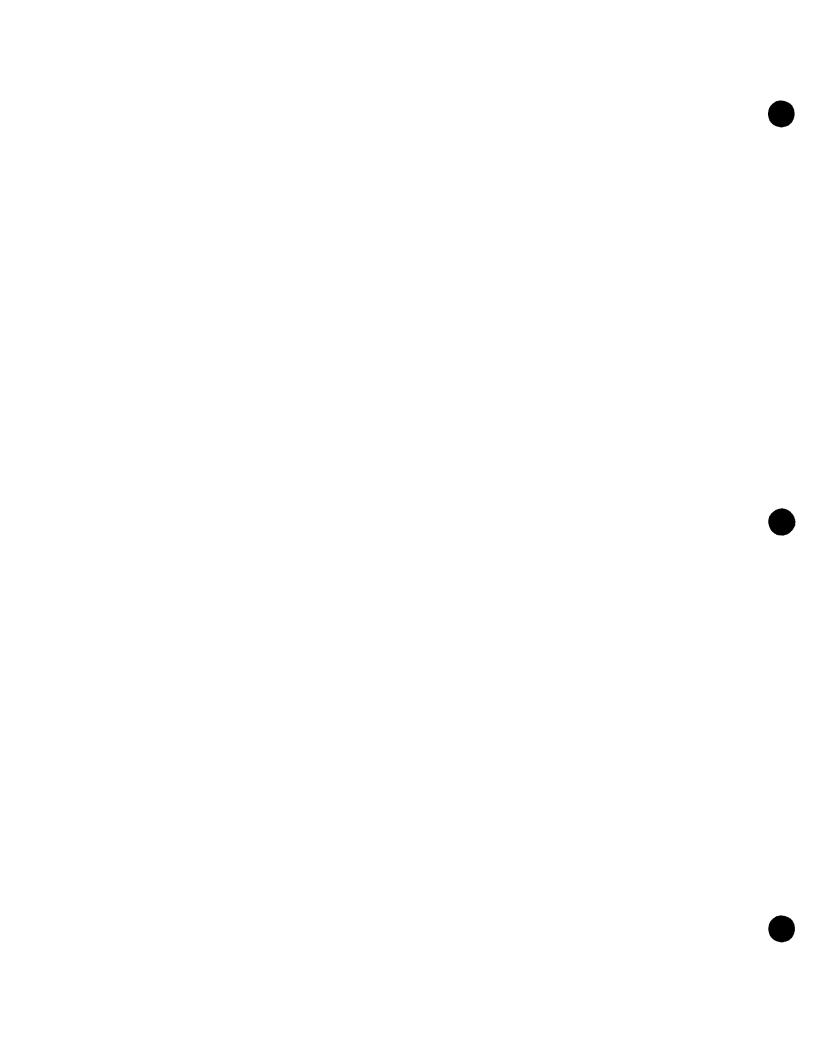
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HOUSE BILL 482 PROPOSED COMMITTEE SUBSTITUTE H482-CSTS-10 [v.8] 5/5/2015 7:52:43 PM (Public) Short Title: Employee Fair Classification Act. Sponsors: Referred to: April 2, 2015 1 A BILL TO BE ENTITLED AN ACT TO ENACT THE EMPLOYEE FAIR CLASSIFICATION ACT. 2 3 The General Assembly of North Carolina enacts: 4 5 EMPLOYEE MISCLASSIFICATION SECTION 1. Chapter 95 of the General Statutes is amended by adding a new 6 7 Article to read: 8 "Article 24. 9 "Employee Fair Classification Act. 10 "§ 95-275. Title. This Article shall be known and may be cited as the "Employee Fair Classification Act. 11 § 95-276. Definitions; scope. 12 13 The following definitions apply in this Article: (a) Employ. - To suffer or permit to work. An entity or individual shall not be 14 15 deemed to be an employer of an individual hired or otherwise engaged by or through the entity's or individual's independent contractor. 16 Employee. - Any individual that is defined as an employee by either 17 (2)G.S. 95-25.2(4), 95-47.1(6), 95-174, 96-1(10), 97-2(2), or 105-163.1(4). The 18 19 term does not mean an individual who is an independent contractor under G.S. 95-280. 20 21 Employee misclassification. – Avoiding tax liabilities and other obligations (3)imposed by Chapter 95, Chapter 96, Chapter 97, or Chapter 105 of the 22 General Statutes by misclassifying an employee as an independent 23 24 contractor. Employee Misclassification Task Force or Task Force. – The North Carolina 25 (4) 26 Employee Misclassification Task Force as established by this Article. 27 Employer. – Any entity or individual that employs one or more employees (5)28 as defined by subdivision (2) of this subsection. 29 Nothing in this Article shall be construed, or is intended, to change the definition of 30 "employer" or "employee" under any other provision of law. 31 (c) The provisions G.S. 95-280 are intended to codify the holding in Hayes v. Board of 32 Trustees of Elon College, 224 N.C. 11 (1944). 33 § 95-277 Establishment of Employee Misclassification Task Force; appointment of 34 director; salaries; other staff.



There is hereby created the North Carolina Employee Misclassification Task Force.



- General Assembly of North Carolina The Governor shall appoint a director of the Employee Misclassification Task Force 1 who shall serve a term of four years and devote full-time effort to the duties of the Task Force. 2 The director shall be the chief executive officer of the Employee Misclassification Task Force. 3 4 The director shall exercise authority in accordance with the provisions of Chapter 126 of the 5 General Statutes and the rules and policies of the State Human Resources Commission. 6 Notwithstanding the provisions of this Chapter, the director shall have such authority as is 7 necessary to direct and oversee the Task Force. The director may delegate any duties and 8 responsibilities as may be necessary to ensure the proper management of the Task Force. 9 Notwithstanding the provisions of this Chapter, Chapter 143A, and Chapter 143B of the General Statutes, the director may hire or fire personnel and transfer personnel within the Task 10 Force. The director's salary shall be as provided in the Current Operations Appropriations Act. 11 Appointment of the director is subject to confirmation by the General Assembly by 12 joint resolution. The name of director to be appointed by the Governor shall be submitted by 13 14 the Governor to the General Assembly for confirmation by the General Assembly on or before 15 April 1 of the year of expiration of the preceding term. If the Governor fails to timely submit 16 nominations, the General Assembly shall appoint to fill the succeeding term upon the joint recommendation of the President Pro Tempore of the Senate and the Speaker of the House of 17 18 Representatives in accordance with G.S. 120-121 not inconsistent with this section. 19
 - The Employee Misclassification Task Force shall be provided with adequate funding to provide the Task Force with investigators and staff necessary to meet the duties set forth in this Article. The Task Force shall be provided with adequate offices in which the Task Force's records shall be kept and its official business transacted during regular business hours. The Task Force shall also be provided with necessary office furniture, stationery, and other supplies.
 - The Office of the State Controller shall ensure that the Task Force is provided with (e) all necessary access to the Government Data Analytic Center and all other information technology services.

§ 95-278. Powers and duties of the Employee Misclassification Task Force.

- The Employee Misclassification Task Force shall have the following powers and (a) duties:
 - Be available during business hours to receive reports of employee (1) misclassification by telephonic, written, or electronic communication.
 - Investigate reports of employee misclassification, coordinate with, and assist **(2)** all relevant State agencies in recovering any back taxes, wages, benefits, penalties, or other monies owed as a result of an employer engaging in employee misclassification.
 - Assess administrative civil penalties for instances of employee (3) misclassification as set forth in this Article.
 - Where provided by law, coordinate with relevant State agencies and District **(4)** Attorneys' offices in the prosecution of employers and individuals who fail to pay civil assessments or penalties assessed as a result of the employer or individual's involvement in employee misclassification.
 - Provide all relevant information pertaining to each instance of reported (5)employee misclassification to the North Carolina Department of Labor, the North Carolina Department of Revenue, the North Carolina Division of Employment Security, and the North Carolina Industrial Commission to facilitate investigation of potential violations of Chapter 95, Chapter 96, Chapter 97, or Chapter 105 of the General Statutes.
 - Create a publicly available notice that includes the definition of employee (6)misclassification and indicates the civil penalties provided for in G.S. 95-279.

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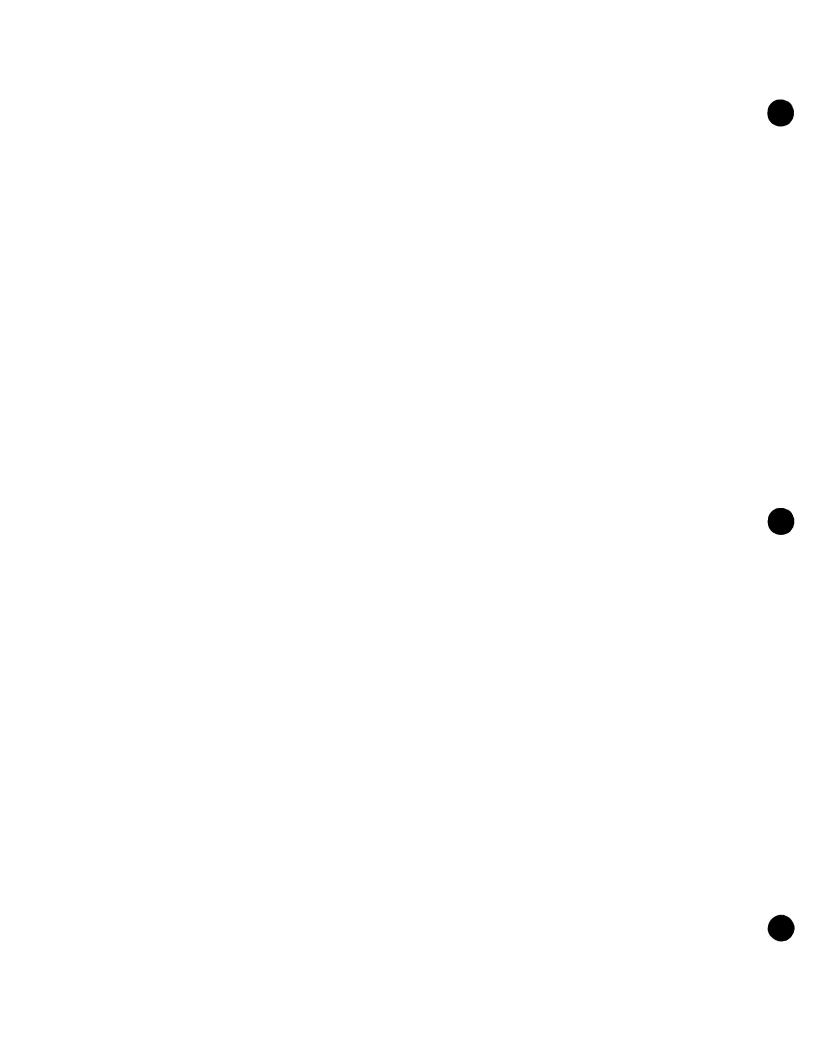
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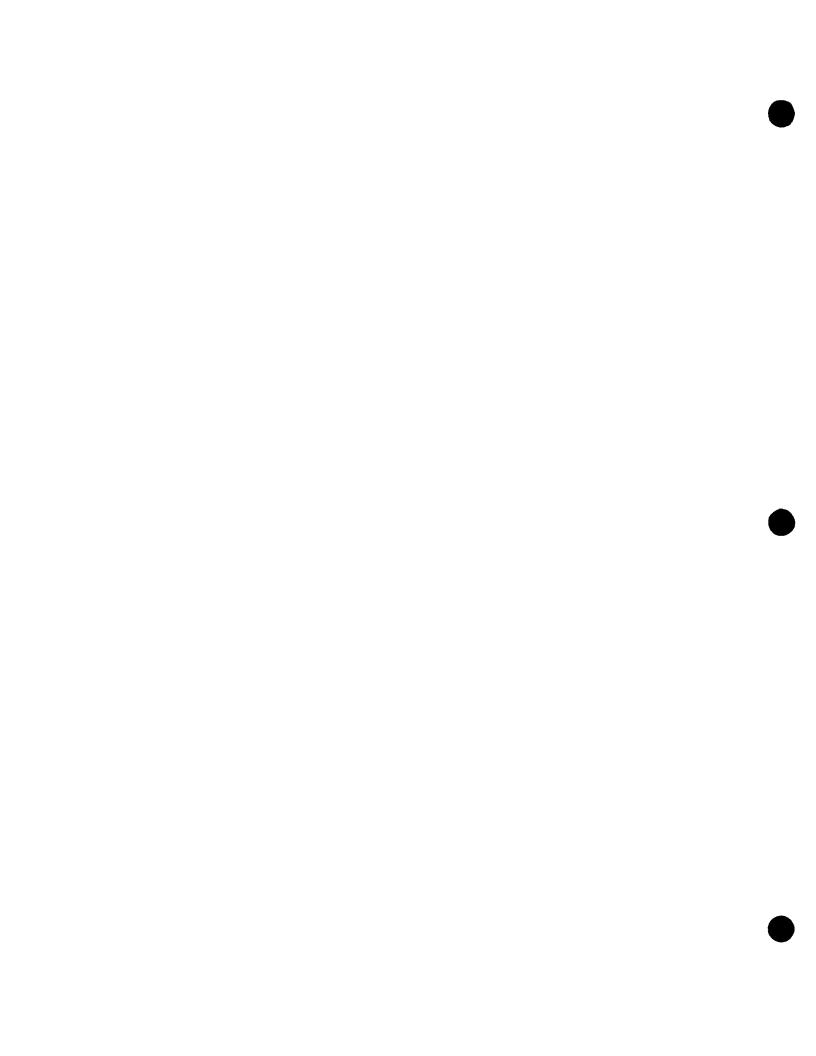
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The procedure shall be the same as in all other contested cases or civil actions, except that the review of the Task Force's findings and any accompanying penalties or sanctions shall be de novo for both factual findings and questions of law. Enforcement of the penalty shall be made by the Office of the Attorney General. The clear proceeds of penalties provided for in this subsection shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(c) Nothing in this section shall be construed to create a private right of action, at law or in equity, for the activities prohibited herein.

§ 95-280. Determination of independent contractor status.

- (a) The manner of compensation shall not be the sole factor in determining whether an individual is an independent contractor for purposes of this Article. The following factors shall be considered in determining whether an individual is an independent contractor:
 - (1) Whether the individual is engaged in an independent business, calling, or occupation.
 - (2) Whether the individual is to have the independent use of his or her special skill, knowledge, or training in the execution of the work.
 - (3) Whether the individual is doing a specified piece of work at a fixed price or for a lump sum or upon a quantitative basis.
 - (4) Whether the individual is not subject to discharge because he or she adopts one method of doing the work rather than another.
 - (5) Whether the individual is in the regular employ of the contracting party.
 - (6) Whether the individual is free to use such assistants as he or she may think proper.
 - (7) Whether the individual has full control over such assistants.
 - (8) Whether the individual selects his or her own time.

The presence of one or more of the factors is not controlling, nor is the presence of all of the foregoing factors required in determining whether an individual is an independent contractor.

(b) Other factors consistent with the opinion set forth in *Hayes v. Board of Trustees of Elon College*, 224 N.C. 11 (1944) may also be considered in determining independent contractor status.

§ 95-281. Temporary amnesty program.

- (a) The Employee Misclassification Task Force shall establish and administer a temporary amnesty program for the purpose of encouraging voluntary self-reporting by employers currently engaging in employee misclassification. Every employer participating in the temporary amnesty program shall be immune from the civil penalties provided for in G.S. 95-279 for past instances of employee misclassification that are voluntarily self-reported by the employer in accordance with the procedures of the temporary amnesty program.
- (b) The Task Force shall establish procedures for participation in the temporary amnesty program. These procedures shall require, at a minimum, that a participating employer:
 - File an application with the Task Force on a form prescribed by the Task Force on or before April 1, 2016. This form shall require, at a minimum, the employer's name, physical address, mailing address, telephone number, Social Security number or taxpayer ID number, and disclosure of all actual or potential instances of employee misclassification. If available, this form shall require the employer's registered agent, drivers license number, license number(s) and issuing agency of all licenses issued by a State licensing board.
 - (2) Comply with any and all determinations made or directives issued by the Task Force pertaining to the employer's application and compliance with this Article.

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(c) Nothing in this section shall be construed to limit the liability of a participating employer in any civil or criminal matter not provided for by this Article.

"§ 95-282. Confidentiality; access to records.

The records of the Employee Misclassification Task Force that are not civil penalty assessments under G.S. 95-270(b), or final orders relating to an appeal of a civil penalty assessment, insofar as they refer to reported violations, investigations, or other enforcement actions taken by the Task Force, are not public records under G.S. 132-1, but are subject to inspection by State and federal agencies as required by the provisions of this Chapters 95, 96, 97, and 105 of the General Statutes.

§ 95-283. Occupational licensing boards and commissions; notice requirement; applicant certification; sanctions.

- (a) Every State occupational licensing board or commission that is authorized to issue any license, permit, or certification shall include on every application for licensure, permit, or certification, or application for renewal of the same, a certification that the applicant has read and understands the employee misclassification notice set forth in G.S. 95-278(a)(6).
- (b) Every applicant for a license, permit, or certification issued by a State occupational licensing board or commission shall truthfully certify on the appropriate application that the applicant has read and understands the employee misclassification notice set forth in G.S. 95-278(a)(6).
- (c) An occupational licensing board or commission shall deny the license, permit, or certification application of any applicant who fails to comply with the certification requirement set forth in subsection (b) of this section.
- Whenever the licensee, permittee, or certificate holder of an occupational licensing board or commission is found by the Task Force to have engaged in employee misclassification, the occupational licensing board or commission may revoke such license, permit, or certificate and deny and refuse to grant any renewal or other application therefor until the licensee, permittee, certificate holder or applicant shall have furnished evidence sufficient to the Task Force of compliance with G.S. 95-279(a).

§ 95-284. Retaliation prohibited.

No employer shall retaliate against or coerce, intimidate, threaten, or interfere with an employee who reports or cooperates with the Task Force in investigations or other proceedings regarding employee misclassification."

SECTION 2. G.S. 95-25.15(c) reads as rewritten:

- "(c) A poster summarizing the major provisions of this Article shall be displayed in every establishment subject to this Article. This poster shall also include notice indicating the following:
 - (1) Any worker who is defined as an employee by either G.S. 95-25.2(4), 95-47.1(6), 95-174, 96-1(10), 97-2(2), or 105-163.1(4) shall be treated as an employee unless the individual is an independent contractor.
 - (2) Any employee who believes that they have been misclassified as an independent contractor by their employer may report the suspected misclassification to the Employee Misclassification Task Force.
 - (3) The physical location, mailing address, telephone number, and e-mail address where alleged incidents of employee misclassification may be reported to the Employee Misclassification Task Force."

SECTION 3. G.S. 97-2(2) reads as rewritten:

"§ 97-2. Definitions.

When used in this Article, unless the context otherwise requires:

(2) Employee. – The term "employee" means every person engaged in an employment under any appointment or contract of hire or apprenticeship,



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express or implied, oral or written, including aliens, and also minors, whether lawfully or unlawfully employed, but excluding persons whose employment is both casual and not in the course of the trade, business, profession, or occupation of his employer, and as relating to those so employed by the State, the term "employee" shall include all officers and employees of the State, including such as are elected by the people, or by the General Assembly, or appointed by the Governor to serve on a per diem, part-time or fee basis, either with or without the confirmation of the Senate; as relating to municipal corporations and political subdivisions of the State, the term "employee" shall include all officers and employees thereof, including such as are elected by the people. The term "employee" shall include members of the North Carolina National Guard while on State active duty under orders of the Governor and members of the North Carolina State Defense Militia while on State active duty under orders of the Governor. The term "employee" shall include deputy sheriffs and all persons acting in the capacity of deputy sheriffs, whether appointed by the sheriff or by the governing body of the county and whether serving on a fee basis or on a salary basis, or whether deputy sheriffs serving upon a full-time basis or a part-time basis, and including deputy sheriffs appointed to serve in an emergency, but as to those so appointed, only during the continuation of the emergency. The sheriff shall furnish to the board of county commissioners a complete list of all deputy sheriffs named or appointed by him immediately after their appointment and notify the board of commissioners of any changes made therein promptly after such changes are made. Any reference to an employee who has been injured shall, when the employee is dead, include also the employee's legal representative, dependents, and other persons to whom compensation may be payable: Provided, further, that any employee, as herein defined, of a municipality, county, or of the State of North Carolina, while engaged in the discharge of the employee's official duty outside the jurisdictional or territorial limits of the municipality, county, or the State of North Carolina and while acting pursuant to authorization or instruction from any superior officer, shall have the same rights under this Article as if such duty or activity were performed within the territorial boundary limits of their employer.

Every executive officer elected or appointed and empowered in accordance with the charter and bylaws of a corporation shall be considered as an employee of such corporation under this Article.

Any such executive officer of a corporation may, notwithstanding any other provision of this Article, be exempt from the coverage of the corporation's insurance contract by such corporation's specifically excluding such executive officer in such contract of insurance, and the exclusion to remove such executive officer from the coverage shall continue for the period such contract of insurance is in effect, and during such period such executive officers thus exempted from the coverage of the insurance contract shall not be employees of such corporation under this Article.

All county agricultural extension service employees who do not receive official federal appointments as employees of the United States Department of Agriculture and who are field faculty members with professional rank as designated in the memorandum of understanding between the North Carolina Agricultural Extension Service, North Carolina State University, A & T State University, and the boards of county commissioners shall be

Any sole proprietor or partner of a business or any member of a limited liability company may elect to be included as an employee under the workers' compensation coverage of such business if he is actively engaged in the operation of the business and if the insurer is notified of his election to be so included. Any such sole proprietor or partner or member of a limited liability company shall, upon such election, be entitled to employee benefits and be subject to employee responsibilities prescribed in this Article.

Employee" shall include an authorized pickup firefighter of the North Carolina Forest Service of the Department of Agriculture and Consumer Services when that individual is engaged in emergency fire suppression activities for the North Carolina Forest Service. As used in this section, "authorized pickup firefighter" means an individual who has completed required fire suppression training as a wildland firefighter and who is available as needed by the North Carolina Forest Service for emergency fire suppression activities, including immediate dispatch to wildfires and standby for initial attack on fires during periods of high fire danger.

It shall be a rebuttable presumption that the term "employee" shall not include any person performing services in the sale of newspapers or magazines to ultimate consumers under an arrangement whereby the newspapers or magazines are to be sold by that person at a fixed price and the person's compensation is based on the retention of the excess of the fixed price over the amount at which the newspapers or magazines are charged to the person."

SECTION 4. G.S. 97-5.1 is repealed.

thereof.

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LOCAL GOVERNMENT BUSINESS REGULATIONS

SECTION 5.(a) G.S. 153A-134 is amended by adding a new subsection to read:

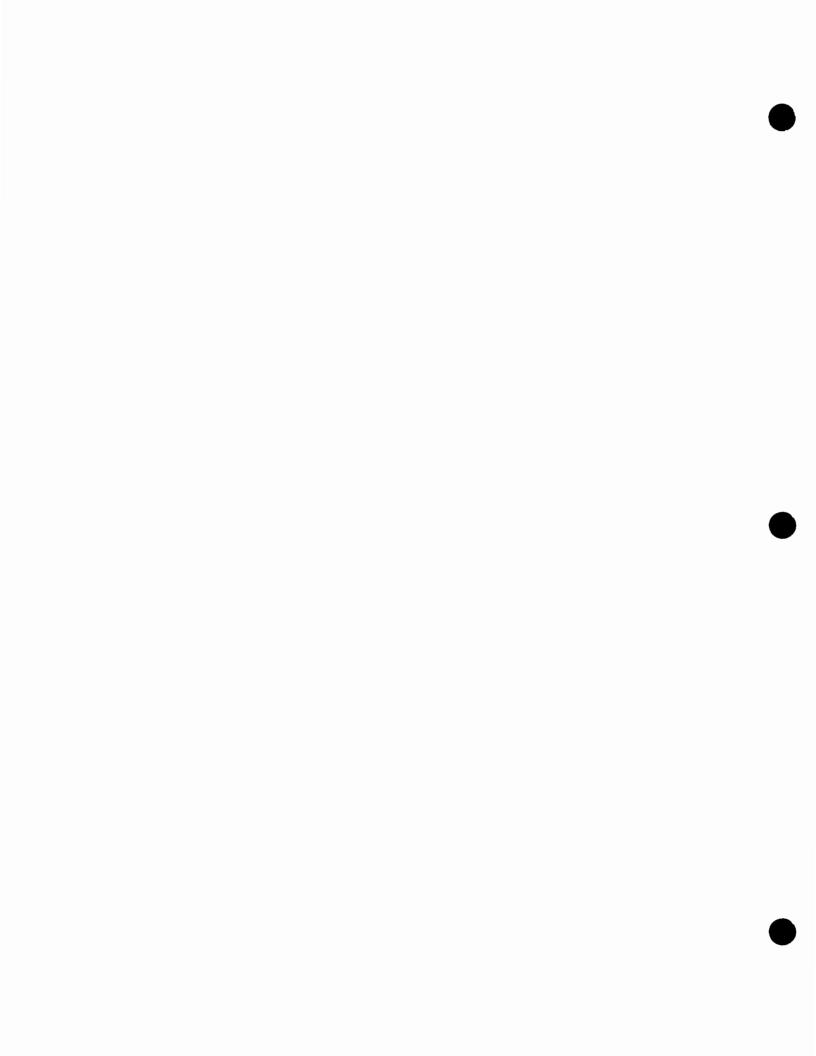
"(d) An applicant subject to regulation and licensure by a county under this section shall certify to the county that the applicant has read and understands the employee misclassification notice as provided by G.S. 95-278(a)(6)."

SECTION 5.(b) G.S. 160A-194 is amended by adding a new subsection to read:

"(d) An applicant subject to regulation and licensure by a city under this section shall certify to the county that the applicant has read and understands the employee misclassification notice as provided by G.S. 95-278(a)(6)."

STATE GOVERNMENT CONTRACTS

SECTION 6. G.S. 143-59.2(a) reads as rewritten:



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Ineligible Vendors. - A vendor is not entitled to enter into a contract for goods or services with any department, institution, or agency of the State government subject to the provisions of this Article if any officer or director of the vendor, or any owner if the vendor is an unincorporated business entity, within five years prior to the date of the bid solicitation, has been assessed a civil penalty pursuant to G.S. 95-279(b) that has been upheld upon final adjudication, or within 10 years immediately prior to the date of the bid solicitation, has been convicted of any violation of Chapter 78A of the General Statutes or the Securities Act of 1933 or the Securities Exchange Act of 1934."

AUTHORITY TO ISSUE STOP-WORK ORDERS

SECTION 8. Article 1 of Chapter 97 of the General Statutes is amended by adding a new section to read:

"97-101.2. Commission may issue stop-work orders.

- (a) The Commission may issue a stop-work order when workers compensation coverage is not provided pursuant to this Chapter until workers compensation coverage is obtained.
- The Commission shall adopt rules to implement the provisions of subsection (a) of (b) this section.
- An order of the Commission issued pursuant to this section may be appealed by (c) commencing a contested case under Chapter 150B of the General Statutes."

APPROPRIATIONS

SECTION 9.(a) There is appropriated from the General Fund to the Industrial Commission the sum of two hundred ninety-three thousand dollars (\$293,000) for the 2015-2016 fiscal year and the sum of two hundred ninety-three thousand dollars (\$293,000) for the 2016-2017 fiscal year to establish up to five new positions whose duties will include reviewing quarterly employer wage and earnings reports and comparing those to the Worker's Compensation insurance policies to detect fraud and employee misclassification. The Industrial Commission shall consult with the Department of Revenue, the Division of Employment Security of the Department of Commerce, and the Department of Labor in hiring staff for this function.

SECTION 9.(b) There is appropriated from the General Fund to the Industrial Commission the sum of seventeen thousand five hundred dollars (\$17,500) for the 2015-2016 fiscal year for nonrecurring costs associated with the positions authorized by this section.

SEVERABILITY

SECTION 10. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

EFFECTIVE DATE

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

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Attachment VIII

NORTH CAROLINA GENERAL ASSEMBLY HOUSE OF REPRESENTATIVES

COMMERCE AND JOB DEVELOPMENT COMMITTEE REPORT

Representative Debra Conrad, Co-Chair Representative Michele D. Presnell, Co-Chair Representative Stephen M. Ross, Co-Chair

FAVORABLE

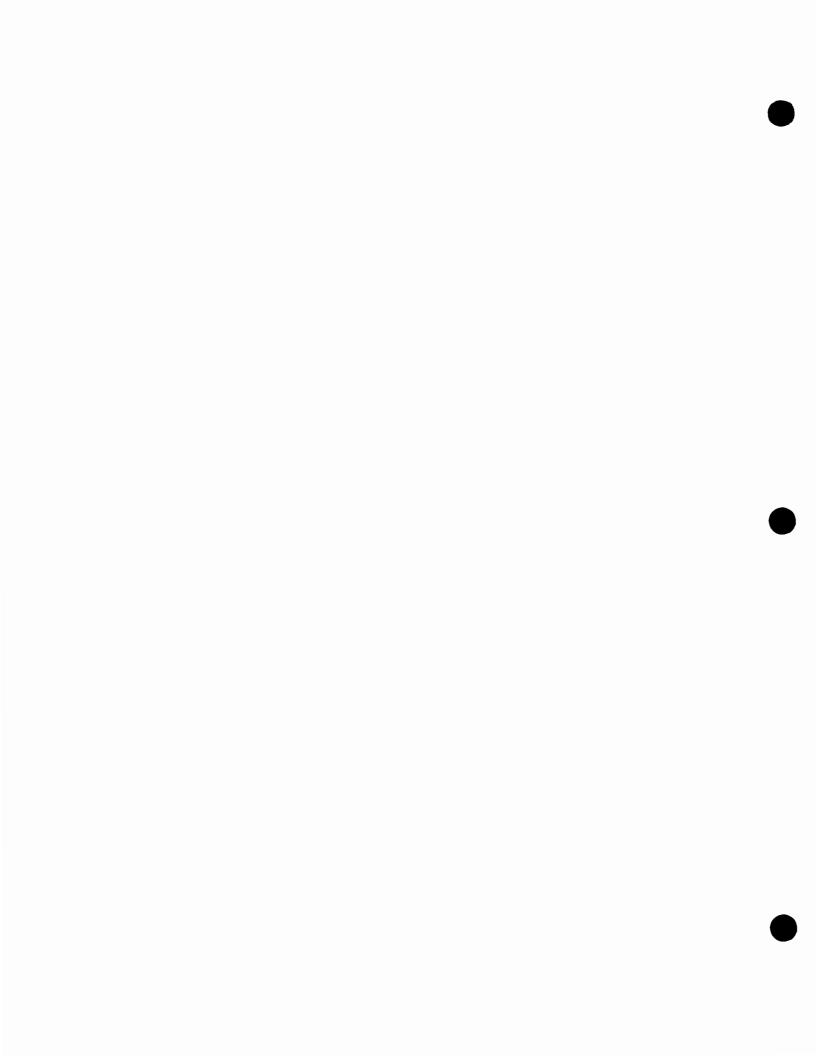
SB **105** (CS#1)

Include No. Veterans Employed/Annual Report.

Draft Number:
Serial Referral:
Recommended Referral:
None
Long Title Amended:
No
Floor Manager:
Shepard

TOTAL REPORTED: 1





House Committee on Commerce and Job Development Wednesday, June 3, 2015 at 11:00 AM Room 643 of the Legislative Office Building

MINUTES

The House Committee on Commerce and Job Development met at 11:00 AM on June 3, 2015 in Room 643 of the Legislative Office Building. Representatives Adams, Avila, L. Bell, Bradford, Brawley, Brockman, Brody, B. Brown, Conrad, Davis, Fraley, Goodman, C. Graham, G. Graham, Hager, Holley, Horn, Malone, S. Martin, McGrady, McNeill, Millis, R. Moore, Presnell, Richardson, Ross, Steinburg, Terry, Tine, Torbett, Wray, and Yarborough attended.

Representative Stephen M. Ross, Chair, presided.

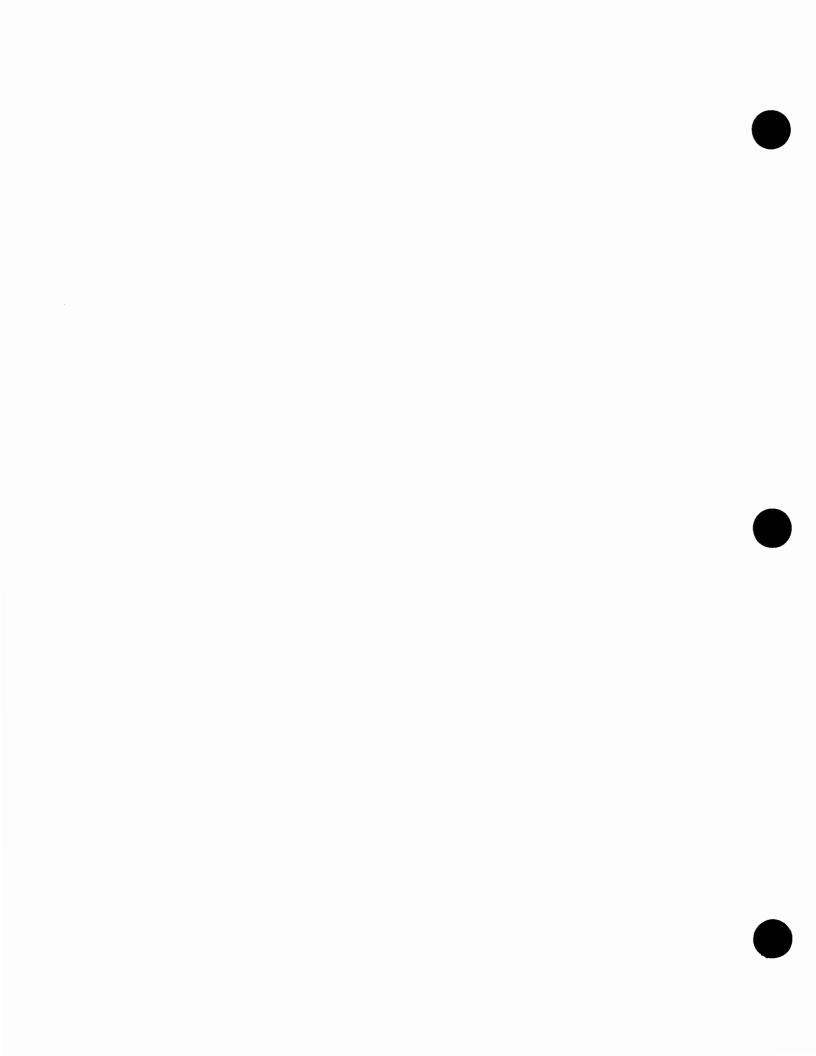
SB 7 Food Stand Seating & Outdoor Food Service was taken up for consideration. Senator Tillman presented the bill. After questions and discussions Representative Avila made a motion for a favorable report. The motion passed. Representative Hager agreed to present the bill to the House on behalf of Senator Tillman.

The meeting adjourned at 11:20am.

Representative Stephen M. Ross, Chair

Presiding

Laura Spratlay Committee Clark



House Committee on Commerce and Job Development Wednesday, June 3, 2015, 11:00 AM 643 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Chair -Representative Stephen Ross

Bills

BILL NO. SHORT TITLE

SB 7 Food Stand Seating & Outdoor Food

Service.

SPONSOR

Senator Tillman

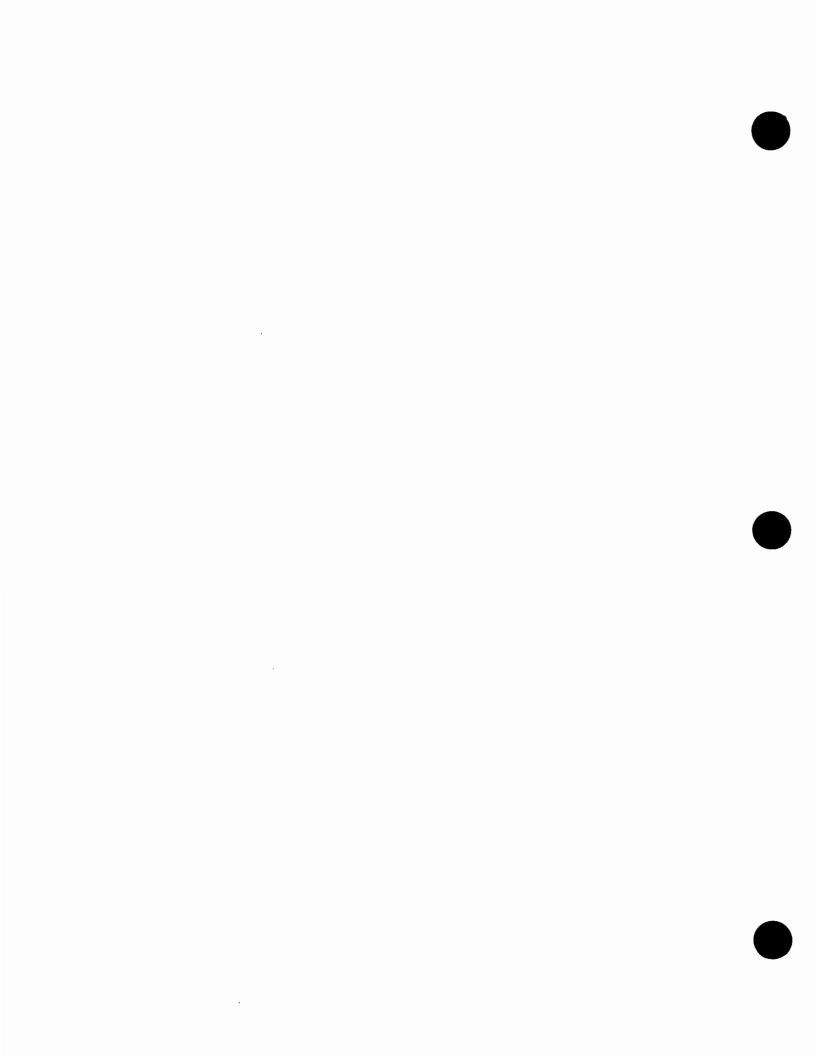
Adjournment

ATTENDANCE

House Committee on Commerce and Job Development

2015-16 Session

			UIJ.	10 3	Coolo							
DATES	3-16-15	3-25-15	4-15-15	4-22-15	4-22-15	4-29-5	シートレーリン	6-3-15				
CONRAD, Debra CO-CHAIR	X	X	χ	X	X	X	X	X				
PRESNELL, Michele CO-CHAIR	X	X	4	X	×	X	X	X				
ROSS, Stephen CO-CHAIR	X	X	X	×	X	X	X	X				
BRADFORD, John VICE-CHAIR	X	X	X	1	X	X	X	X				
BROWN, Brian VICE-CHAIR	X		X	X	X	X	X	X				
FRALEY, John VICE-CHAIR	X	X	X	X	X	X	X	X				
GOODMAN, Ken VICE-CHAIR	X	X	X	X	X	X		X				
GRAHAM, Charles VICE-CHAIR	X	X		X	KI	X						
HALL, Larry VICE-CHAIR	X	X		X			X	14				
MARTIN, Susan VICE-CHAIR	X	X	X	X	X	X	X.	X				
MOORE, Rodney VICE-CHAIR	X	X	X	X	×	X		X				
RICHARDSON, Bobbie VICE-CHAIR	X	X	x	X		X	X	X				
ROBINSON, George VICE-CHAIR	X	X	X	X	X	1	X					
SZOKA, John VICE-CHAIR	X	X	/	X			X					
WRAY, Michael VICE-CHAIR	A	X	X	X	X			X				
ADAMS, Jay	X	X	X	X	X	X	X	X				
AVILA, Marilyn	X		X	X	X	X	X	X				
BELL, John	X	X	X	X	X		4					
BELL, Larry	X	X	X	X		X	X	X				
BOLES, James	A	X		X			χ					
BRAWLEY, William	A		X	X		X	•	X				
BROCKMAN, Cecil	X	X	4	X	X		χ.	X				
BRODY, Mark	A	X	X	X		X	X	χ				
BRYAN, Rob	X	X	X	X		5	1					
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DAVIS, Ted	X	X	X	X				X				
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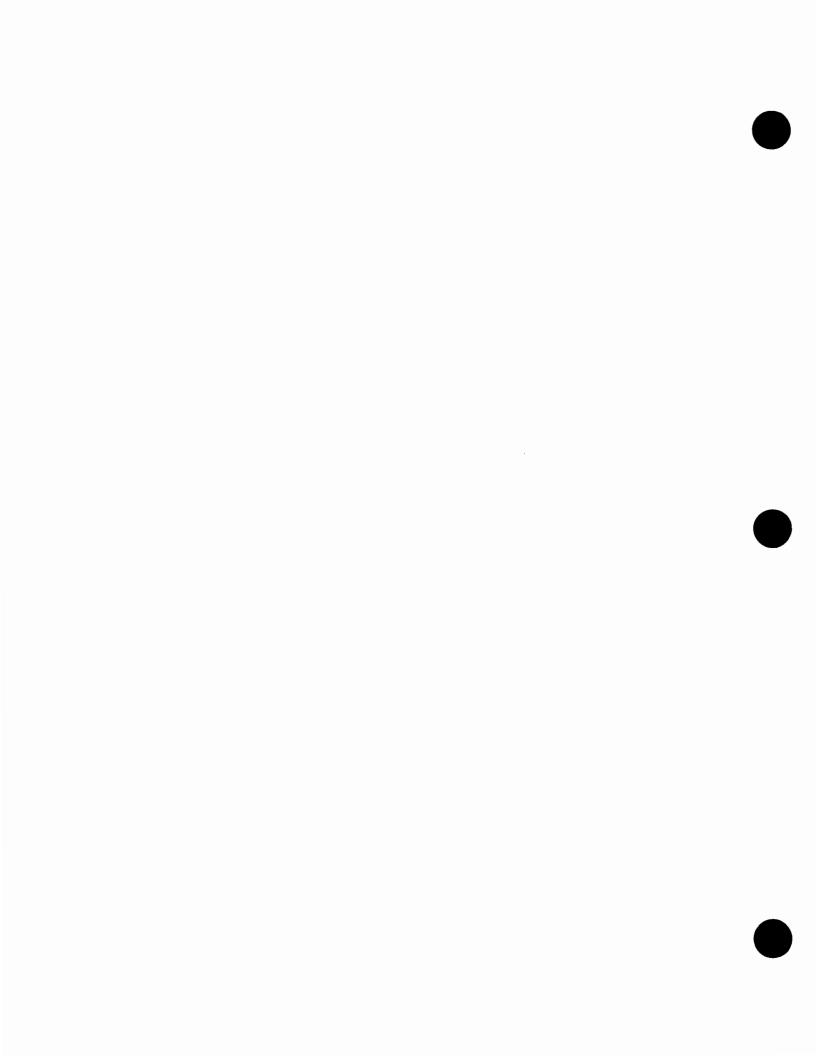
DOLLAR, Nelson	A	A	A	X		X	1				
FLOYD, Elmer	X	X	. x.	X	1_		X				
GRAHAM, George	X	X	7	X	X	X	X	X			
HAGER, Mike	X	X	X	X		1	X	X			
HAMILTON, Susi	X	X	N	X		X					
HOLLEY, Yvonne	X	X	X	X		X	X	X			
HORN, Craig	X	X	X		X	X	K	X			
HUNTER, Howard	X	X	K	X		X		激			
JACKSON, Darren	A										
LEWIS, David	A					/					
MALONE, Chris	×	X	X	X	M	X	X	X.			
MCELRAFT, Pat	A		X		-						
MCGRADY, Chuck	A	X		X				X			
McNEILL, Allen	X	X	X	X		X	p	X			
MILLIS, Chris	X		X	X		,		7			
PIERCE, Garland	A		*	X		X	X				
SAINE, Jason	A			X							
SCHAFFER, Jacqueline	X		X								
SHEPARD, Phillip	X	X	X	×	X		X				
STEINBURG, Bob	A	X		X	X	No.	X	X			
TERRY, Evelyn	X	X	X	X		XX	N	X			
TINE, Paul	X	X	X	X	X		X	X			
TORBETT, John	X	X	X	X	X		X	X			
YARBOROUGH, Larry	X	X	X	X	X		X	X			

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Committee Sergeants at Arms

NAME OF COMMITTEE 1	louse Common Commerce t
DATE: 6/3/15	Room: 643
	House Sgt-At Arms:
1. Name: Moung Bac	Chris McCracken
1. Name: Moung Bac 2. Name: Reggie Sills	
3. Name: David Leighton.	
4. Name: Jim Moran	
5. Name: Bill Morris	
	Senate Sgt-At Arms:
1. Name:	
2. Name:	
3. Name:	
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5. Name:	

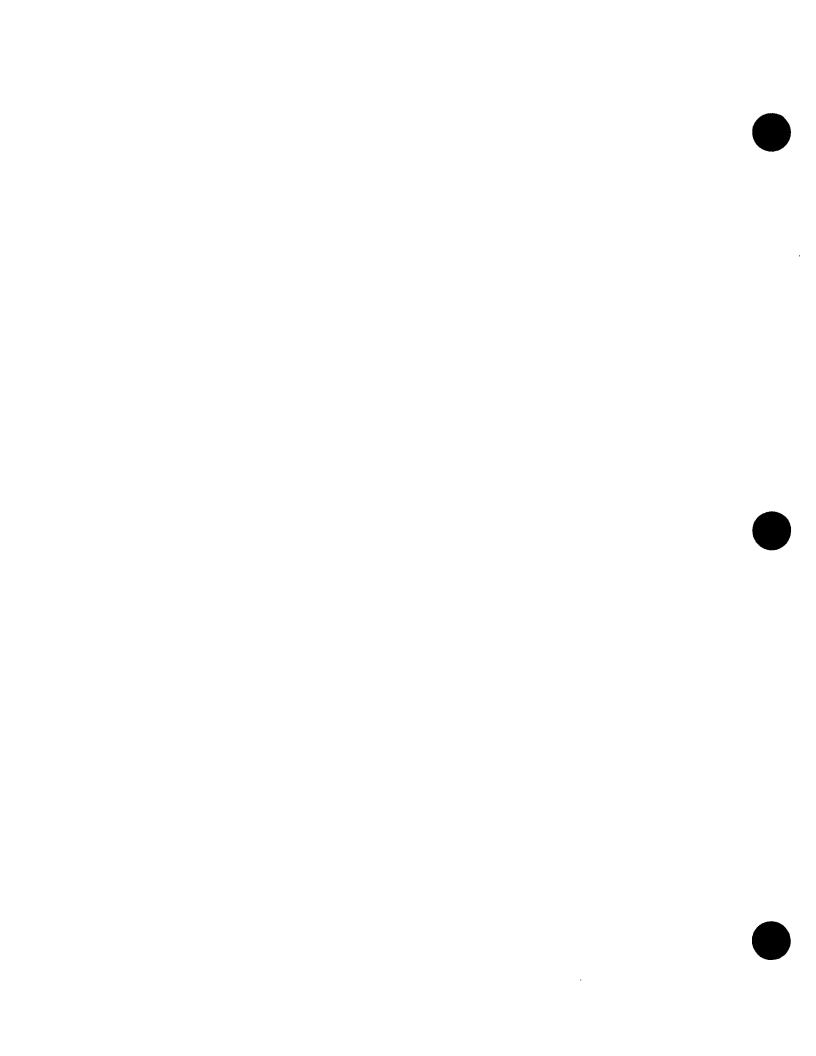


Wednesday, June 3
COMMERCE & JOB
DEVELOPMENT

Room 643

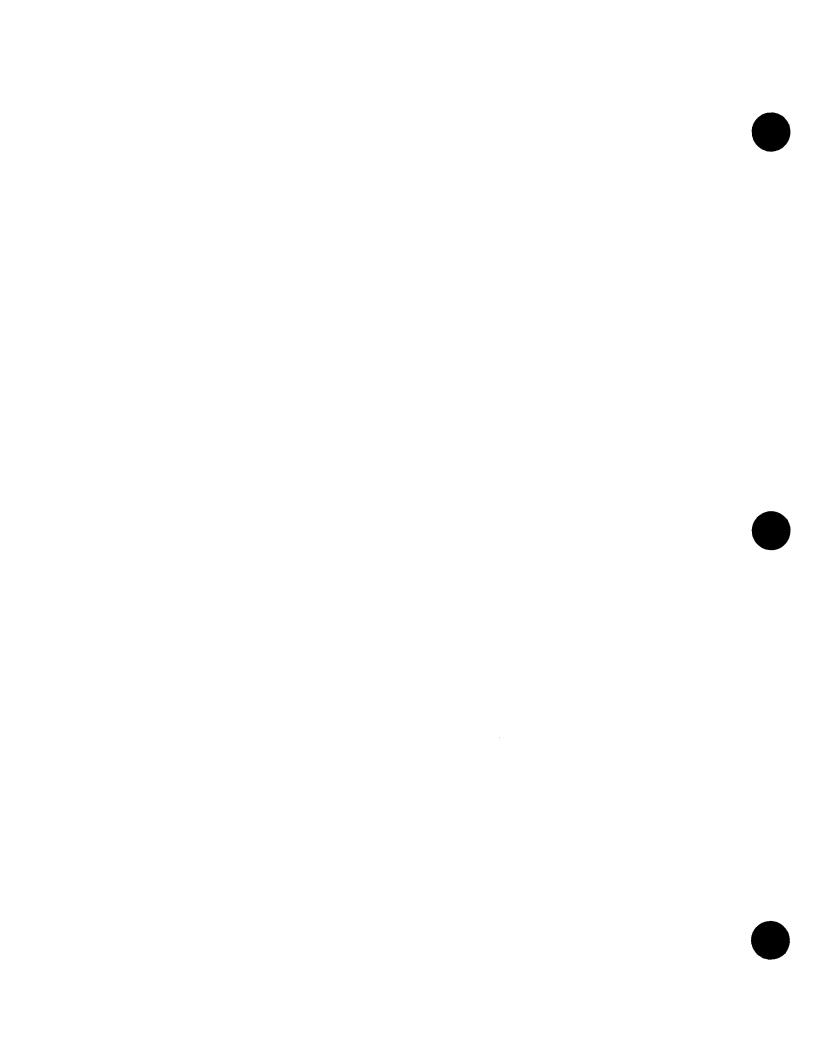
Time 11:00 am

Name	County	Sponsor			
Keshaun Rhodie	Guilford	Pricey Harrison			
Danny Kruger	Cumberland	John Szoka			
Emma Lee	Mecklenburg	Speaker Moore			
Aaron McKinney	McDowell	Josh Dobson			
Mary Hope Hadley	Wake	Gale Adcock			



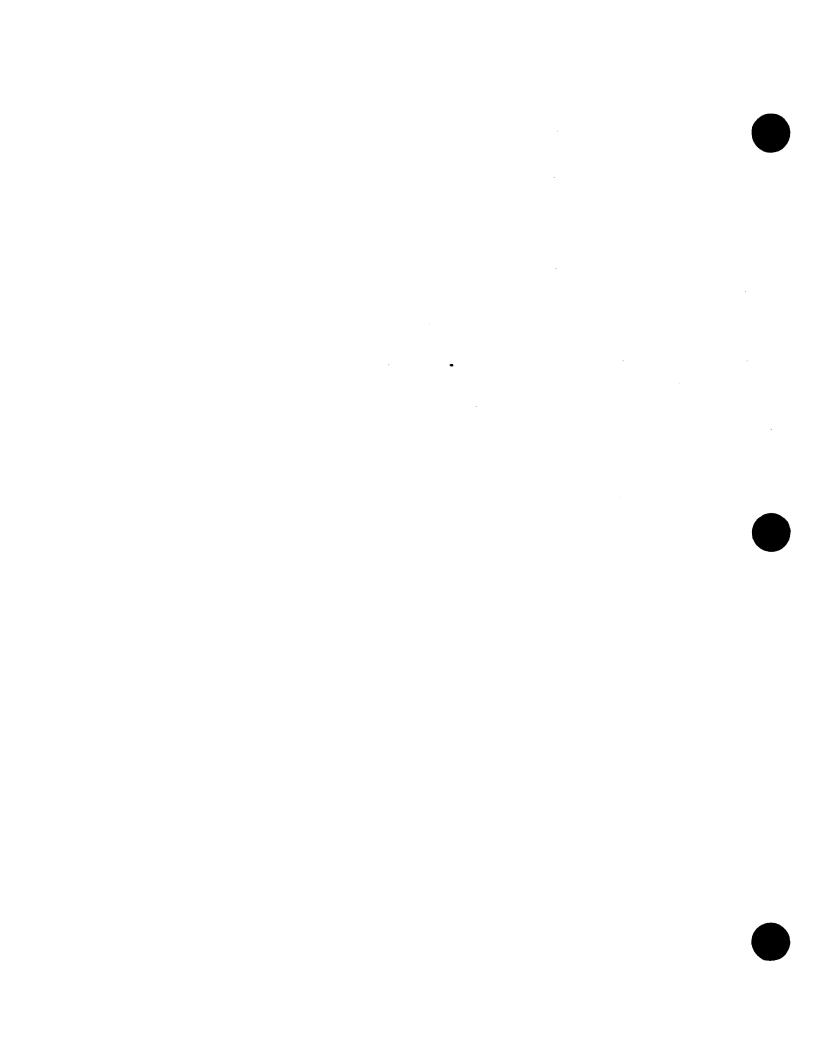
House Comm on Commerce Tob Developement
Name of Committee Date 5-3-15

NAME	FIRM OR AGENCY AND ADDRESS
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Douglas	NCAN .



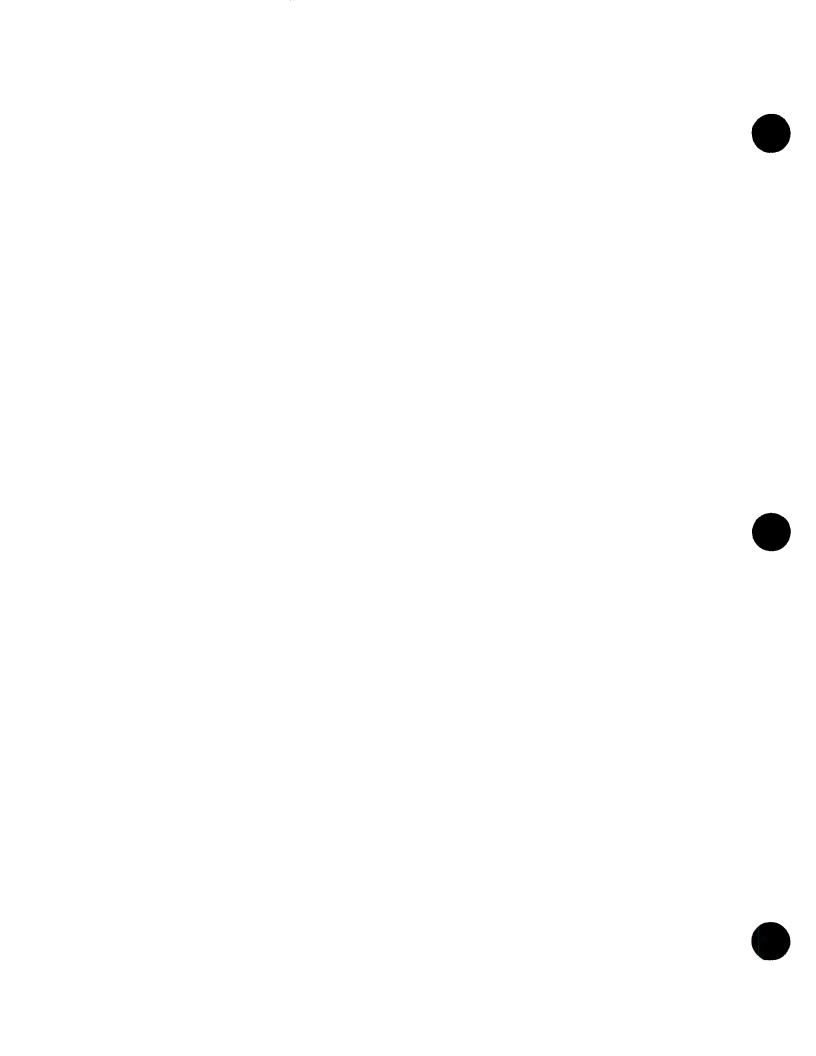
House Common Commerce Tob Development
Name of Committee Date 5-3-15

NAME	FIRM OR AGENCY AND ADDRESS
Allen HARDISON	
Allie Maccioli	Department of Health & Human Services
Trent Vamble	DHHS
Lary M. Shend	DHH5
TJ Buybee	NP
Soul Sans	M
Courtney Johnson	NP .
Elizate H Schob	NEPHY
amanda Honaker	TS3
Andy Chase	KMA
Anne Link	CFSA



House	Somm	on	-Commerce Job	Developement
Name of Com	mittee		Date	5-3-15

NAME	FIRM OR AGENCY AND ADDRESS
Wordy Kelly	Fansarolin
meredith Preloh	Lowes
Lexi Margan	NCKMA
Elizabeth Rapison	NURMA



House Comm on Commerce Tob Development
Name of Committee Date 5-3-15

NAME	FIRM OR AGENCY AND ADDRESS
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GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

SENATE BILL 7

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Health Care Committee Substitute Adopted 3/10/15 Commerce Committee Substitute Adopted 4/15/15 House Committee Substitute Favorable 5/27/15

Short Title:	Food Stand Seating & Outdoor Food Service.	(Public)
Sponsors:		
Referred to:		

February 2, 2015

A BILL TO BE ENTITLED

AN ACT TO ALLOW FOOD STANDS TO PROVIDE TABLES AND CHAIRS FOR CUSTOMERS TO USE WHILE CONSUMING DRINKS OR FOOD UPON THE PREMISES AND TO AUTHORIZE PUSHCARTS OR MOBILE FOOD UNITS TO PREPARE AND SERVE FOOD ON THE PREMISES, PROVIDED THEY ARE BASED FROM A COMMISSARY OR RESTAURANT LOCATED ON THE PREMISES OF A FACILITY CONTAINING THREE THOUSAND PERMANENT SEATS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 130A-248 is amended by adding a new subsection to read:

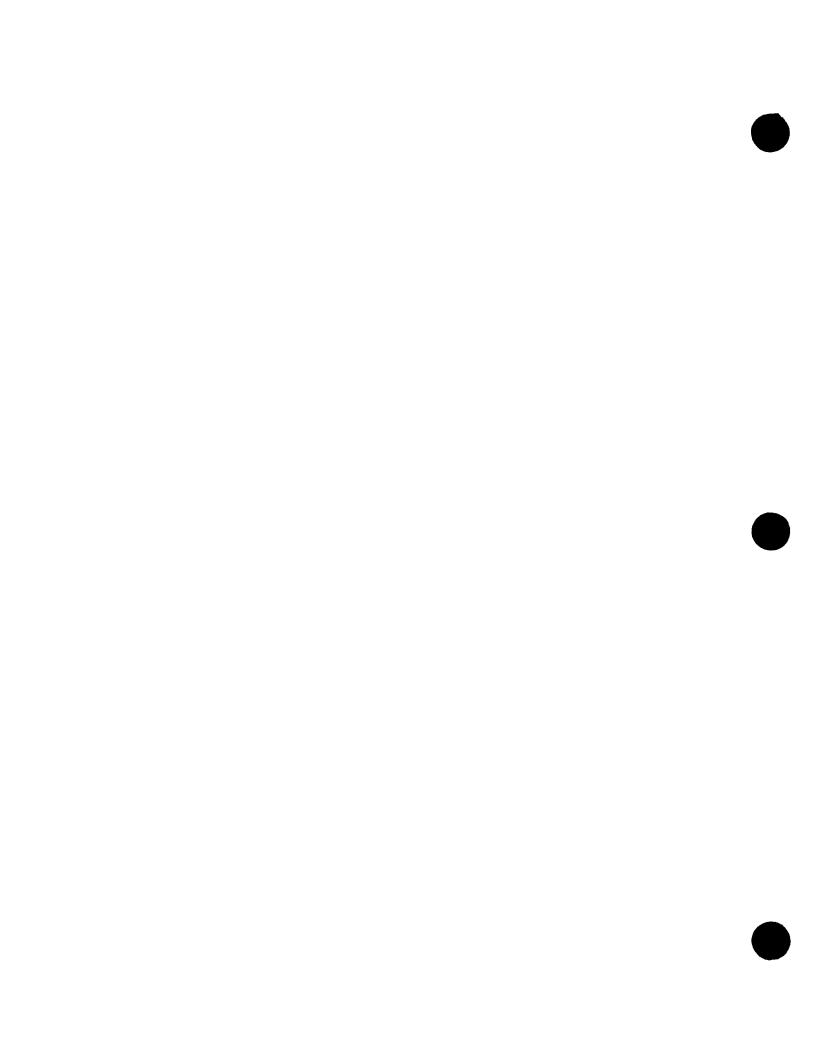
"(a6) Notwithstanding any provision of this Part or any rules adopted pursuant to G.S. 130A-335(e), a permitted food stand may elect to provide tables and not more than eight seats for customers to use while eating or drinking on the premises. Addition of seats under this subsection shall not require further evaluation of the adequacy of the approved sanitary sewage system."

SECTION 2. G.S. 130A-248(c1) reads as rewritten:

"(c1) The Commission shall adopt rules governing the sanitation of pushcarts and mobile food units. A permitted restaurant or commissary shall serve as a base of operations for a pushcart. A mobile food unit shall meet all of the sanitation requirements of a permitted commissary or shall have a permitted restaurant or commissary that serves as its base of operation. Pushcarts or mobile food units that are based from a permitted commissary or restaurant that is located on the premises of a facility which contains at least 3,000 permanent seats shall be allowed to prepare and serve food on the premises. Raw meat, poultry, and fish shall be prepared in a permitted commissary or restaurant in a pre-portioned or ready-to-cook form. Pushcarts or mobile food units that handle raw ingredients shall be equipped with a handwashing sink. All open food and utensils shall be provided with overhead protection or otherwise equipped with individual covers, such as domes, chafing lids, or cookers with hinged lids. Food equipment and supplies shall be located in enclosed areas and protected from environmental contamination when not in operation."

SECTION 3. Section 1 of this act becomes effective October 1, 2015, the remainder of the act is effective when it becomes law.







SENATE BILL 7: Food Stand Seating & Outdoor Food Service

2015-2016 General Assembly

Committee: House Commerce and Job Development Date: June 3, 2015

Introduced by: Sen. Tillman
Analysis of: Fourth Edition
Prepared by: Jennifer Mundt
Committee Staff

SUMMARY: The 4th Edition of Senate Bill 7 would (i) allow a food stand to provide tables and seats for eight or fewer customers to use while eating or drinking on the premises and (ii) allow pushcarts or mobile food units to prepare and serve food on the premises provided they are based from a permitted commissary or restaurant that is located on the premises of a facility containing at least 3,000 permanent seats.

BILL ANALYSIS:

Section 1 of Senate Bill 7 would amend the statute governing the regulation of food and lodging establishments (G.S. 130A-248) by adding a new provision that pertains specifically to food stands. Notwithstanding the laws for the regulation of food and lodging facilities in Chapter 130A and the statutes for wastewater collection, treatment, and disposal (G.S. 130A-335(e)), this section would allow a food stand, without obtaining a restaurant permit, to provide tables and not more than eight seats for customers to use while eating or drinking on the premises. The addition of seats would not require further evaluation of the adequacy of the approved sanitary sewage system.

Section 2 of Senate Bill 7 would allow pushcarts or mobile food units to prepare and serve food on the premises provided they are based from a permitted commissary or restaurant that is located on the premises of a facility containing at least 3,000 permanent seats. Additionally, the following are required:

- Raw meat, poultry, and fish must be prepared in a permitted commissary or restaurant in preportioned or ready-to-cook form. Pushcarts or mobile food units that handle raw ingredients must be equipped with a handwashing sink.
- Open food and utensils must be provided with overhead protection or otherwise equipped with individual covers such as domes, chafing lids, or cookers with hinged lids.
- Food equipment and supplies must be located in enclosed areas and protected from environmental contamination when not in operation.

EFFECTIVE DATE: Section 1 of the bill would become effective October 1, 2015, the remainder of the bill would become effective when it becomes law.

CURRENT LAW:

G.S. 130A-248 pertains to the regulation of food and lodging establishments. G.S. 130A-248(a) requires the Commission for Public Health (Commission) to adopt rules governing the samitation of establishments that prepare or serve drink or food for pay.

G.S. 130A-335(e) requires the rules of the Commission and the rules of the local board of health to address various characteristics related to wastewater collection, treatment, and disposal systems. The rules pertaining to design capacity and required design volume for wastewater systems must provide that

O. Walker Reagan
Director



Research Division (919) 733-2578

Senate Bill 7

Page 2

exceptions may be granted upon a showing that a system is adequate to meet actual daily water consumption. The design of a sewage treatment and disposal system is based on the type and use of the establishment. Flow rates for various establishments, including restaurants and food stands, are specified in 15A NCAC 18A .1949.

15A NCAC 18A .2651 includes the following definitions:

- Food establishment an operation that is conducted in a mobile, stationary, temporary, or permanent facility or location and where consumption is on or off the premises. It does not include various entities exempted in G.S. 130A-250 or those that only serve such items as dip ice cream, popcorn, candied apples, or cotton candy.
- Food stand a food establishment that prepares or serves food and that does not provide seating facilities for customers to use while eating or drinking.
- Mobile food unit a food establishment or pushcart designed to be readily moved to vend food.
- <u>Pushcart</u> a mobile piece of equipment or vehicle used to vend food.
- Commissary a food establishment that services a mobile food unit or a pushcart.
- Restaurant a food establishment that prepares or serves food and provides seating.

15A NCAC 18A .2659 provides that a food establishment must obtain a permit and no permit can be issued until an evaluation by the regulatory authority shows that the establishment is in compliance. The regulatory authority is required to impose conditions, if necessary, to ensure the food establishment remains in compliance.

15A NCAC 18A .2670 provides general requirements for pushcarts and mobile food units.

15A NCAC 18A .2671 provides specific requirements for pushcarts.

15A NCAC 18A .2672 provides specific requirements for mobile food units.

Theresa Matula, staff to the House Committee on Health, substantially contributed to this summary.

NORTH CAROLINA GENERAL ASSEMBLY HOUSE OF REPRESENTATIVES

COMMERCE AND JOB DEVELOPMENT COMMITTEE REPORT

Representative Debra Conrad, Co-Chair Representative Michele D. Presnell, Co-Chair Representative Stephen M. Ross, Co-Chair

FAVORABLE

7 SB(HCS#1) Food Stand Seating & Outdoor Food Service.

None

None

Draft Number: Serial Referral: Recommended Referral: None Long Title Amended:

No Floor Manager: Hager

TOTAL REPORTED: 1



House Committee on Commerce and Job Development Wednesday, June 10, 2015 at 11:00 AM Room 606

MINUTES

The House Committee on Commerce and Job Development met at 11:00 AM on June 10th, 2015 in Room 606. Representatives Adams, Avila, L. Bell, Boles, Bradford, Brawley, Brockman, Brody, Bryan, Catlin, Conrad, Davis, Dollar, Floyd, Fraley, Goodman, G. Graham, Hager, Holley, Horn, Jackson, Martin, McGrady, McNeill, Millis, Moore, Pierce, Presnell, Richardson, Robinson, Ross, Shepard, Steinburg, Szoka, Terry, Tine, Torbett, Wray, and Yarborough attended (Attachment I). A Visitor Registration list is attached and made part of these minutes (Attachment II). A copy of the committee agenda is also attached (Attachment III)

Rep. Debra Conrad, Chair, presided. She introduced the pages (Attachment IV) and the Sergeant-at-Arms staff (Attachment V). She also announced that HB 482 - Employee Fair Classification Act would not be taken up at that meeting because staff was preparing a new PCS.

SB 286 - Regulate the Sale of E-Liquid Containers (Attachment VI) was considered. Sen. Stan Bingham presented the bill to the committee.

After discussion from members Gene Ainsworth, of Ainsworth & Associates, LLC representing Reynolds Tobacco, was recognized to speak.

Following further discussion of the bill, Representative S. Martin made a motion for a favorable report with a recommended referral to Judiciary II. Representative Horn seconded the motion. The Chair called for the ayes and nays, and the committee voted in favor of the motion.

The committee report is attached and made part of these minutes (Attachment VII).

The meeting adjourned at 11:32 A.M.

Representative Debra Conrad, Chair

Presiding

Clark Riemer, Committee Clerk

ATTENDANCE

House Committee on Commerce and Job Development 2015-16 Session

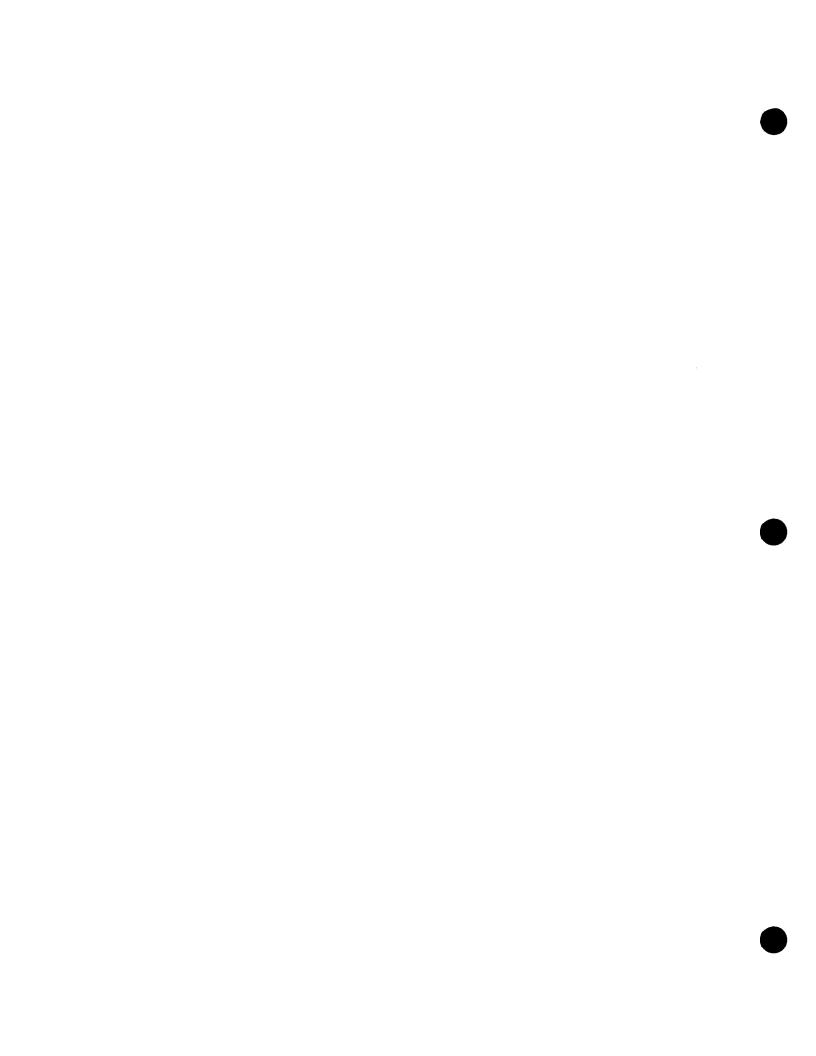
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DATES	, ,	3-75-15	7-12-12	4-15-15	41-22-15	4-29-6	1 -	6-3-15	15				
CONRAD, Debra CO-CHAIL	X	X	X	X	X	X	X	X	X				
PRESNELL, Michele CO-CHAIR	X	X	4	X	X	X	X	X	X				
ROSS, Stephen CO-CHAIL	X	X	K	X	X	X	X	X	X			_	
BRADFORD, John VICE-CHAIR	X	X	X	1	X	X	X	X	X				
BROWN, Brian VICE-CHAIR	X		X	X	X	X	X	X					
FRALEY, John VICE-CHAIR	X	X	X	X	X	X	X	X	X				
GOODMAN, Ken VICE-CHAIR	X	X	X	X	X	X		X	X				
GRAHAM, Charles VICE-CHAIR	X	X		X	KI	X							
HALL, Larry VICE-CHAIR	X	X		X			X	14					
MARTIN, Susan VICE-CHAIR	X	X	X	X	X	X	X.	X	X				
MOORE, Rodney VICE-CHAIR	X	X	X	X	X	X		X	X				
RICHARDSON, Bobbie VICE-CHAIR	X	X	x	X		X	X	X	X				
ROBINSON, George VICE-CHAIR	X	X	X	X	X	1	X		X				
SZOKA, John VICE-CHAIR	X	X	/	X			χ		X		•		
WRAY, Michael VICE-CHAIR	A	X	X	X	X			X	X				
ADAMS, Jay	X	X	X	X	X	X	X	X	X				
AVILA, Marilyn	X		X	X	X	X	X	X	X				
BELL, John	X	X	X	X	X		4		X				
BELL, Larry	X	X	x	X		X	X	X	X				
BOLES, James	A	X		X			X		X				
BRAWLEY, William	A		X	X		X		X	X				
BROCKMAN, Cecil	X	X	4	X	X		χ.	X	X				
BRODY, Mark	A	X	X.	X	1	X	X	X	X				
BRYAN, Rob	X	X	X	X		5	1		X				
CATLIN, Rick	X	X	X	X		;	X		X	4			-
DAVIS, Ted	X	X	K	X				X	X				

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DOLLAR, Nelson	A	IA	A	X		X	1		X	'		T		T
FLOYD, Elmer	X	X	7.	X			X		X					
GRAHAM, George	×	X	7	X	X	X	X	X	X					
HAGER, Mike	X	X	X	X		1	X							
HAMILTON, Susi	X	X	X	X		X	4							
HOLLEY, Yvonne	. X	X	X	X		X	X	X	X					
HORN, Craig	X	X	X		X	X	K	X	X					
HUNTER, Howard	X	X	X	X		X		冰						
JACKSON, Darren	A								X					
LEWIS, David	A					/		L,					Ŀ	
MALONE, Chris	X	X	X	X	M	X	X	X			·			
MCELRAFT, Pat	A		X											
MCGRADY, Chuck	A	X		X				X	X					
McNEILL, Allen	X	X	X	X		X	X	X	X					
MILLIS, Chris	X		X	X		,		X	X					
PIERCE, Garland	A		*	X		X	X		X					
SAINE, Jason	A			X										
SCHAFFER, Jacqueline	X		X											
SHEPARD, Phillip	X	X	X	×	X		X		X					
STEINBURG, Bob	A	X		X	X	No.	X	X	X					
TERRY, Evelyn	X	X	X	X		XX	N	X	X					
TINE, Paul	X	X	X	X	X		X	X	X					
TORBETT, John	· X	X	X	X	X		X	X	X					
YARBOROUGH, Larry	X	X	X	X	X		X	X	X					

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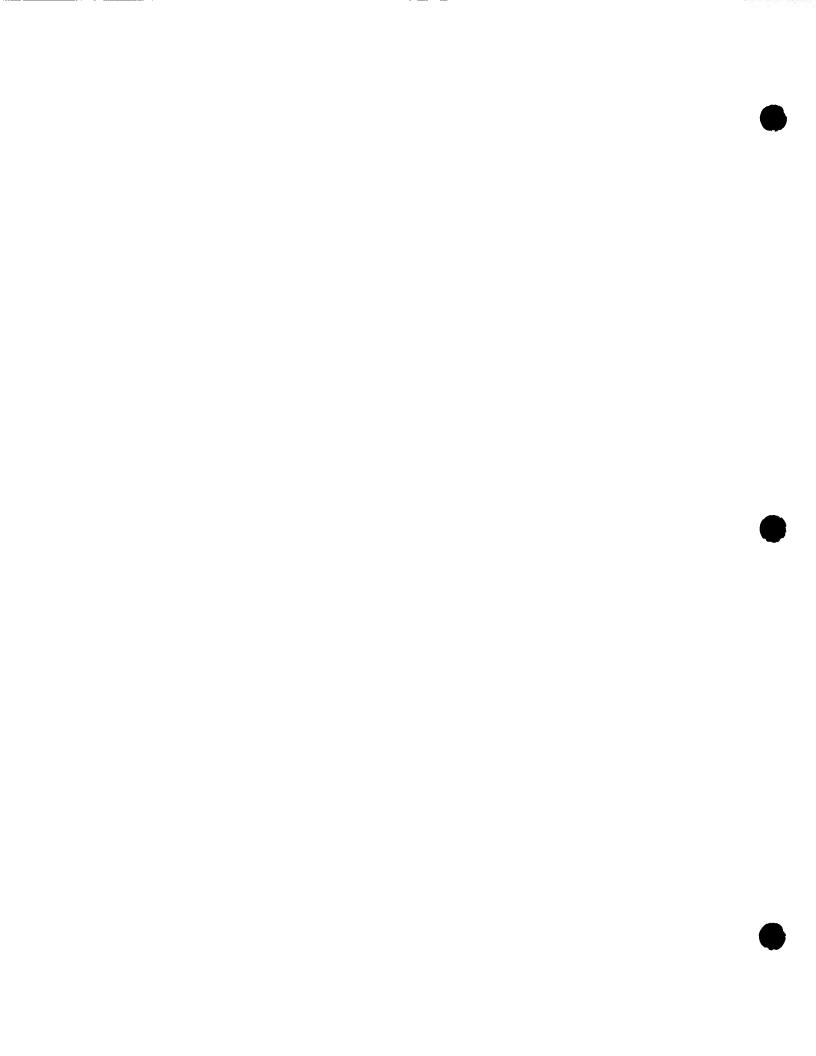
Attackment II

VISITOR REGISTRATION SHEET

HOUSE Comm.onCommerce & Job Developement 6-10-2015

Name of Committee Date

NAME	FIRM OR AGENCY AND ADDRESS
Phil Hooper	NC DOL
Savah Kuorice	NCDOL
Caro Toursud	Gov office
Amy McConkey	Ne Beverage
amanda Horaker	. TSS
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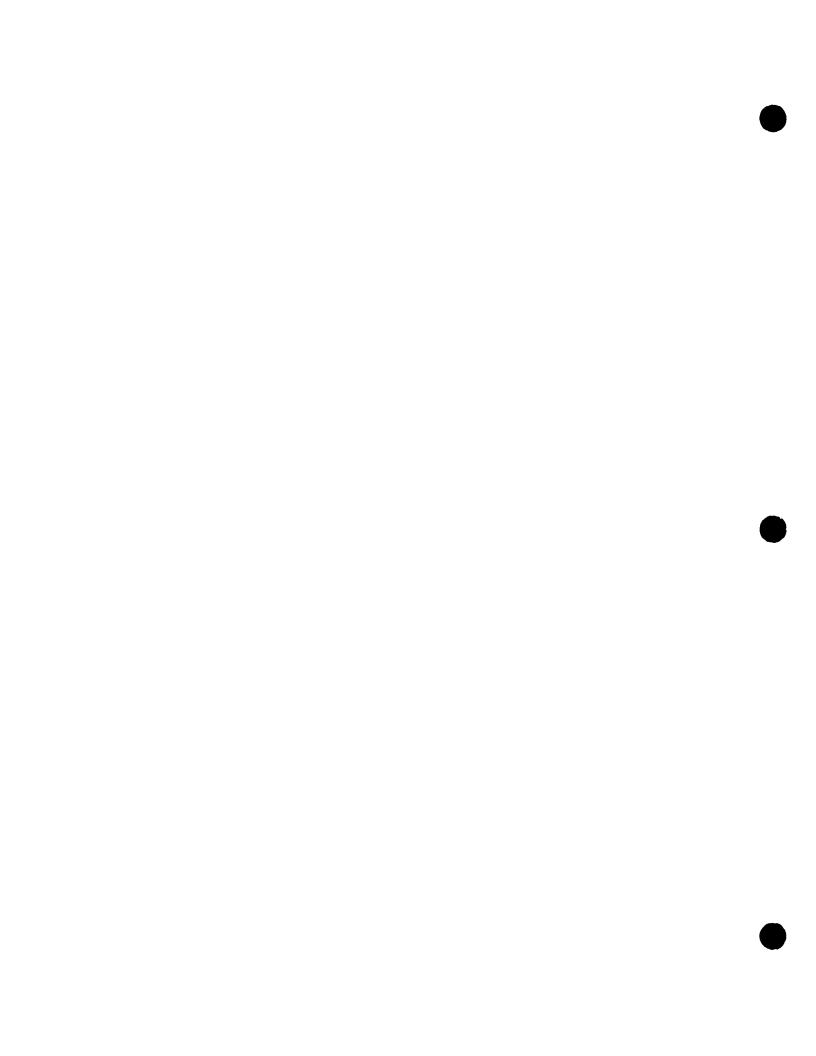
HOUSE Comm.onCommerce &Job Developement

6-10-2015

Name of Committee

Date

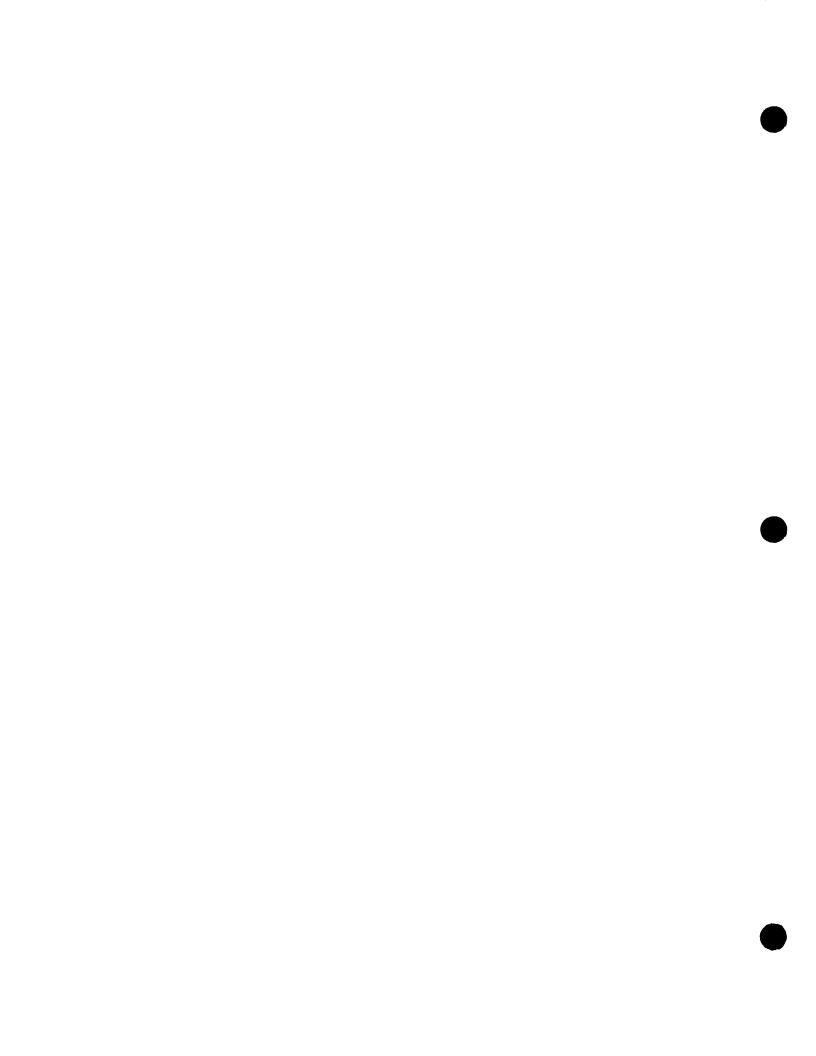
NAME	FIRM OR AGENCY AND ADDRESS
J BUSSIAN	NCPA
LAIGH	И
Rivan Meriald	WM
Elizabeth Schob	NCPHA
Benton Albritton	. ABCC
Carol Brooke	NC Justia Ctr
Danewrys Tejeda	NC Justice Ctr.
Benjamin	
Benjama.	1/C CHAMBER
Jennifer Haigured	NCDOL
June Flahrust	INC DUZ
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HOUSE Comm.onCommerce & Job Developement 6-10-2015

Name of Committee Date

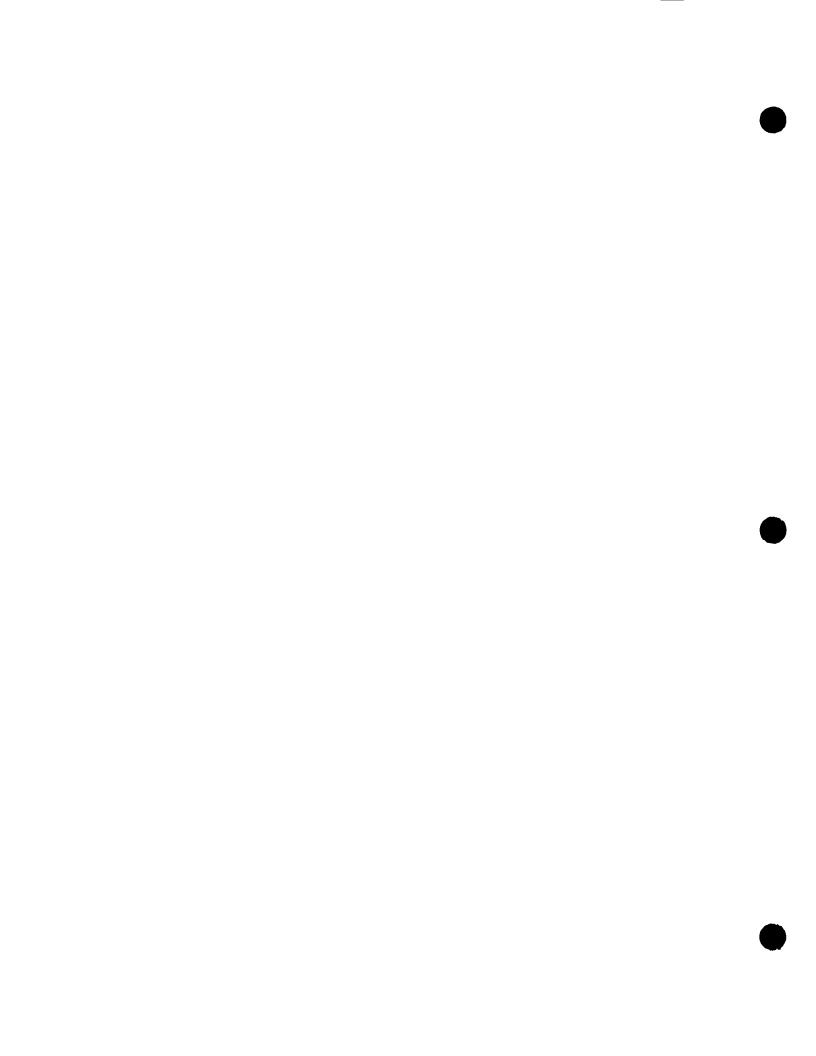
NAME	FIRM OR AGENCY AND ADDRESS
BRIAN LEWIS	Nen FRAME
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Steve Monge	NCRLA
Mia Boiley	Electri Cities
TRACY GLVARD	ABRO
Andy Chase	KMA
Bruce Wildur	NCSSA.
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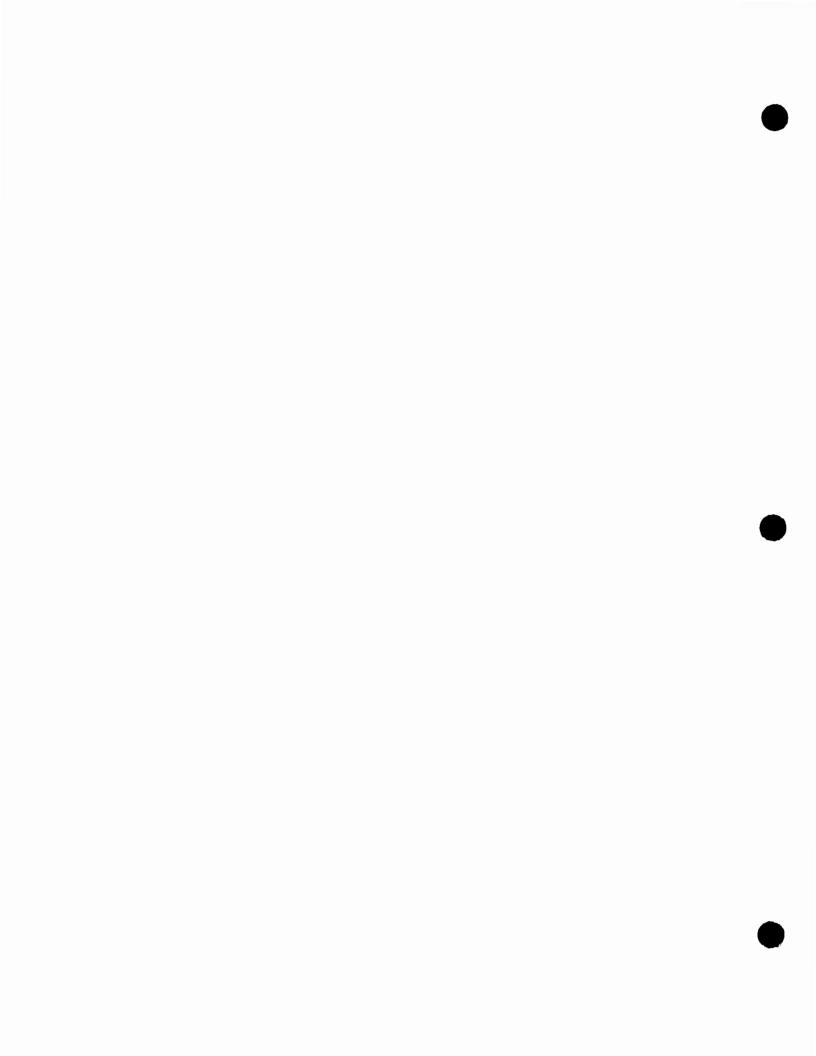
HOUSE Comm.onCommerce &Job Develo	pement 6-10-2015
Name of Committee	Date

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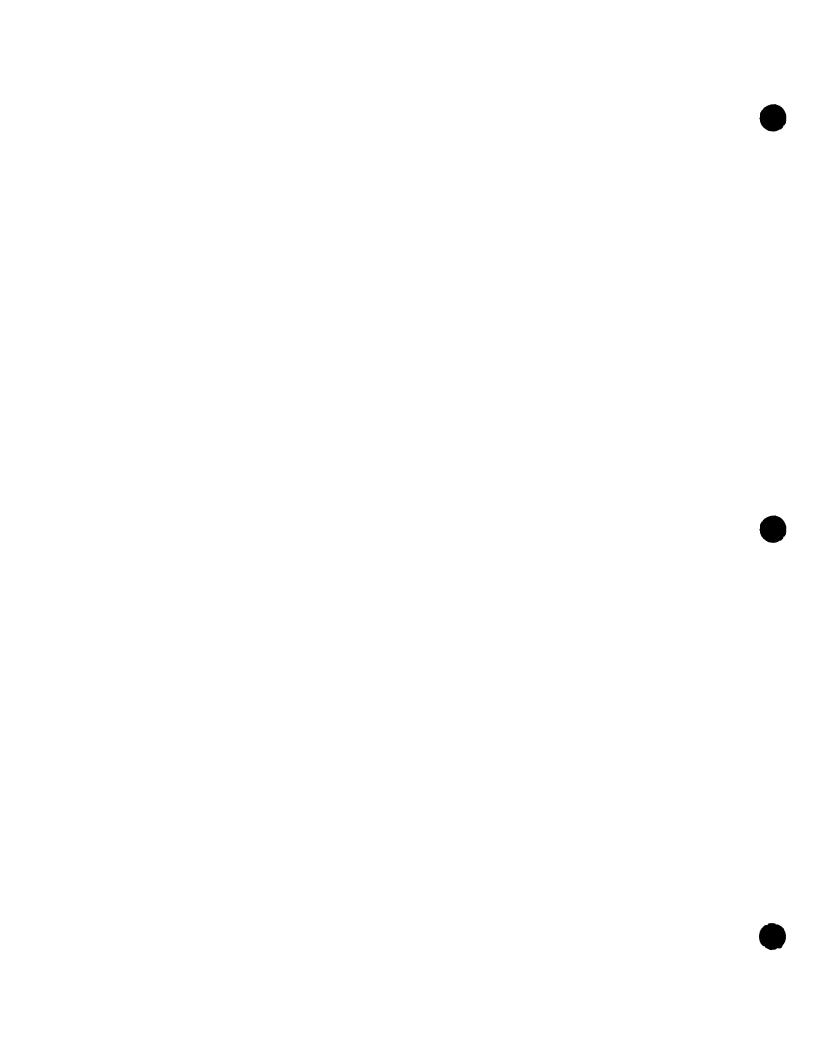
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Vata Bules	NC Charter
Tony adams	alams & Cesser.
Courting Orlinon.	NP
TJ Bursel	NP
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Pul Sterm	NCPB.
Known Robinson	Nacmt
J Bode	BYX



HOUSE Comm.onCommerce & Job Developement 6-10-2015

Name of Committee Date

NAME	FIRM OR AGENCY AND ADDRESS						
1-RESTON HANDIO	NCMA						
Greng Thon	NFIB						
Mile Capeter	NCIFBA						
Ad Ban	C8P						
Savan Bales	Brulafari 1550.						
GENEA, NEWSKTH	A & A						
Mara Cook	0175						
Judy Jen Kins	Otsuha						
Therens	cs5 .						
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Attachment III

House Committee on Commerce and Job Development Wednesday, June 10, 2015, 11:00 AM 643 Legislative Office Building

AGENDA

Welcome and Opening Remarks

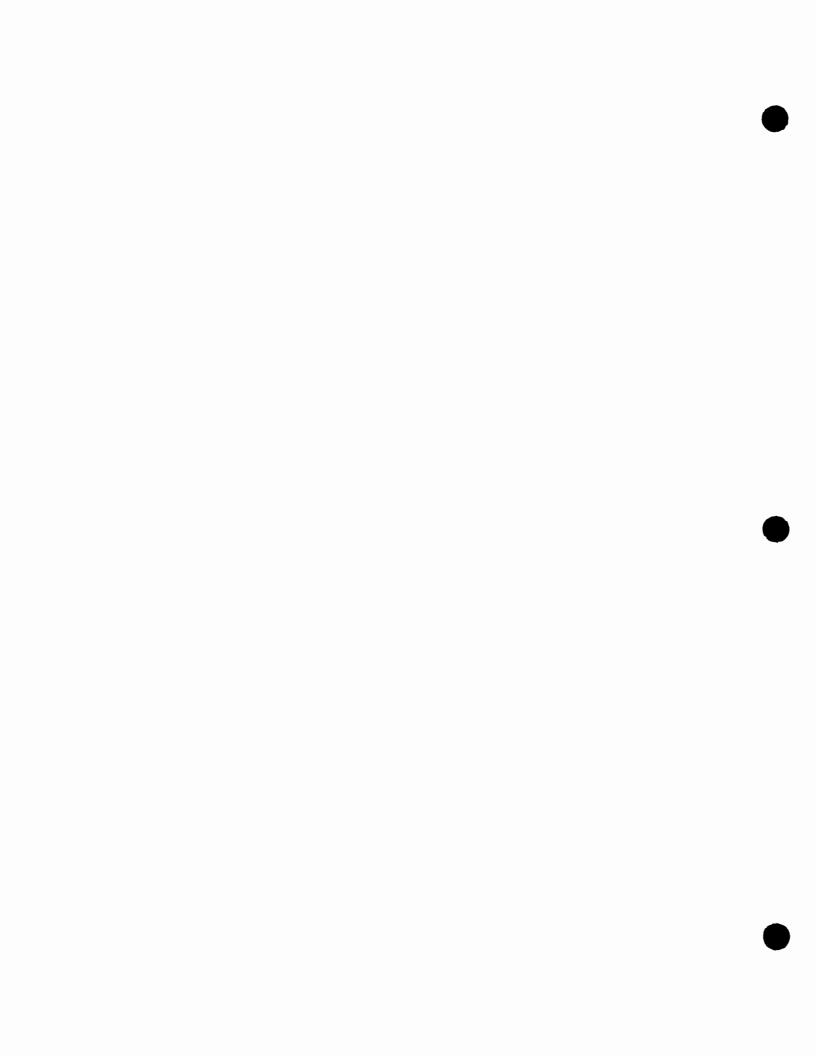
Rep. Conrad

Introduction of Pages and Sargent at Arms

Bills

BILL NO	O. SHORT TITLE	SPONSOR
SB 286	Regulate the Sale of E-Liquid	Senator Bingham
	Containers.	Senator D. Davis
HB 482	Employee Fair Classification Act.	Representative Pendleton
		Representative Blust
		Representative Szoka
		Representative Bishop

Adjournment



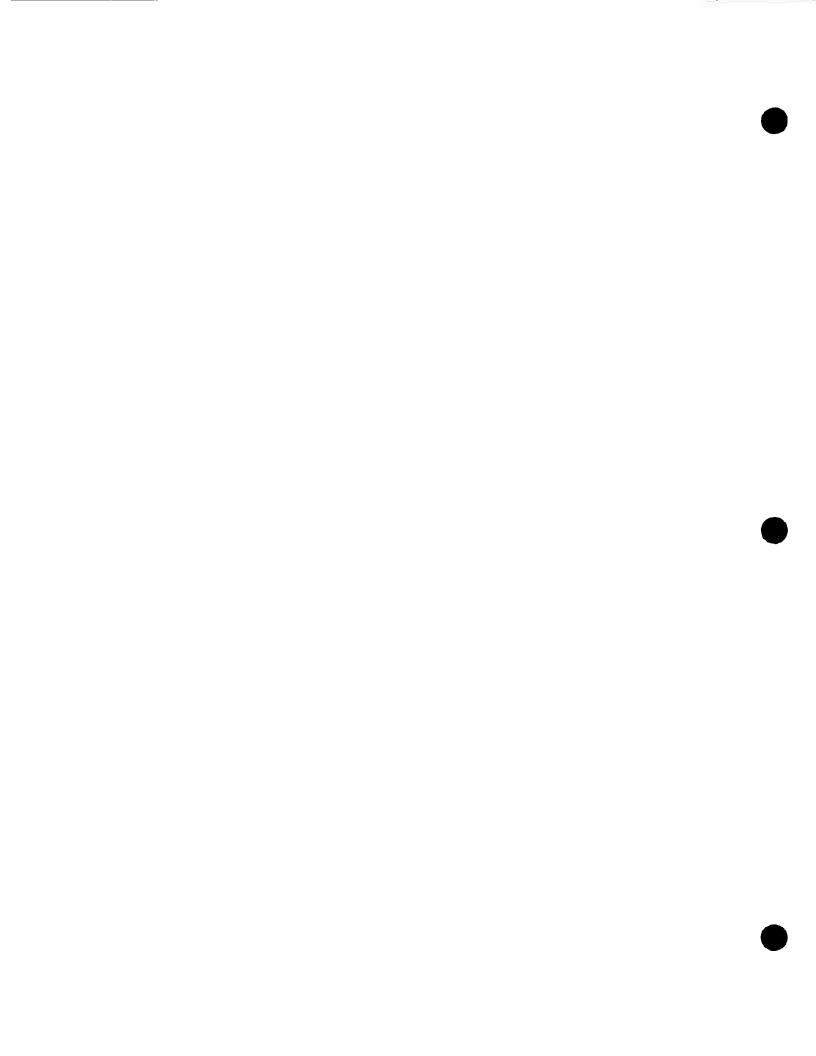
Tuesday, June 10

COMMERCE & JOB

DEVELOPMENT

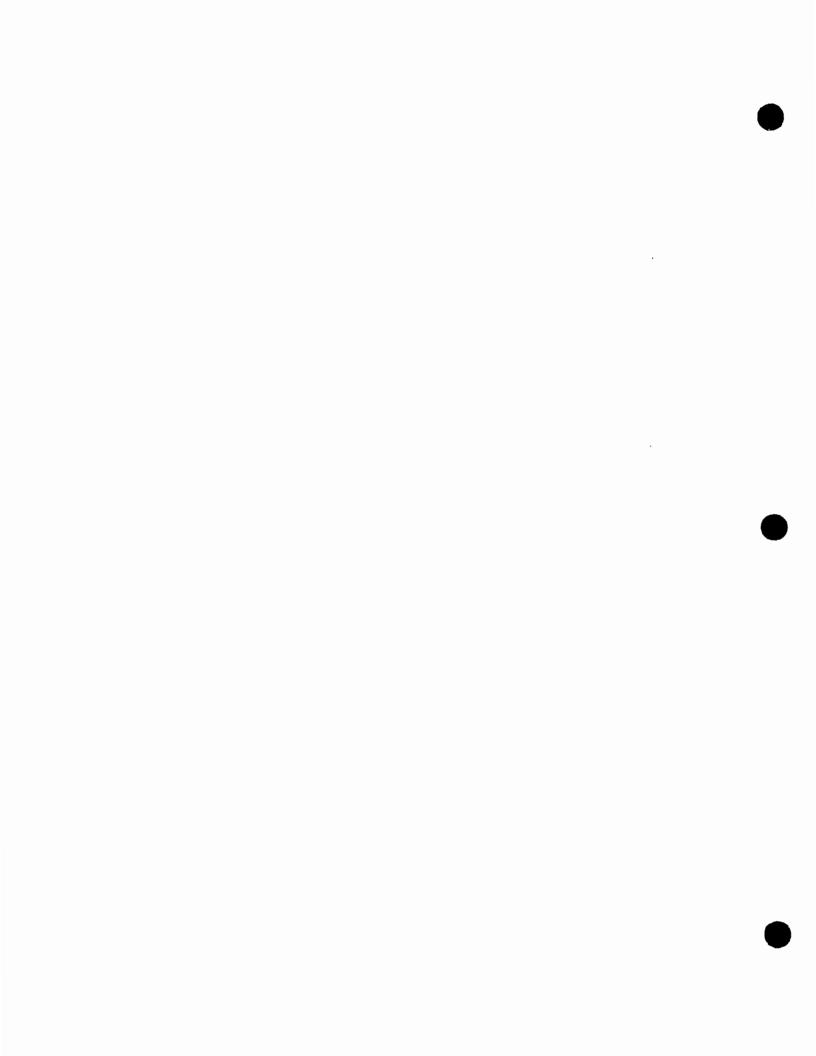
Room 643 Time 11:00 am

Name	County	Sponsor
Kylee Perry	Wake	Paul Stam
Tap Perry, Jr.	Beaufort	Paul Tine
Bret Rogers	Vance	Nathan Baskerville
Michael Swift	Mecklenburg	Charles Jeter
John Turlington	Wake	Paul Stam



Committee Sergeants at Arms

NAME OF COMMITTEE	HOUSE Comm.onCommo	erce &Job Developeme
DATE: 6-10-2015	Room:	643
	House Sgt-At Arms:	
1. Name: Carleton Adams		
2. Name: Joe Austin		
Name: _Cory Bryson		
. Name: Martha Gadison		*
5. Name:		•
	Senate Sgt-At Arms:	
Name:		
Name:		
Name:		www.databasscontone
Name:	. •	
Name:		10-7-7-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1



Attachment VI

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

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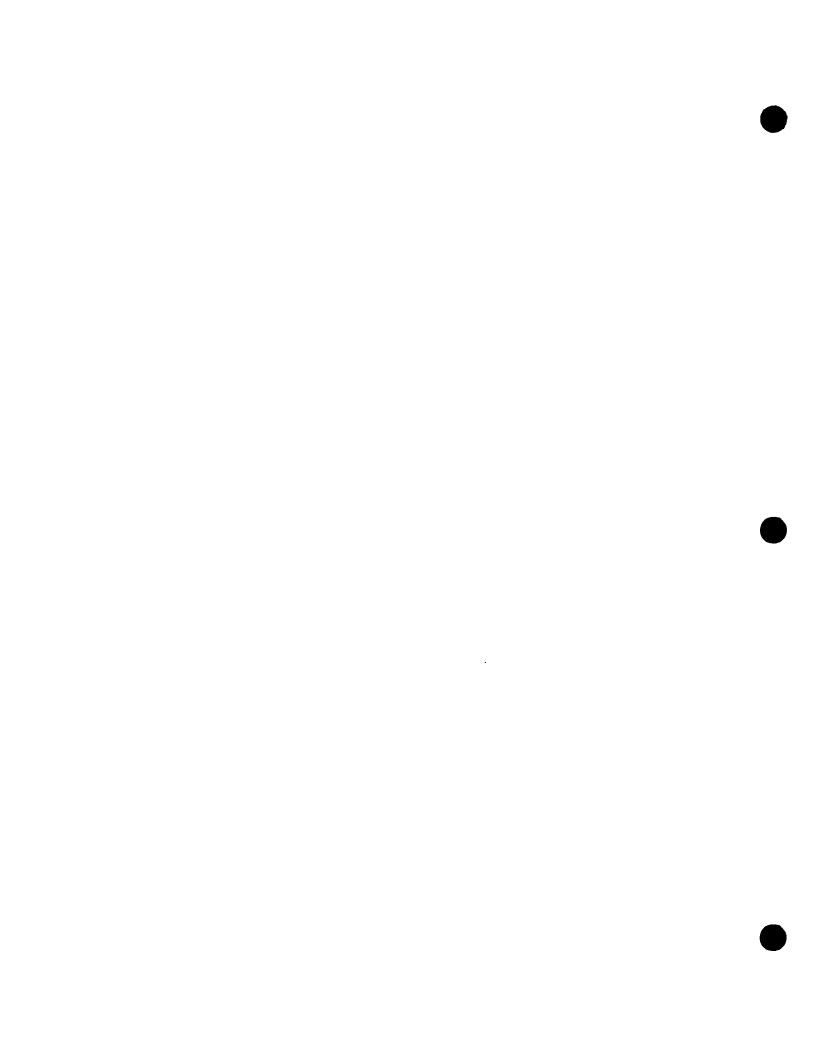
SENATE BILL 286

Health Care Committee Substitute Adopted 4/21/15 Third Edition Engrossed 4/22/15

(Public) Short Title: Regulate the Sale of E-Liquid Containers. Sponsors: Referred to: March 16, 2015 A BILL TO BE ENTITLED AN ACT PROHIBITING THE SALE OF E-LIQUID CONTAINERS WITHOUT CHILD-RESISTANT PACKAGING AND WITHOUT LABELING E-LIQUID CONTAINERS THAT CONTAIN NICOTINE. The General Assembly of North Carolina enacts: SECTION 1. Article 52 of Chapter 14 of the General Statutes is amended by adding a new section to read: "§ 14-401.18A. Sale of certain e-liquid containers prohibited. The following definitions apply in this section: (a) Child-resistant packaging. - Packaging that is designed or constructed to be significantly difficult for children under five years of age to open or obtain a toxic or harmful amount of the substance contained therein within a reasonable time and not difficult for adults to use properly, but does not mean packaging which all such children cannot open or obtain a toxic or harmful amount within a reasonable time. E-liquid. - A liquid product, whether or not it contains nicotine, that is (2)intended to be vaporized and inhaled using a vapor product. E-liquid container. - A bottle or other container of e-liquid. The term does (3) not include a container holding liquid that is intended for use in a vapor product if the container is pre-filled and sealed by the manufacturer and is not intended to be opened by the consumer. Vapor product. – Any noncombustible product that employs a mechanical (4)heating element, battery, or electronic circuit regardless of shape or size and that can be used to heat a liquid solution contained in a vapor cartridge. The term includes an electronic cigarette, electronic cigar, electronic cigarillo, and electronic pipe. It shall be unlawful for any person, firm, or corporation to sell, offer for sale, or introduce into commerce in this State an e-liquid container unless the container constitutes child-resistant packaging. Any person who violates this section is guilty of a Class Al misdemeanor. It shall be unlawful for any person, firm, or corporation to sell, offer for sale, or introduce into commerce in this State an e-liquid container for an e-liquid product containing

nicotine unless the packaging for the e-liquid product states that the product contains nicotine.

Any person who violates this section is guilty of a Class A1 misdemeanor.



General Assembly Of North Carolina

Session 2015

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VI

(d) Any person, firm, or corporation that violates the provisions of this section shall be liable in damages to any person injured as a result of the violation."

SECTION 2. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date.



Attachment VIII

NORTH CAROLINA GENERAL ASSEMBLY HOUSE OF REPRESENTATIVES

COMMERCE AND JOB DEVELOPMENT COMMITTEE REPORT

Representative Debra Conrad, Co-Chair Representative Michele D. Presnell, Co-Chair Representative Stephen M. Ross, Co-Chair

FAVORABLE AND RE-REFERRED

SB 286 (CS#1)

Regulate the Sale of E-Liquid Containers.

Draft Number:

None

Serial Referral:

None

Recommended Referral: JUDICIARY II

Long Title Amended:

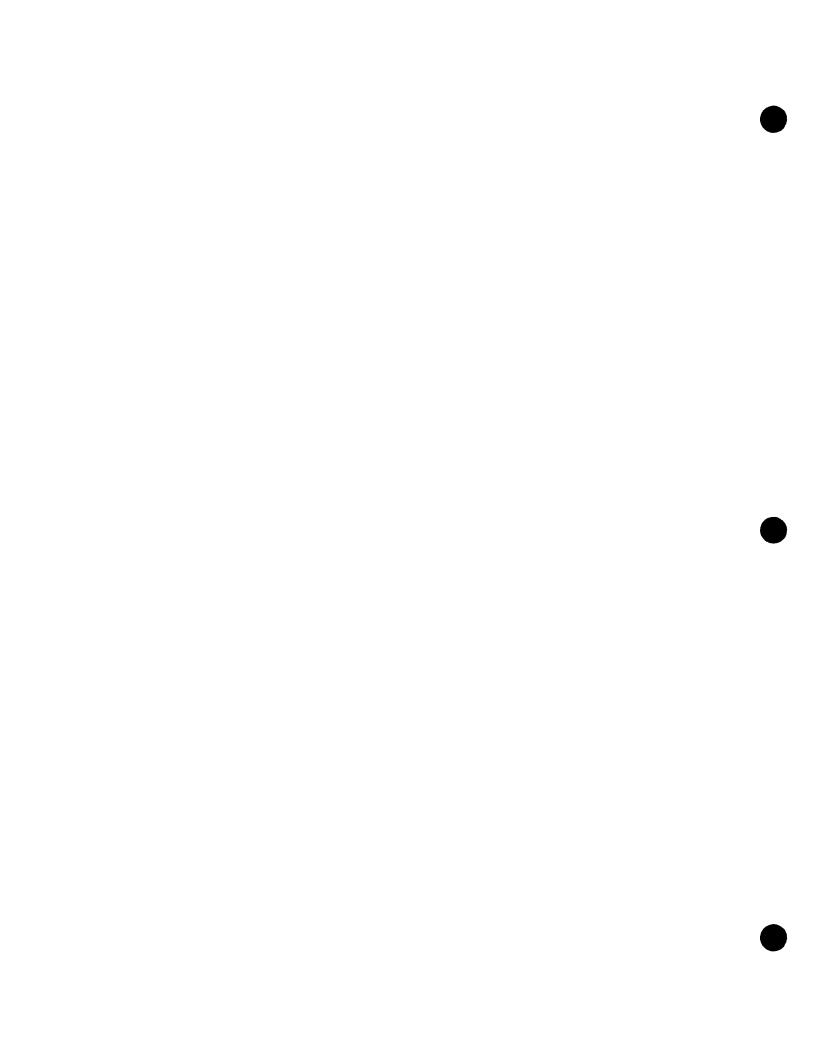
No

Floor Manager:

To be determined

TOTAL REPORTED: 1





House Committee on Commerce and Job Development Wednesday, June 17, 2015 at 11:00 AM Room 643 of the Legislative Office Building

MINUTES

The House Committee on Commerce and Job Development met at 11:00 AM on June 17, 2015 in Room 643 of the Legislative Office Building. Representatives Adams, Avila, J. Bell, L. Bell, Bradford, Brawley, Brockman, Brody, B. Brown, Bryan, Conrad, Dollar, Floyd, Fraley, Goodman, G. Graham, Hager, Holley, Hunter, Malone, S. Martin, McElraft, McGrady, McNeill, Millis, R. Moore, Pierce, Presnell, Richardson, Robinson, Ross, Schaffer, Shepard, Szoka, Terry, Tine, Torbett, Wray, and Yarborough attended (Attachment I). A Visitor Registration list is attached and made part of these minutes (Attachment II). A copy of the committee agenda is also attached (Attachment III).

Representative Michele D. Presnell, Chair, presided. She called the meeting to order at 11:00 a.m. She introduced the pages (Attachment IV) and the Sergeant-at-Arms staff (Attachment V).

Upon request of Rep. Gary Pendleton, members received literature about House Bill 482 prior to the committee (Attachments VI and VII).

Rep. Brown made a motion to have a PCS to House Bill 482, Employee Fair Classification Act (Attachment VIII), before the committee. The Chair called for the ayes and nays, the motion passed, and the bill was considered. Reps. Pendleton, Blust and Bishop presented the bill to the committee.

After member discussion, Ryan Minto, legislative liaison for the governor, spoke before the committee.

After further member discussion, Rep. McGrady made a motion for a favorable report to the PCS and unfavorable to the original bill with a serial referral to Judiciary II. The Chair called for the ayes and nays, committee members voted in favor of the motion, and the motion passed.

The committee report is attached and made part of these minutes (Attachment IX).

The meeting adjourned at 10:50 AM.

Representative Michele D. Presnell, Chair

Presiding

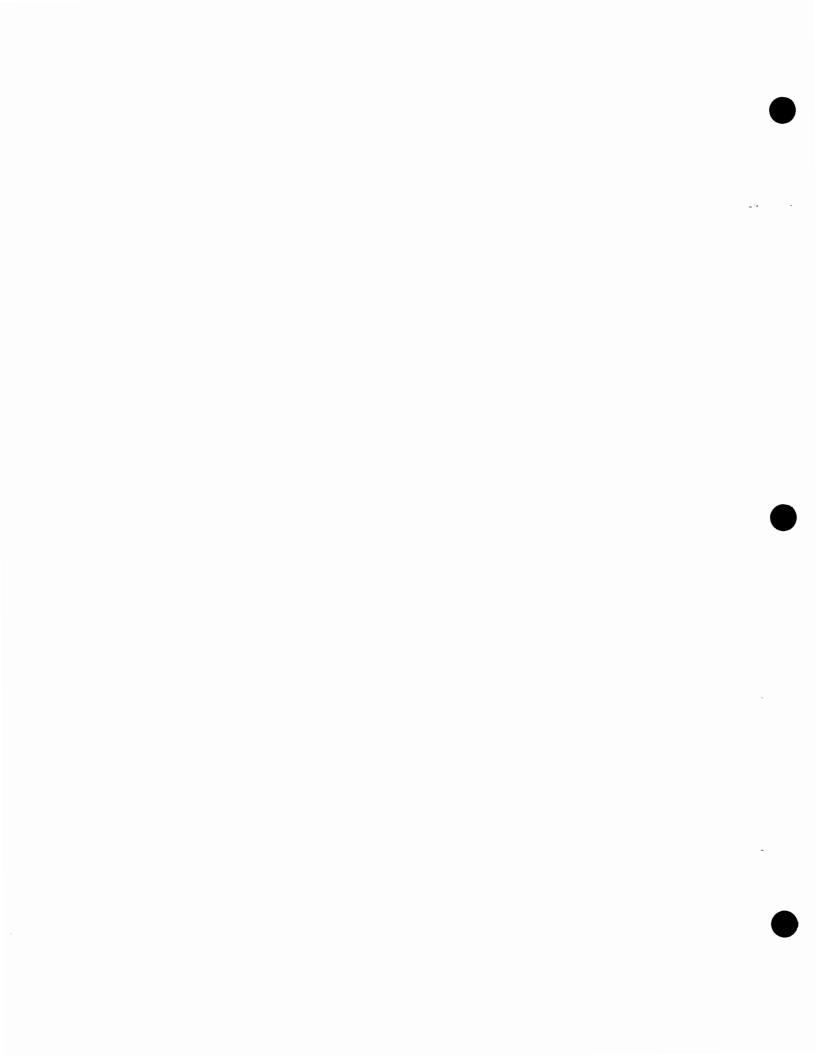
John Wall, Committee Clerk

ATTENDANCE

House Committee on Commerce and Job Development

2015-16 Session

DATES		3-16-15	7-15-12	4-22-15	4-22-15	4-19-6	7	6-3-15	1016	4-11-12			
CONRAD, Debra CO-CHAI		-	X	X	X	X	X	X	X	X			
PRESNELL, Michele CO-CHAIR	X	X	4	X	×	X	X	X	X	X			
ROSS, Stephen CO-CHAI	R X	X	K	X	X	X	X	X	X	X			-
BRADFORD, John VICE-CHAIL	X	X	X	1	X	X	X	X	X	X			
BROWN, Brian VICE-CHAIL	X		X	X	X	X	X	X		X			
FRALEY, John VICE-CHAIR	X	X	X	X	X	X	X	X	X	X	1		
GOODMAN, Ken VICE-CHAIR	X	X	X	X	X	X		X	X	K.	-	_	
GRAHAM, Charles VICE-CHAIR	X	X		X	MAN	X							
HALL, Larry VICE-CHAIL	X	X		X			X	14			1		
MARTIN, Susan VICE-CHAIL	X	X	X	X	X	X	X.	X	X	X			
MOORE, Rodney VICE-CHAIR	X	X	X	X	X	X		X	X	X			
RICHARDSON, Bobbie VICE-CHAIR	X	X	x	X		X	×	X	X	X			
ROBINSON, George VICE-CHAIR	X	X	X	X	X	1	X		X	X			
SZOKA, John VICE-CHAIR	X	X	_	X	,		X		X	X			
WRAY, Michael VICE-CHAIR	A	X	X	X	X			X	X	x			
ADAMS, Jay	X	X	X	X	X	X	X	X	X	X			
AVILA, Marilyn	X		X	X	X	X	X	X	X	X			
BELL, John	X	X	X	X	X		4		X	K			
BELL, Larry	X	X	x	X		X	X	X	X	X			
BOLES, James	A	X		X			X		X				
BRAWLEY, William	A		X	X		X		X	X	X			
BROCKMAN, Cecil	X	X	+	X	X		χ.	X	X	X			
BRODY, Mark	A	X	X.	X		X	X	X	X	X			
BRYAN, Rob	X	X	X	X		5	<		X	4			
CATLIN, Rick	X	X	X	X		:	X		X	4 /			-
DAVIS, Ted	X	X	K	X				X	X				

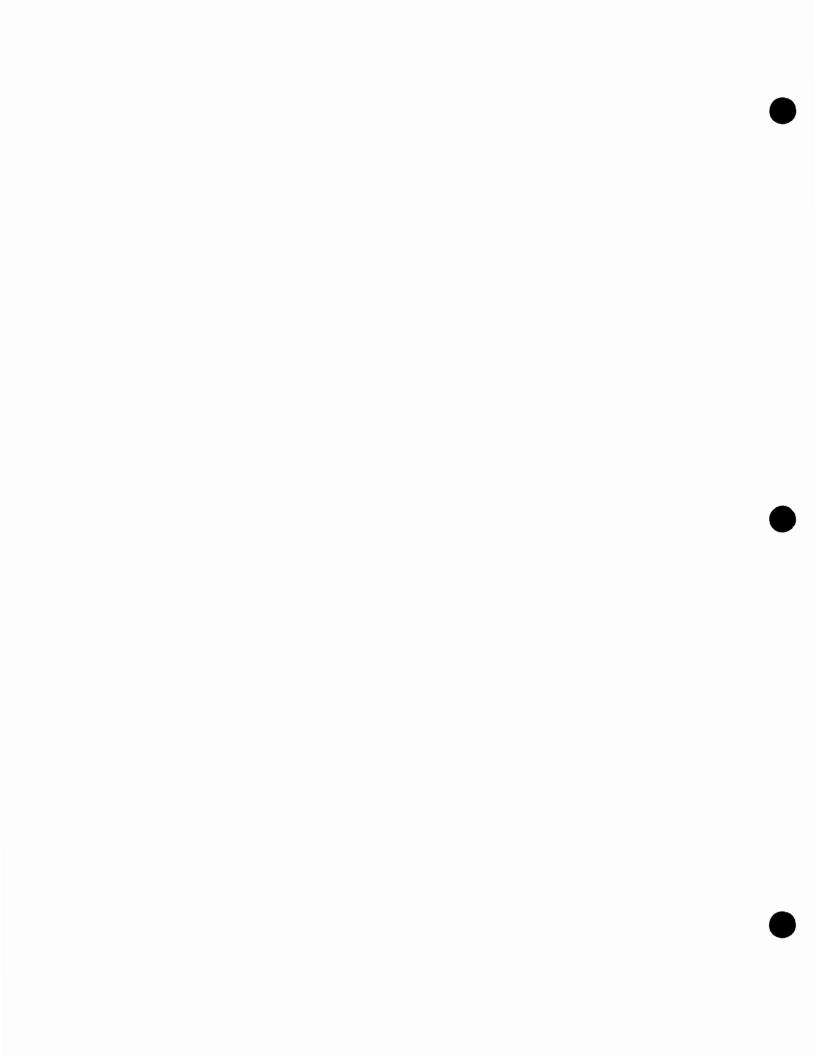


DOLLAR, Nelson	A	IA	A	X		X	1		X	/x			
FLOYD, Elmer	X	X	7.	X			X		X	X			
GRAHAM, George	X	X	7	X	X	X	X	X	X	X			
HAGER, Mike	X	X	X	X		1	X	X	X	X			
HAMILTON, Susi	. X	X	N	X		X		_					
HOLLEY, Yvonne	. X	X	X	X		X	X	X	X	X			
HORN, Craig	X	X	X		X	X	K	X	X				
HUNTER, Howard	X	X	X	X		X		M		X			
JACKSON, Darren	A								X				
LEWIS, David	A					/		,					
MALONE, Chris	X	X	X	X	M	X	X	X		1	1		
MCELRAFT, Pat	A	-	X							X			
MCGRADY, Chuck	A	X		X				X	X	X			
McNEILL, Allen	X	X	x	X		X	X	X	X	X			
MILLIS, Chris	X		X	X		,		1	X	X			
PIERCE, Garland	A		*	X		X	X		X	x			
SAINE, Jason	A			X						•			
SCHAFFER, Jacqueline	×		X							X			
SHEPARD, Phillip	X	X	X	×	X		X		X	X			
STEINBURG, Bob	A	X		X	X	No.	X	X	X				
TERRY, Evelyn	X	X	X	X		XX	N	Х	X	X			
TINE, Paul	X	X	X	X	X		X	X	X	X			
TORBETT, John	· X	X	X	X	X		X	X	X	K			
YARBOROUGH, Larry	X	X	K	X	X		X	X	X	X			

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House Comm. on Commerce and Job Dev. 06/17/15 Name of Committee Date

NAME	FIRM OR AGENCY AND ADDRESS
Notalie Hobson	NCHFA
Will Pary -Hill	NCHFA
Tonya Hotton	155
Steve Morga	NCRLA
JBUSSIAN	NCPA
RegunGatlin	satran lawoff as
Carol Brook	NC Justice Ctv
Danewrys Tejeda	NC Justice Ctr
Bengmin Gurlitz	NC Justice Conter
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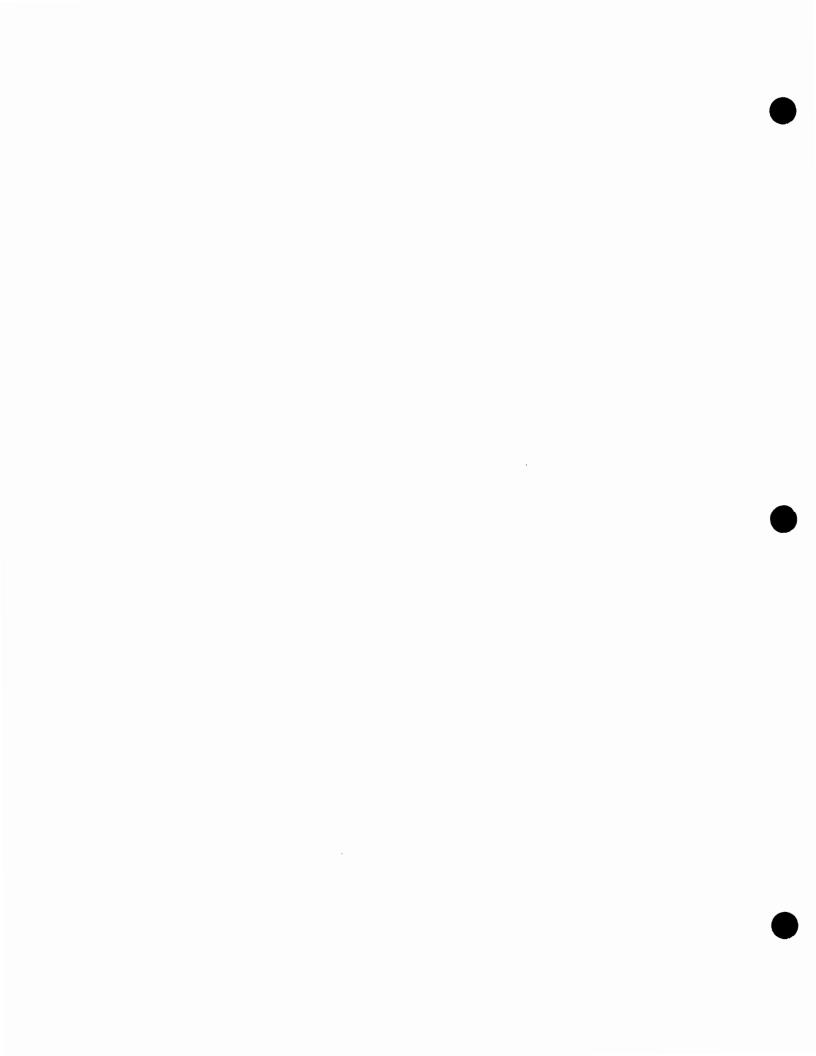


House Comm. on Commerce and Job Dev. 06/17/15

Name of Committee

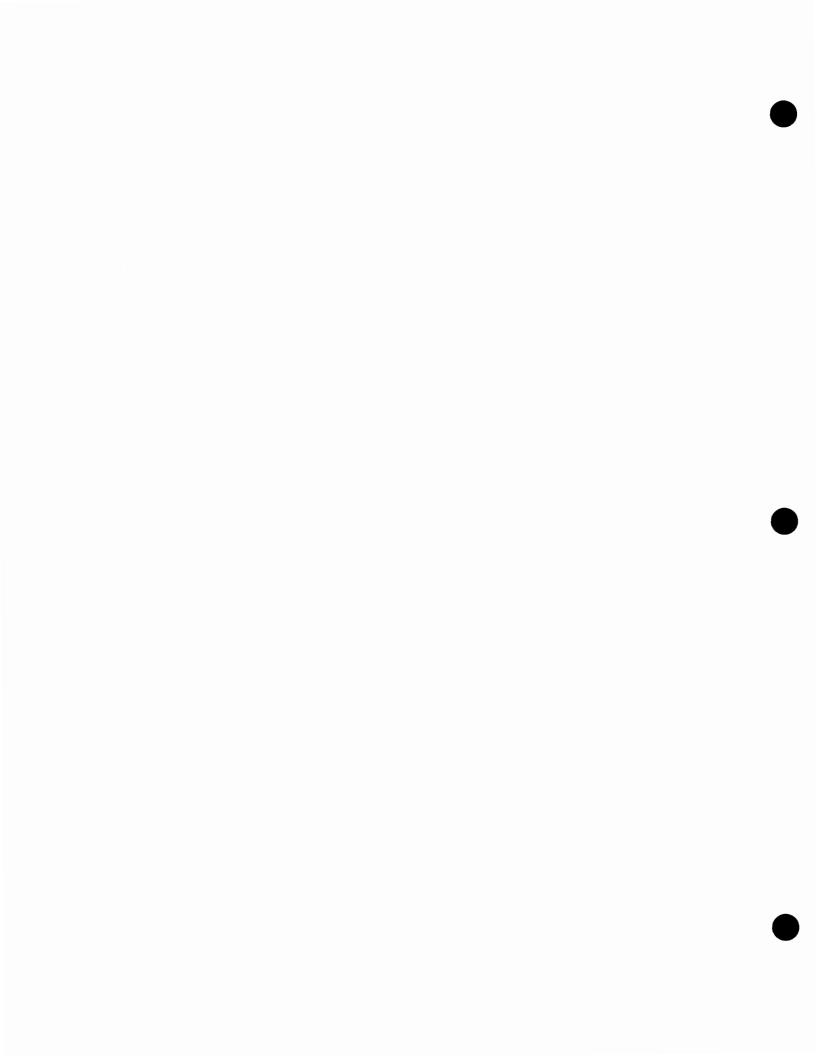
Date

NAME	FIRM OR AGENCY AND ADDRESS
Doeg Moore	4-H 352 North Raleigh Farms Rd Youngsville NC 27596
Elias Moore	4-H 1165 W. Hillardston Rd. Vashville, NC 27856
Lucy hetterer	Louisburg NC 27549
Morgan King	4-H Raleigh, NC 27606
Mez Wyatt	9129 Henters Greene Dr 4:41 Zebelon NC 27597
Meg Wyorth Mike Okun	NC Stream. CW



House Comm. on Commerce and Job Dev. 06/17/15 Name of Committee

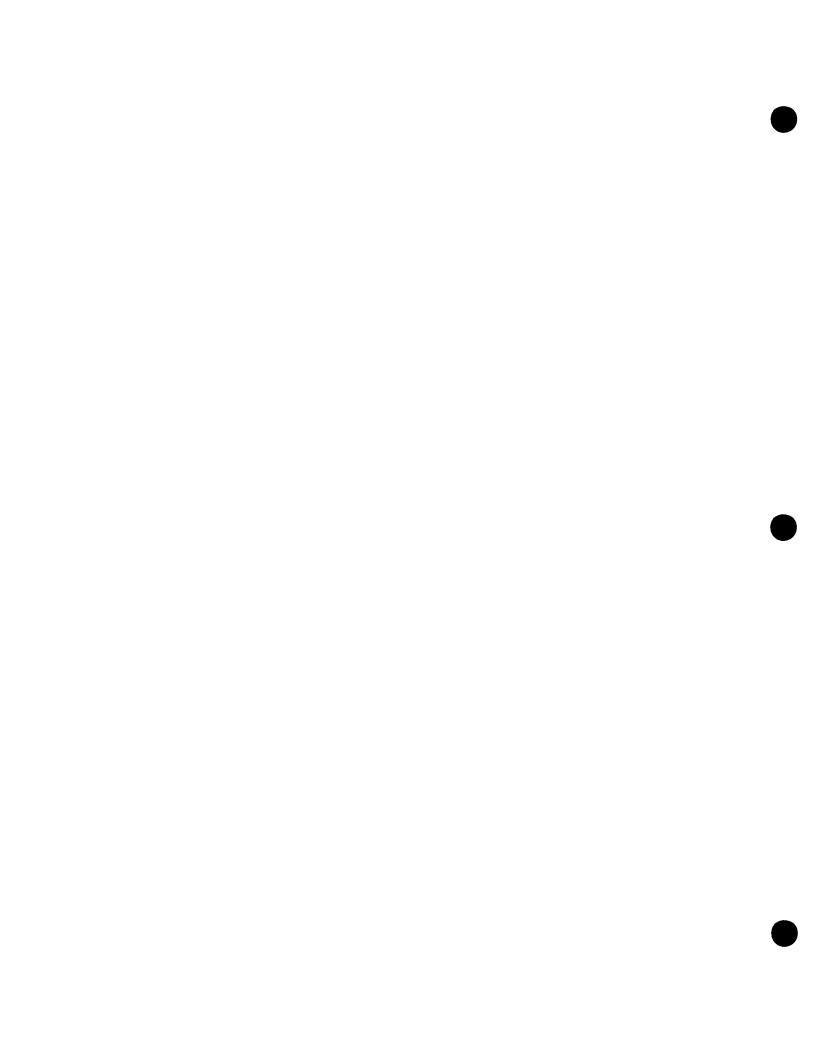
NAME	FIRM OR AGENCY AND ADDRESS
David Granden	AIANC
Betsy Barry	CAGC
Berry Jenkins	CAGC
LEDNARD JERNILM	Ferry low Form
Ryan Boyce	NCIC
SarahBales	Bruloter à 17550.
John Del Giorno	
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House Comm. on Commerce and Job Dev. 06/17/15

Name of Committee

NAME	FIRM OR AGENCY AND ADDRESS
JAKE PARKER	NGB
Elizabeth Robinson	Mazma
Lex Morgon	NCRIM
Meredith Reich	LOWE'S
Jake Cashion	Nec
Henry Jon 8	Gordon Price
- Juin Tollie	to cour
The Valueties	NCHAA
I fory Ange	School 7/60%.
Sarah Iciona	NCDL
Jane Gilchnst	NCDUL
Scar Mi Cabe	NCDOL



House Committee on Commerce and Job Development Wednesday, June 17, 2015, 11:00 AM 643 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages and Sergeants-at-Arms

Bills

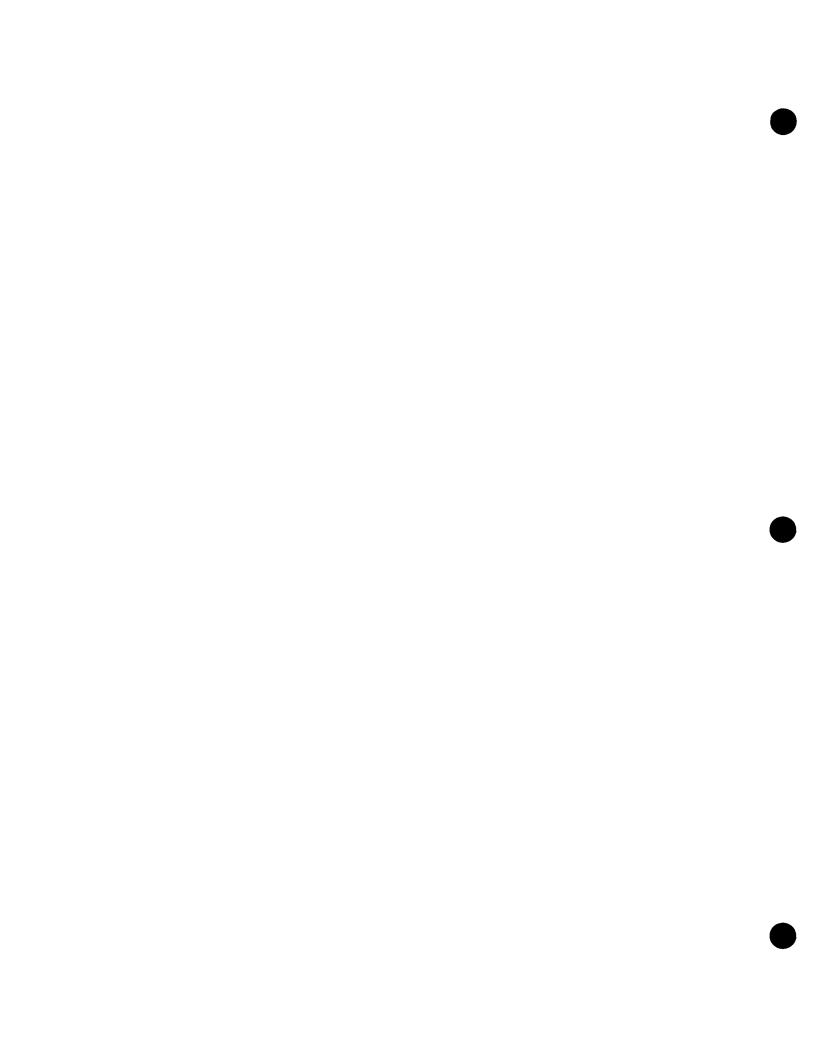
BILL NO. SHORT TITLE

HB 482 Employee Fair Classification Act.

SPONSOR

Representative Pendleton Representative Blust Representative Szoka Representative Bishop

Adjournment



Wednesday, June 17
COMMERCE AND
JOB DEVELOPMENT

Room 643 Time 11:00 am

Name	County	Sponsor
Slade Canady	Halifax	Michael H. Wray
Megan Dyer	Johnston	Speaker Moore
Jalen Holloman	Wake	Susi H. Hamilton
Arjun Juneja	Wake	Gale Adcock
Matthew Liner	Mecklenburg	Dean Arp
Reese McGee	Union	Dean Arp

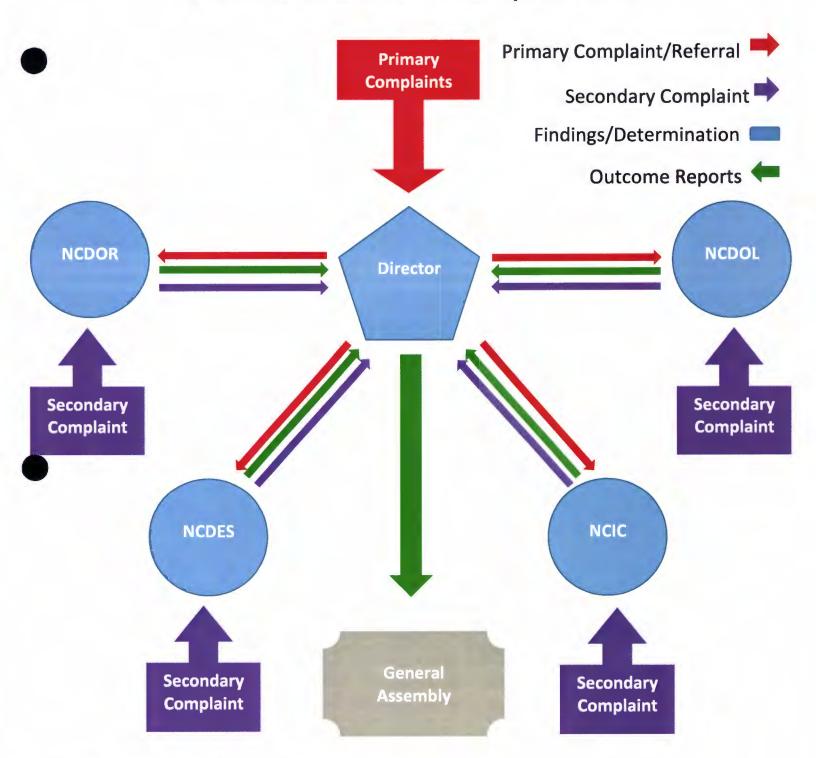
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Committee Sergeants at Arms

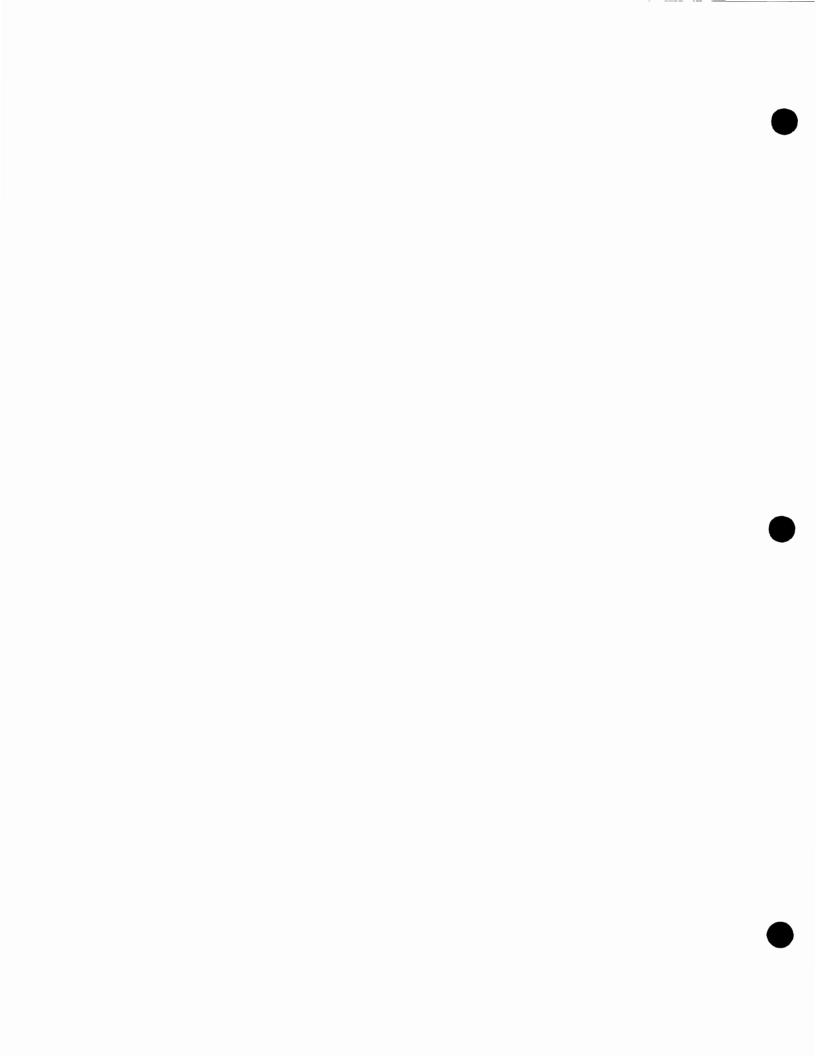
NAME OF COMMITTEE _	House Comm. on	Comme	rce and Job Dev
DATE: 06/17/15	Room:	643	**
	House Sgt-At Arms:		
1. Name: Young Bae			
2. Name: Bill Morris			
Name: Jim Moran			
4. Name: David Leigh	ton		
5. Name:		•	•
	Senate Sgt-At Arms:		
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l. Name:	. *		
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Worker Misclassification Complaint Flow



- 1. Primary complaints are filed directly with the Director;
- 2. Secondary complaints originate at the agency level and are referred to the Director;
- 3. The Director collects information on all primary and secondary complaints, creates cases for each complaint and refers the cases to every agency;
- 4. Each agency conducts its own independent review of each case and prosecutes offending businesses under the agency's existing laws;
- 5. The agencies report outcomes of each case to the Director;
- 6. The Director penalizes repeat offenders; and
- 7. The Director reports quarterly to the General Assembly.



REASONS FOR HB-482

5.17.15

- 1. Many workers that should be treated as employees are treated as independent contractors (1099's). We have had numerous workers killed on the job and their loved ones receive nothing when they should have received over one years' compensation from workers compensation. Many more are hurt on the job and disabled for a period of time or for life and they and their families receive no compensation from workers compensation. This costs local and state government millions of dollars in welfare payments. In addition, our hospitals treat them and usually are not compensated.
- 2. Many lawful employers have been put out of business by these rouge employers. Some of these businesses have moved from other states since North Carolina has the most liberal laws in the South. For instance, Florida passed legislation in the last few years to allow cease and desist orders against these businesses and a \$5,000 per employee fine. An example is a concrete finishing

firm that moved from Florida to Wake County and in the last two years now has control of 80% of the concrete finishing work. I have talked to many of his former competitors who have gone out of business due to his unlawful practices. He consistently underbids the others by 20% by not offering health insurance as mandated by Obamacare, Social Security, worker's compensation, etc.

- 3. North Carolina lost approximately \$191M in state income and payroll taxes last year because of our liberal laws.
- 4. DHHS said 40% of people that are in arrears on child support are paid as independent contractors (1099) and due to this, their income is very hard to garnish.
- The companion bill SB-694 introduced by Senator Newton passed unanimously.

GENERAL ASSEMBLY OF NORTH CAROLINA **SESSION 2015**

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HOUSE BILL 482

	PROPOSED COMMITTEE SUBSTITUTE H482-CSRO-19 [v.3] 6/16/2015 5:59:18 PM
Short Title:	Employee Misclassification Reform. (Public)
Sponsors:	
Referred to	
	April 2, 2015
	A BILL TO BE ENTITLED
AN ACT T	ENACT THE EMPLOYEE FAIR CLASSIFICATION ACT.
	Assembly of North Carolina enacts:
PART I. E	IPLOYEE FAIR CLASSIFICATION ACT
	ECTION 1.1. Chapter 143 of the General Statutes is amended by adding a new
Article to re	
	"Article 81.
	"Employee Fair Classification Act.
§ 143-760.	Title.
This Ar	cle shall be known and may be cited as the "Employee Fair Classification Act."
	Definitions; scope.
<u>(a)</u>	he following definitions apply in this Article:
9	Employ. – As defined by G.S. 95-25.2(3). For the purposes of this Article,
	an entity or individual shall not be deemed to be an employer of an
	individual hired or otherwise engaged by or through the entity or individual's
	independent contractor.
9	Employee. – Any individual that is defined as an employee by either
	G.S. 95-25.2(4), 96-1(10), 97-2(2), or 105-163.1(4). The term does not mean
	an individual who is an independent contractor. The term does not include
	an individual or entity where the individual or entity provides transportation
	services and trucking equipment as an owner-operator under written contract
	as referenced in 49 C.F.R. Part 376 et seq. to a common carrier, contract
	carrier, or exempt hauler. The owner-operator and the drivers provided by an
	owner-operator are not employees of any such common carrier, contract
	<u>carrier, or exempt hauler for the purposes of this Article.</u> <u>Employee Classification Division or Division. – The Employee</u>
7	Classification Division within the Department of Revenue.
	Employee misclassification. – Avoiding tax liabilities and other obligations
7	imposed by Chapter 95, 96, 97, or 105 of the General Statutes by
	misclassifying an employee as an independent contractor.
(Employer. – Any individual or entity that employs one or more employees
7	as defined by G.S. 97-2(3).
1	Secretary. – The Secretary of the Department of Revenue.
_	othing in this Article shall be construed, or is intended, to change the definition of
	or "employee" under any other provision of law.



"§ 143-762. Establishment of Employee Classification Division; appointment of director; salaries; other staff.

- (a) The Employee Classification Division is established within the Department of Revenue.
- (b) The Secretary shall appoint a director of the Division to serve at the Secretary's pleasure with such authority as the Secretary deems necessary to direct and oversee the Division in carrying out the purposes of this Article. The director shall be exempt from the State Human Resources Act and shall devote his or her entire time to the duties of the Division. The director may delegate any duties and responsibilities as may be necessary to ensure the proper management of the Division. The director's salary shall be set by the General Assembly.
- (c) The Secretary may employ clerical staff, investigators, and other staff within the Division as is necessary for the Division to perform its duties under this Article. Notwithstanding Chapters 126, 143A, and 143B of the General Statutes or any other provision of law, the director may hire or fire personnel and transfer personnel within the Division. The Division shall be provided with adequate offices in which the Division's records shall be kept and its official business transacted during regular business hours. The Division shall also be provided with necessary office furniture, stationery, and other supplies.
- (d) The Office of the State Chief Information Officer shall ensure that the Division is provided with all necessary access to the Government Data Analytics Center and all other information technology services.

"§ 143-763. Division powers and duties.

- (a) The Division shall have the following duties:
 - (1) Be available during business hours to receive reports of employee misclassification by telephonic, written, or electronic communication.
 - (2) Investigate reports of employee misclassification, coordinate with, and assist all relevant State agencies in recovering any back taxes, wages, benefits, penalties, or other monies owed as a result of an employer engaging in employee misclassification.
 - (3) Assess administrative civil penalties for instances of employee misclassification as set forth in G.S. 143-765.
 - (4) Coordinate with relevant State agencies and District Attorneys' offices in the prosecution of employers and individuals who fail to pay civil assessments or penalties assessed as a result of the employer or individual's involvement in employee misclassification.
 - (5) Provide all relevant information pertaining to each instance of reported employee misclassification to the North Carolina Department of Labor, the North Carolina Division of Employment Security, and the North Carolina Industrial Commission to facilitate investigation of potential violations of Chapter 143, 95, 96, 97, or 105 of the General Statutes.
 - (6) Create a publicly available notice that includes the definition of employee misclassification and indicates the civil penalties provided for in G.S. 143-765.
 - (7) Develop methods and strategies for information sharing between State agencies in order to proactively identify possible instances of employee misclassification.
 - (8) Develop methods and strategies to educate employers, employees, and the public about proper classification of employees and the prevention of employee misclassification.
- (b) The director shall appoint an informal advisory council to advise the director on issues within the jurisdiction of the Division. The members of the advisory council shall include, at a minimum:

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misclassification after being assessed any back taxes, wages, benefits, penalties, or other

monies by any State agency as a result of misclassifying one or more employees within the

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previous three calendar years shall be assessed a civil penalty of no greater than one thousand dollars (\$1,000) per misclassified employee for any future instances of employee misclassification. In determining the amount of the penalty to be assessed, the Division shall consider the degree of willfulness or negligence by the employer in engaging in the employee misclassification. The penalty herein provided shall be assessed by the Division administratively. Any employer found by the Division to have engaged in employee misclassification or any other violation of this Article may within 60 days of receiving written notification of a final finding by the Division, appeal the final finding and any accompanying penalty or other sanction by either: (1) commencing a contested case under Chapter 150B of the General Statutes; or (2) filing a petition with the superior court of Wake County or of such county where the events giving rise to the finding arose. The procedure shall be the same as in all other contested cases or civil actions, except that the review of the Division's findings and any accompanying penalties or sanctions shall be de novo for both factual findings and questions of law. Enforcement of the penalty shall be made by the Office of the Attorney General. The clear proceeds of penalties provided for in this subsection shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(c) Nothing in this section shall be construed to create a private right of action, at law or in equity, for the activities prohibited by this Article.

"§ 143-766. Temporary amnesty program.

- (a) The Division shall establish and administer a temporary amnesty program for the purpose of encouraging voluntary self-reporting by employers currently engaging in employee misclassification. Every employer participating in the temporary amnesty program shall be immune from the civil penalties provided for in G.S. 143-765 for past instances of employee misclassification that are voluntarily self-reported by the employer in accordance with the procedures of the temporary amnesty program.
- (b) The Division shall establish procedures for participation in the temporary amnesty program. These procedures shall require, at a minimum, that a participating employer:
 - (1) File an application with the Division on a form prescribed by the Division on or before October 1, 2016. This form shall require, at a minimum, the employer's name, physical address, mailing address, telephone number, Social Security number or taxpayer ID number, and disclosure of all actual or potential instances of employee misclassification. If available, this form shall require the employer's registered agent, drivers license number, license number(s), and issuing agency of all licenses issued by a State licensing board.
 - (2) Comply with any and all determinations made or directives issued by the Division pertaining to the employer's application and compliance with this Article.
- (c) Nothing in this section shall be construed to limit the liability of a participating employer in any civil or criminal matter not provided for by this Article.

"§ 143-767. Occupational licensing boards and commissions; notice requirement; applicant certification.

- (a) Every State occupational licensing board or commission that is authorized to issue any license, permit, or certification shall include on every application for licensure, permit, or certification, or application for renewal of the same, a certification that the applicant has read and understands the employee misclassification notice set forth in G.S. 143-763(a)(7).
- (b) Every applicant for a license, permit, or certification issued by a State occupational licensing board or commission shall truthfully certify on the appropriate application that the applicant has read and understands the employee misclassification notice set forth in G.S. 143-763(a)(7).

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An occupational licensing board or commission shall deny the license, permit, or certification application of any applicant who fails to comply with the certification requirement set forth in subsection (b) of this section.

"§ 143-768. Confidentiality; access to records.

The records of the Division that are not civil penalty assessments or final orders relating to an appeal of a civil penalty assessment, insofar as they refer to reported violations, investigations, or other enforcement actions taken by the Division, are not public records under G.S. 132-1, but are subject to inspection by State and federal agencies as required by the provisions of this Article and Chapters 95, 96, 97, and 105 of the General Statutes."

SECTION 1.2. G.S. 97-5.1 is repealed.

PART II. MISCLASSIFICATION NOTICE ADDED TO NCDOL POSTERS

SECTION 2.1. G.S. 95-25.15(c) reads as rewritten:

- A poster summarizing the major provisions of this Article shall be displayed in every establishment subject to this Article. This poster shall also include notice indicating the following:
 - Any worker who is defined as an employee by either G.S. 95-25.2(4), (1) 143-761(2), 96-1(10), 97-2(2), or 105-163.1(4) shall be treated as an employee unless the individual is an independent contractor.
 - Any employee who believes that they have been misclassified as an <u>(2)</u> independent contractor by their employer may report the suspected misclassification to the Employee Classification Division.
 - The physical location, mailing address, telephone number, and e-mail (3) address where alleged incidents of employee misclassification may be reported to the Employee Classification Division."

SECTION 2.2. This section is effective January 1, 2016.

PART III. SANCTIONS AND OTHER REQUIREMENTS CONCERNING EMPLOYEE **MISCLASSIFICATION**

SECTION 3.1. G.S. 87-11 reads as rewritten:

- "§ 87-11. Revocation of license; charges of fraud, negligence, incompetency, etc.; hearing thereon; reissuance of certificate.
- The Board shall have the power to refuse to issue or renew or revoke, suspend, or restrict a certificate of license or to issue a reprimand or take other disciplinary action if a general contractor licensed under this Article is found guilty of any fraud or deceit in obtaining a license, or gross negligence, incompetency, or misconduct in the practice of his or her profession, or willful violation of any provision of this Article. Article, or if a penalty was imposed pursuant to G.S. 143-765(b) that has been upheld upon final adjudication, the violation giving rise to the penalty was willful, and there was no good faith argument that the individual was an independent contractor. The Board shall also have the power to revoke, suspend, or otherwise restrict the ability of any person to act as a qualifying party for a license to practice general contracting, as provided in G.S. 87-10(c), for any copartnership, corporation or any other organization or combination, if that person committed any act in violation of the provisions of this section and the Board may take disciplinary action against the individual license held by that person.
- Any person may prefer charges of fraud, deceit, negligence, or misconduct against any general contractor licensed under this Article. The charges shall be in writing and sworn to by the complainant and submitted to the Board. The charges, unless dismissed without hearing by the Board as unfounded or trivial, shall be heard and determined by the Board in accordance with the provisions of Chapter 150B of the General Statutes.

- (b) The Board shall adopt and publish guidelines, consistent with the provisions of this Article, governing the suspension and revocation of licenses. These guidelines shall include references to the prohibition of employee misclassification under Article 81 of Chapter 143 of the General Statutes and state that engaging in employee misclassification is grounds for revocation of a license issued under this Article.
- (c) The Board shall establish and maintain a system whereby detailed records are kept regarding complaints against each licensee. This record shall include, for each licensee, the date and nature of each complaint, investigatory action taken by the Board, any findings by the Board, and the disposition of the matter.
- (d) The Board may reissue a license to any person, firm or corporation whose license has been revoked: Provided, five or more members of the Board vote in favor of such reissuance for reasons the Board may deem sufficient.

The Board shall immediately notify the Secretary of State of its findings in the case of the revocation of a license or of the reissuance of a revoked license.

A certificate of license to replace any certificate lost, destroyed or mutilated may be issued subject to the rules and regulations of the Board.

- (e) The Board shall be entitled to recover its reasonable administrative costs associated with the investigation and prosecution of a violation of this Article or rules or regulations of the Board up to a maximum of five thousand dollars (\$5,000) for any licensee or qualifying party found to have committed any of the following:
 - (1) Fraud or deceit in obtaining a license.
 - (2) Gross negligence, incompetency, or misconduct in the practice of general contracting.
 - (3) Willful violation of any provision of this Article."

SECTION 3.1A. G.S. 87-23 reads as rewritten:

"§ 87-23. Revocation or suspension of license for cause.

- (a) The Board shall have power to revoke or suspend the license of or order the reprimand or probation of any plumbing, heating, or fire sprinkler contractor, or any combination thereof, who is guilty of any fraud or deceit in obtaining or renewing a license, or who fails to comply with any provision or requirement of this Article, or the rules adopted by the Board, if a penalty was imposed pursuant to G.S. 143-765(b) that has been upheld upon final adjudication, the violation giving rise to the penalty was willful, and there was no good faith argument that the individual was an independent contractor, or for gross negligence, incompetency, or misconduct, in the practice of or in carrying on the business of a plumbing, heating, or fire sprinkler contractor, or any combination thereof, as defined in this Article. Any person may prefer charges of such fraud, deceit, gross negligence, incompetency, misconduct, or failure to comply with any provision or requirement of this Article, or the rules of the Board, against any plumbing, heating, or fire sprinkler contractor, or any combination thereof, who is licensed under the provisions of this Article. All of the charges shall be in writing and investigated by the Board. Any proceedings on the charges shall be carried out by the Board in accordance with the provisions of Chapter 150B of the General Statutes.
- (b) The Board shall adopt and publish guidelines, consistent with the provisions of this Chapter, governing the suspension and revocation of licenses.
- (c) The Board shall establish and maintain a system whereby detailed records are kept regarding complaints against each licensee.
- (d) The Board may conduct audits of the pay records and project records of licensee firms in furtherance of this Article or the Employee Fair Classification Act, Article 81 of Chapter 143 of the General Statutes."

SECTION 3.1B. G.S. 87-42 reads as rewritten:

"§ 87-42. Duties and powers of Board.

In order to protect the life, health and property of the public, the State Board of Examiners 1 2 of Electrical Contractors shall provide for the written examination of all applicants for 3 certification as a qualified individual, as defined in G.S. 87-41.1. The Board shall receive all 4 applications for certification as a qualified individual and all applications for licenses to be 5 issued under this Article, shall examine all applicants to determine that each has met the 6 requirements for certification and shall discharge all duties enumerated in this Article. 7 Applicants for certification as a qualified individual must be at least 18 years of age and shall 8 be required to demonstrate to the satisfaction of the Board their good character and adequate 9 technical and practical knowledge concerning the safe and proper installation of electrical work and equipment. The examination to be given for this purpose shall include, but not be limited 10 11 to, the appropriate provisions of the National Electrical Code as incorporated in the North 12 Carolina State Building Code, the analysis of electrical plans and specifications, estimating of 13 electrical installations, and the fundamentals of the installation of electrical work and 14 equipment. Certification of qualified individuals shall be issued in the same classifications as 15 provided in this Article for license classifications. The Board shall prescribe the standards of 16 knowledge, experience and proficiency to be required of qualified individuals, which may vary 17 for the various license classifications. The Board shall issue certifications and licenses to all 18 applicants meeting the requirements of this Article and of the Board upon the receipt of the fees 19 prescribed by G.S. 87-44. The Board shall have power to make rules and regulations necessary 20 to the performance of its duties and for the effective implementation of the provisions of this 21 Article. The Board may conduct audits of the pay records and project records of licensee firms 22 in furtherance of this Article or the Employee Fair Classification Act, Article 81 of Chapter 143 of the General Statutes. The Board shall have the power to administer oaths and issue 23 24 subpoenas requiring the attendance of persons and the production of papers and records before the Board in any hearing, investigation, or proceeding conducted by it. Members of the Board's 25 staff or the sheriff or other appropriate official of any county of this State shall serve all notices, 26 27 subpoenas, and other papers given to them by the Chairman for service in the same manner as 28 process issued by any court of record. Any person who neglects or refuses to obey a subpoena 29 issued by the Board shall be guilty of a Class 1 misdemeanor. The Board shall have the power 30 to acquire, rent, encumber, alienate, and otherwise deal with real property in the same manner 31 as a private person or corporation, subject only to approval of the Governor and the Council of 32 State. Collateral pledged by the Board for an encumbrance is limited to the assets, income, and 33 revenues of the Board. The Board shall keep minutes of all its proceedings and shall keep an 34 accurate record of receipts and disbursements which shall be audited at the close of each fiscal 35 year by a certified public accountant, and the audit report shall be filed with the State of North 36 Carolina in accordance with Chapter 93B of the General Statutes."

SECTION 3.1C. G.S. 87-47(a1) reads as rewritten:

- "(a1) The following activities are prohibited:
 - (1) Offering to engage or engaging in electrical contracting without being licensed.
 - (2) Selling, transferring, or assigning a license, regardless of whether for a fee.
 - (3) Aiding or abetting an unlicensed person, partnership, firm, or corporation to offer to engage or to engage in electrical contracting.
 - (4) Being convicted of a crime involving fraud or moral turpitude.
 - (5) Engaging in fraud or misrepresentation to obtain a certification, obtain or renew a license, or practice electrical contracting.
 - (6) Engaging in false or misleading advertising.
 - (7) Engaging in malpractice, unethical conduct, fraud, deceit, gross negligence, gross incompetence, or gross misconduct in the practice of electrical contracting.

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(8) Willfully engaging in employee misclassification in violation of G.S. 143-765(b) where there was no good faith argument that the individual was an independent contractor."

SECTION 3.2. G.S. 143-59.2(a) reads as rewritten:

"(a) Ineligible Vendors. – A vendor is not entitled to enter into a contract for goods or services with any department, institution, or agency of the State government subject to the provisions of this Article if any officer or director of the vendor, or any owner if the vendor is an unincorporated business entity, entity; within five years prior to the date of the bid solicitation, has been assessed a civil penalty pursuant to G.S. 143-765(b) that has been upheld upon final adjudication, the violation giving rise to the penalty was willful, and there was no good faith argument that the individual was an independent contractor; or within 10 years immediately prior to the date of the bid solicitation, has been convicted of any violation of Chapter 78A of the General Statutes or the Securities Act of 1933 or the Securities Exchange Act of 1934."

SECTION 3.3. G.S. 153A-134 is amended by adding a new subsection to read:

 "(d) An applicant subject to regulation and licensure by a county under this section shall certify to the county on the relevant application that the applicant has read and understands the employee misclassification notice required under G.S. 143-763(a)(7)."

SECTION 3.4. G.S. 160A-194 is amended by adding a new subsection to read:

"(d) An applicant subject to regulation and licensure by a city under this section shall certify to the city on the relevant application that the applicant has read and understands the employee misclassification notice required under G.S. 143-763(a)(7)."

SECTION 3.5. G.S. 153A-360 reads as rewritten:

"§ 153A-360. Inspections of work in progress.

- (a) As the work pursuant to a permit progresses, local inspectors shall make as many inspections of the work as may be necessary to satisfy them that it is being done according to the provisions of the applicable State and local laws and local ordinances and regulations and of the terms of the permit. In exercising this power, each member of the inspection department has a right, upon presentation of proper credentials, to enter on any premises within the territorial jurisdiction of the department at any reasonable hour for the purposes of inspection or other enforcement action. If a permit has been obtained by an owner exempt from licensure under G.S. 87-1(b)(2), no inspection shall be conducted without the owner being personally present, unless the plans for the building were drawn and sealed by an architect licensed pursuant to Chapter 83A of the General Statutes.
- (b) Each owner shall certify to the county on the relevant application that the owner has read and understands the employee misclassification notice required under G.S. 143-763(a)(7)."

SECTION 3.6. G.S. 160A-420 reads as rewritten: "§ 160A-420. Inspections of work in progress.

- (a) As the work pursuant to a permit progresses, local inspectors shall make as many inspections thereof as may be necessary to satisfy them that the work is being done according to the provisions of any applicable State and local laws and of the terms of the permit. In exercising this power, members of the inspection department shall have a right to enter on any premises within the jurisdiction of the department at all reasonable hours for the purposes of inspection or other enforcement action, upon presentation of proper credentials. If a permit has been obtained by an owner exempt from licensure under G.S. 87-1(b)(2), no inspection shall be conducted without the owner being personally present, unless the plans for the building were drawn and sealed by an architect licensed pursuant to Chapter 83A of the General Statutes.
- (b) Each owner shall certify to the city on the relevant application that the owner has read and understands the employee misclassification notice required under G.S. 143-763(a)(7)."

PART IV. APPROPRIATIONS

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SECTION 5. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

PART VI. EFFECTIVE DATE

PART V. SEVERABILITY

the positions authorized by this section.

SECTION 6. Except as otherwise provided, this act becomes effective August 1,

SECTION 4.(a) There is appropriated from the General Fund to the Department of

SECTION 4.(b) There is appropriated from the General Fund to the Employee

Revenue the sum of two hundred ninety-three thousand dollars (\$293,000) for the 2015-2016

fiscal year and the sum of two hundred ninety-three thousand dollars (\$293,000) for the 2016-2017 fiscal year to establish up to five new positions in the Employee Classification

Division of the Department of Revenue to carry out the duties of the Division pursuant to

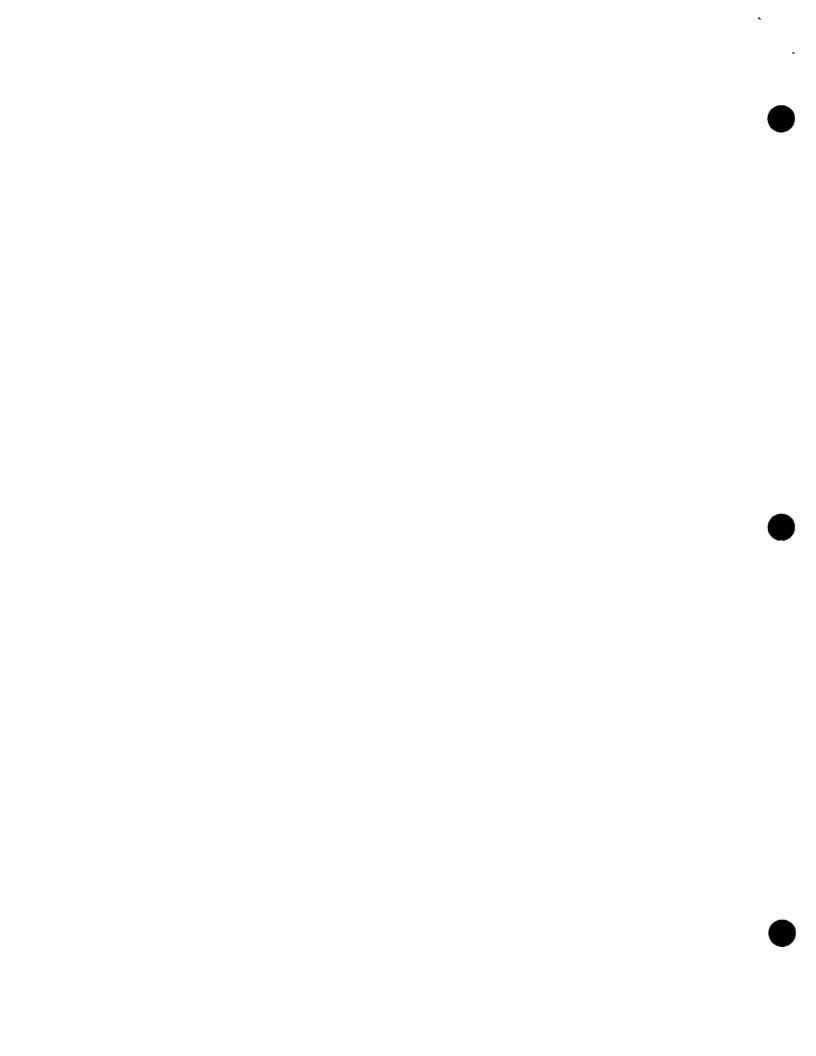
G.S. 143-763. The Department of Revenue shall consult with the Industrial Commission, the

Office of State Budget and Management, the Division of Employment Security of the

Classification Division of the Department of Revenue the sum of seventeen thousand five

hundred dollars (\$17,500) for the 2015-2016 fiscal year for nonrecurring costs associated with

Department of Commerce, and the Department of Labor in hiring staff for this function.



Attachment IX

NORTH CAROLINA GENERAL ASSEMBLY **HOUSE OF REPRESENTATIVES**

COMMERCE AND JOB DEVELOPMENT COMMITTEE REPORT

Representative Debra Conrad, Co-Chair Representative Michele D. Presnell, Co-Chair Representative Stephen M. Ross, Co-Chair

FAVORABLE COM SUB, UNFAVORABLE ORIGINAL BILL AND RE-REFERRED

HB **482**

Employee Fair Classification Act.

Draft Number:

H482-PCS10400-RO-19

Serial Referral: JUDICIARY II

Recommended Referral: None Long Title Amended:

No

Floor Manager:

Pendleton

TOTAL REPORTED: 1



